



Legislative Assembly
of Ontario

First Session, 38th Parliament

Assemblée législative
de l'Ontario

Première session, 38^e législature

**Official Report
of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Thursday 27 November 2003

Jeudi 27 novembre 2003

Speaker
Honourable Alvin Curling

Président
L'honorable Alvin Curling

Clerk
Claude L. DesRosiers

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Claude L. DesRosiers

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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday 27 November 2003

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

Jeudi 27 novembre 2003

The House met at 1330.

Prayers.

MEMBERS' STATEMENTS

PROVINCIAL DEFICIT

Mrs Julia Munro (York North): Yesterday our leader, Ernie Eves, released his plan showing how Ontario could actually achieve a \$3.9-billion surplus when the fiscal year ends next March. Our party has revealed the truth about the Liberals' blame-game deficit. We have shown how they could combine the balanced budget plan of the Eves government with the \$3.8 billion of savings outlined in their own financial plan.

They have the option to start working on behalf of all Ontarians to achieve a healthy, prosperous economy. Instead, the Liberals have given us the largest tax hike in Ontario history. They will sacrifice jobs and growth and still not balance the budget. People are starting to ask if we can believe anything this government says.

They promised to balance the budget and broke that promise. They promised to stop construction of 6,600 homes on the moraine and broke that promise. They promised to maintain the hydro rate cap until 2006 and broke that promise.

People of good faith in Ontario who voted Liberal have to ask themselves if the Liberal Party will keep its promises to cap class sizes, hire 8,000 nurses and close the coal-fired plants by 2007. They wonder whom to trust.

There is a party in Ontario with a record of keeping its promises. That is the PC Party. People are starting to recall our record of doing what we said we would do. That is a lot more than can be said for this government.

BEEF PRODUCERS

Mr Jim Brownell (Stormont-Dundas-Charlottenburgh): On Saturday, November 22, I had the great opportunity to attend the Stormont Cattlemen's Association annual dinner held at the historic Quinn's Inn in St Andrews West.

Despite a year where BSE, mad cow disease, created catastrophe and uneasiness in the beef industry, on this night farmers gathered to discuss and celebrate what they do best: farm.

Beef is a \$1.2-billion-a-year business in Ontario. In my riding alone, there are 756 livestock farms, many of which are beef, and about 38,000 cattle. Last year, the total value of farm sales from Stormont-Dundas-Charlottenburgh, including sales of beef and cattle, reached \$252 million. It is an important part of our riding's economy and ties to the very fabric of rural Ontario.

No natural disaster—drought, crop failure or weather condition—has ever impacted the Canadian agriculture industry as this crisis has.

I was proud to be the guest speaker at the Stormont Cattlemen's Association annual dinner, and I thank President Randy Eden for the invitation. I am proud to say that the every first assertion I made here at Queen's Park was to place an "I Love Beef" bumper sticker above my desk here at Queen's Park. I congratulate all farmers for their courage in this year's crisis and I send special congratulations to Mr Ray Beauregard for being named and honoured with Stormont Cattleman Member of the Year.

LIBERAL CAMPAIGN PROMISES

Mr Frank Klees (Oak Ridges): There truly is a deficit in this province. It is not a fiscal deficit, however; it is a credibility deficit that is growing by the day. It's a credibility deficit on the part of the current Liberal government, which, since having been elected on October 2, has truly been a study in contradiction. While on the campaign trail, there were bold promises to the people of this province, bold commitments on the part of this government, that quite frankly they were going to do things differently.

After just 56 days of being in office, the people of this province are sorely disappointed. They're disappointed because of commitments that were made and are being broken at break-neck speed. They truly wanted to believe that this government would do things differently. What they have found is that once being elected, whether it was a commitment to balance the budget, whether it was a commitment to stop construction on the Oak Ridges moraine, whether it was a commitment to protect working families in this province or whether it was a commitment to cap electricity rates and ensure that people on fixed incomes could in fact pay their utility bills, all of these promises had been broken at break-neck speed. The people of this province deserve much better.

ARNIE KOKKO

Mr Ernie Parsons (Prince Edward-Hastings): The rich fabric of Ontario is made up of literally millions and millions of unsung heroes, people who do the right thing with no expectation of fame or glory for it.

In 1969, I had the privilege of meeting one of these heroes, a gentleman named Arnie Kokko, a gentleman who went through the depression with no complaints; who worked a number of jobs to provide for his family; who fought for his country; who pays his taxes and obeys the law; who raised, with his wife, Anne, three daughters; who, before the definition of the phrase "quality time" arose, made it a point of spending every Saturday fishing with his family and camping and spending time with them; who volunteered and helped neighbours without being asked.

Arnie Kokko is my father-in-law. Arnie has major health problems at the moment and is fighting it with the courage and determination with which he has done everything else. I want to say to Arnie that he is my unsung hero. Arnie is my inspiration. Arnie is as fine a role model as anyone in this province could ever look for. It is a privilege and an honour to be a son-in-law and to know him. And so to Arnie, and all of the other Arnies in Ontario, I say thank you; you've made our province what it is.

BLOOD DONATION

Mr Joseph N. Tascona (Barrie-Simcoe-Bradford): My message today is to give the gift of life for Christmas and donate blood. I'll be giving blood at the annual Christmas blood donor clinic to be held Monday, December 15, 2003, between the hours of 3 and 7 pm at the Sheba Shrine, 142 John Street in Barrie.

We received great support from the Barrie Fire and Rescue Department and from the Barrie Police Service at this Christmas blood donor clinic. These valuable community service workers see first hand the necessity of collecting blood for emergency situations and I commend them for stepping up to help.

The need is great, and I want to encourage all of my constituents in Barrie, Innisville, Bradford-West Gwillimbury and area to share the spirit of Christmas in this unique way. Roll up your sleeves and give the gift of life to others. Give the gift of life for Christmas: donate blood.

1340

VOLUNTEER SERVICE AWARDS

Mr Tim Peterson (Mississauga South): Last night the Ontario government, through the Ministry of Citizenship and Immigration, hosted the 2003 Ontario volunteer service awards at the Oasis Convention and Banquet Centre in my riding of Mississauga South.

As you know, Mississauga is a special place to live. We are blessed with eight kilometres of beautiful Lake

Ontario shoreline, a birding and wildlife sanctuary known as the Rattray marsh, and the Credit River, where we still have the annual salmon derby.

The natural beauty of Mississauga is one of the reasons Mississauga is one of the fastest-growing communities in Ontario. But our funding formulas on social services have not allowed for the fast growth, and Mississauga and Peel region are underfunded by 70% on their social services compared to the jurisdiction of Toronto.

Despite the underfunding, which I know this House will address, we are a wonderful community to live in. The shortage in social service funding has been made up with the quality of our volunteers in many of our vital services. They give freely of their time and are passionate about their organizations and their communities. Last night, the volunteers of Mississauga received the Ontario 2003 volunteer awards for five, 10, 15, 25, 30 and now 50 years of continuous service.

As their master of ceremonies of last night's awards, I passed along the congratulations and gratitude of this House to the volunteers who have contributed so much, not just to Mississauga, but to all of Ontario.

WATERLOO-WELLINGTON
TRANSPORTATION ACTION PLAN

Mr Ted Arnott (Waterloo-Wellington): The issue I'm raising today is one that I've raised in the House before, put before the voters during the election campaign and committed to support in this, the 38th Parliament. That issue is our Waterloo-Wellington transportation action plan.

Almost a year ago, I asked the 11 municipal councils in Waterloo-Wellington to provide me with their top transportation priorities for the next five years and beyond. All 11 municipalities provided ideas, and these formed the Waterloo-Wellington transportation action plan.

The plan includes the corridor study of Highways 7 and 8 between Kitchener and Stratford; a new four-laned Highway 7 between Kitchener and Guelph; assistance for the county of Wellington to rebuild Highway 24 from Guelph to Cambridge; a repaired and upgraded Highway 6 from Fergus to Mount Forest; and Waterloo region's light-rail transit initiative, among other important transportation projects.

Municipal representatives from my riding and I met with the Minister of Transportation, the member for Oak Ridges, in April, and I've spoken about our projects twice in this House. I raised our projects with the new Premier on October 3, the very day after the election. I asked him to bring our projects to the attention of the new Minister of Transportation and I have followed up with the minister since.

These projects represent the real and pressing infrastructure needs of Waterloo-Wellington and our surrounding area. They are needed for road safety, continued prosperity and economic development, and they are key to avoiding the problems of gridlock that now

plague Toronto and its suburban areas. That is why I asked the Minister of Transportation to review these projects and why I'm informing the House that I intend to continue to advocate for the Waterloo-Wellington transportation action plan.

MUNICIPAL FINANCES

Mr Lorenzo Berardinetti (Scarborough Southwest): I would like to take this opportunity to applaud the government for committing itself to a new deal for cities in the throne speech.

As a former city of Toronto councillor, I understood at first hand the frustration cities experienced with the previous Conservative government when it came to addressing the downloading of services on to municipalities. In fact, the Provincial Auditor confirmed that downloading cost municipalities like the city of Toronto \$194 million.

The new spirit of co-operation between municipalities and our government stands in stark contrast to the battles of the former government. Sadly, dialogue between the city and the province was reduced to trading insults. The result was seen in less affordable housing, slower public transit and problems in our streets. A new deal will give our communities all across Ontario the tools and resources they need to provide for better public transit, more affordable housing and safer streets. I look forward to working with the Minister of Municipal Affairs as well as residents from all walks of life in creating a new deal.

HEALTH CARE REFORM

Mr Rosario Marchese (Trinity-Spadina): Like the fortified walls of ancient Troy, a strong national consensus has protected medicare from privatization. Efforts to bring American-style, two-tier health care to Ontario have proven fruitless; that is, until now.

Dalton McGuinty, the broken-promise Premier and his Liberals have broken yet another one of their ironclad commitments. They have refused to close the medicare gates that the Conservatives opened and let the privatizers and their P3-hospital Trojan Horse inside.

Before the election, McGuinty promised to stand up for medicare. He said, "We will end the Harris-Eves agenda of creeping privatization." Friday, he broke that promise. P3 hospitals will go ahead in Brampton and Ottawa. The Toronto Star says, "P3 by Any Other Name," and they add, "The new Liberal government can split hairs if it chooses, but it has essentially signed on to the Tory plan to build two so-called 'P3' hospitals." Even Conservatives, like the member from Nepean-Carleton agree. He says, "Looks pretty identical to our P3 deal. So we're thrilled."

He's thrilled, but New Democrats are not. We say to our broken-promise Premier on this, the first anniversary of the Romanow Commission: Listen to Mr Romanow. Slam the gates shut on private health care. De-Fiberal-ate

our health care system. Build public hospitals in Brampton and Ottawa. Keep the P3 Trojan Horse out of Ontario.

PROJECT TURNAROUND

Mr Garfield Dunlop (Simcoe North): Following the largest tax increase in Ontario's history, Dalton McGuinty is poised to make another community safety blunder by shutting down Project Turnaround, a successful strict discipline program for young offenders, which is located in my riding, by the way.

The move begs several questions: Why would the government eliminate a program that has proven to help troubled youth turn their lives around, and why so when they have been doing it at a 33% lower per diem rate? Why would Dalton McGuinty support a higher rate of reoffence for young offenders? The statistics speak for themselves: Graduates of the Project Turnaround program have a 17% lower rate of reoffence than the average rate for other facilities in our province.

I'd better answer these questions because I already know we can't get a straight answer out of our Liberal friends across the way. The government despises the private sector. When it shows it can be efficient and effective, like in the case of Project Turnaround, instead of admitting that the operator is doing a great job, this government wants to waltz in and close down the shop. That's bad business. But let's not forget how Dalton McGuinty would really look good in the eyes of his union buddy leaders if he rid the corrections system of the private sector operator.

As critic for community safety and correctional services, I believe the closure of Project Turnaround would be another example of just how soft on crime the Liberals really are. I strongly suggest that Dalton McGuinty start working on balancing the province's books instead of using the closure of Project Turnaround to repay his election debts to his union leader buddies.

VISITORS

The Speaker (Hon Alvin Curling): With us today in the Speakers' gallery is the former MPP Laureano Leone. Mr Leone was a member for 1987 to 1990 for the riding of Downsview. Would all the members please welcome him here.

Hon Rick Bartolucci (Minister of Northern Development and Mines): Mr Speaker, also in the gallery today is Constable John Gahan, from the service here, who will be retiring after 27 years of very faithful service. On behalf of everyone in the House, Constable Gahan, we would like to thank you for your dedication and wish you well in the future, and in your native tongue, mille failte.

The Speaker (Hon Alvin Curling): I too, John, would like to convey my best wishes to you.

ANNUAL REPORT,
ENVIRONMENTAL COMMISSIONER
OF ONTARIO

The Speaker (Hon Alvin Curling): I beg to inform the House that today I have laid upon the table the 2002-03 Annual Report of the Environmental Commissioner of Ontario.

1350

MEMBERS' SEATING

The Speaker (Hon Alvin Curling): On November 24, 2003, the member for Niagara Centre, Mr Kormos, rose on a point of order concerning the seating arrangements in the chamber. The member objected that the seating plan places the rump—that is, the group of government members who cannot be accommodated in the seats to the Speaker's right—to the Speaker's left, between the members of the official opposition and the seven members who are not affiliated with a recognized party. According to the member, the rump should have been placed at either end of the left side of the chamber, with a view to ensuring that all opposition members were seated as a bloc as opposed to being physically separated by the rump. The opposition House leader, Mr Runciman, and the government House leader, Mr Duncan, also spoke to this matter.

On November 25, 2003, the member for Niagara Centre rose on a separate but related point of order. He objected to the characterization of himself and six other members not affiliated with a recognized party as independents, and asked that the group be referred to as members of the New Democratic Party. The government House leader and the member for Nepean-Carleton, Mr Baird, also spoke to this matter.

I have had an opportunity to reflect on what the members said and to review the parliamentary precedents and authorities in Ontario and other parliamentary jurisdictions.

In response to the first point of order, let me say that, for many decades in this chamber and in most other parliamentary jurisdictions, the whips of the recognized parties have made the initial seating assignments for members of their respective parties shortly before the commencement of the first session of a new Parliament. The Speaker has then assigned the seats for any other members. As the member for Niagara Centre rightly points out, however, the Speaker has the final say over the seating plan.

In the case at hand, it should be noted that shortly before the commencement of the first session of this Parliament, the Speaker approved the current seating plan, after following the normal consultative process. The question before me now is whether there is a valid reason why that plan should be altered.

At this point in my ruling, I want to make the following observations:

First, in light of what I have already indicated about how seating assignments in this chamber and the chambers of other parliamentary jurisdictions are traditionally made, the issue is less the placement of the rump than the placement of members who are not members of a recognized party.

Second, even if the issue was the placement of the rump, it is not at all self-evident that a rump can never physically divide opposition members. In fact, right now, there are three Canadian parliamentary jurisdictions—the Senate of Canada, the Legislative Assembly of British Columbia and the National Assembly of Quebec—where members not affiliated with a recognized party are not assigned seats that are physically adjacent to other opposition members. In each case, the rump physically separates such members from other opposition members.

Third, references to historical seating arrangements in this chamber have limited relevance to today's circumstances because they predate amendments made to the standing orders and the Legislative Assembly Act since the 1970s. Those amendments have had the effect of enhancing the role of parties of a certain size in House procedures and House administration.

In previous Parliaments, the member for Niagara Centre and his colleagues have benefited from those amendments. In the current Parliament, they do not benefit from these provisions. Unfortunately, this state of affairs was not dictated by any member of this House, but rather by the outcome of the most recent general election.

Fourth, before the current seating plan was approved by the Speaker, members not affiliated with any of the recognized parties were allowed to be seated together in one bloc of seats; they were allowed to decide among themselves where in that bloc they wanted to sit; and they requested and were allowed some seats in the front row as opposed to being placed in the back row.

Fifth, no member is disadvantaged by virtue of the seat that the member has in this chamber. In other words, every seat in this chamber is a good seat.

Finally, the current seating plan does not prevent any opposition member from collaborating and consulting with another opposition member.

In light of these observations, I am ruling that the current seating plan appears to be a fair and reasonable accommodation between the rights of the majority and the rights of the minority.

As for the second point of order, the member for Niagara Centre and his six colleagues object to being referred to as independents, the traditional parliamentary moniker for members not affiliated with a recognized party. According to the member, they should be referred to as members of the New Democratic Party. I do not take issue with the member that he and six other members of this House are members of the same political party. However, they are not members of a recognized party within the meaning of the Legislative Assembly Act and the standing orders. It takes at least eight members to be a recognized party and they are only seven. The Speaker did not create that requirement; the

Legislature and the House, as the case may be, did, and only they can change it.

Having said this, I note that Speaker Parent of the Canadian House of Commons, in his June 16, 1994 ruling, accommodated those members who were not affiliated with a recognized party by allowing the members of one particular group to be seated near each other and to be identified by the group's traditional name, by allowing the members of another political group to be seated near each other and to be identified by their group's traditional name, and by then assigning other independent members the remaining seats according to their seniority.

In keeping with the thrust of that ruling, I too am able to make some accommodation and so I'm ruling that, in this chamber, the member for Niagara Centre and the other six members not affiliated with a recognized party may collectively be referred to as the third party. Further, since party identification is permissible in certain Assembly print and electronic publications, such as Hansard and Ont.Parl, they can be referred to as the New Democratic Party in those publications, in accordance with usual practice and policy.

However, I want to be absolutely clear that this accommodation does not confer any substantive rights—administrative, financial, procedural or otherwise—beyond those rights that an independent member already has. For example, this ruling does not confer on any member of the third party any status as leader, House leader or whip. In other words, the third party is still not a recognized party within the meaning of the standing orders and the Legislative Assembly Act. As I have said, only the House and the Legislature have the authority to alter the threshold needed for recognized party status.

I thank the member for Niagara Centre, the government House leader, the opposition House leader and the member for Nepean-Carleton for their thoughtful and helpful submissions.

INTRODUCTION OF BILLS

VQA WINE STORES ACT, 2003

LOI DE 2003 SUR LES MAGASINS DE VINS DE LA VINTNERS QUALITY ALLIANCE

Mr Hudak moved first reading of the following bill:

Bill 7, An Act to authorize a group of manufacturers of Ontario wines to sell Vintners Quality Alliance wines / Projet de loi 7, Loi autorisant un groupe de fabricants de vins de l'Ontario à vendre des vins de la Vintners Quality Alliance.

1400

The Speaker (Hon Alvin Curling): Is it the pleasure of the House that the motion carry? Carried.

Mr Tim Hudak (Erie-Lincoln): I thank all members of the assembly for their unanimous support upon first reading of the bill. This bill would authorize the Lieu-

tenant Governor in Council to set rules regarding VQA stores, to help promote Ontario wines and hopefully in tourism areas to extend their exposure to Ontario consumers as well as tourists.

This had been part of the Rural Red Tape Reduction Act, as schedule B. Unfortunately, we did not have enough time in debate to pass that before the election, but I offer it up in good faith. If it becomes a government bill or, through unanimous consent, through three readings, or any consent through three readings in the Legislature, I think it's a great thing for the industry.

COMMITMENT TO THE FUTURE OF MEDICARE ACT, 2003 LOI DE 2003 SUR L'ENGAGEMENT D'ASSURER L'AVENIR DE L'ASSURANCE-SANTÉ

Mr Smitherman moved first reading of the following bill:

Bill 8, An Act to establish the Ontario Health Quality Council, to enact new legislation concerning health service accessibility and repeal the Health Care Accessibility Act, to provide for accountability in the health service sector, and to amend the Health Insurance Act / Projet de loi 8, Loi créant le Conseil ontarien de la qualité des services de santé, édictant une nouvelle loi relative à l'accessibilité aux services de santé et abrogeant la Loi sur l'accessibilité aux services de santé, prévoyant l'imputabilité du secteur des services de santé et modifiant la Loi sur l'assurance-santé.

The Speaker (Hon Alvin Curling): Is it the pleasure of the House that the motion carry? Carried.

Hon George Smitherman (Minister of Health and Long-Term Care): On that, Mr Speaker, I'll be making a ministerial statement.

ENVIRONMENTAL PROTECTION AMENDMENT ACT (INDUSTRIAL FACILITIES), 2003 LOI DE 2003 MODIFIANT LA LOI SUR LA PROTECTION DE L'ENVIRONNEMENT (INSTALLATIONS INDUSTRIELLES)

Mr Levac moved first reading of the following bill:

Bill 9, An Act to amend the Environmental Protection Act to regulate industrial facilities that use, store or treat hazardous materials / Projet de loi 9, Loi modifiant la Loi sur la protection de l'environnement pour régler les installations industrielles où sont utilisés, entreposés ou traités des matériaux dangereux.

The Speaker (Hon Alvin Curling): Is it the pleasure of the House that the motion carry? Carried.

Mr Dave Levac (Brant): This bill amends the Environmental Protection Act by requiring that industrial facilities which regularly use, store and treat significant amounts of hazardous material prepare and submit an

environmental report on their property every five years. The reports will be available to the public. A facility that is ceasing operations is required to submit a final environmental report. Owners of industrial facilities are responsible for any environmental damage that occurs on their land while under their care. This will rid us, once and for all, of brownfields.

VISITOR

Hon George Smitherman (Minister of Health and Long-Term Care): Before I start my remarks, it gives me an extraordinary honour to bring to your attention the presence in the members' gallery of Shirley Douglas, who holds the distinction of not only being the daughter of Tommy Douglas but a constituent of the great riding of Toronto Centre-Rosedale.

STATEMENTS BY THE MINISTRY AND RESPONSES

HEALTH CARE REFORM

Hon George Smitherman (Minister of Health and Long-Term Care): It is an honour to rise in this House today to speak about the Commitment to the Future of Medicare Act.

Our government made a clear commitment to make universal, public medicare the law in Ontario. We're introducing this legislation to keep this commitment. If passed, it will make two-tier, pay-your-way-to-the-front-of-the-line health care illegal in Ontario. This legislation enshrines into law what Ontarians believe deeply in their hearts: every member of our society has an equal right to quality health care based on need, not income.

In preparing his historic report, Roy Romanow challenged those who advocated user fees for medically necessary services, medical savings accounts and a parallel private system to prove that their ideas would improve access or deliver better care. They could not provide that evidence because that evidence does not exist. But their failure to make their case does not mean that they will give up on having their way.

This legislation is needed to make it clear to them that their way is not the Canadian way, it's not Ontario's way and it's not the way of the future. Our answer to those who advocate pay-your-way-to-the-front-of-the-line health care is: no way.

Earlier today, I attended an Atkinson Foundation luncheon, honouring Mr Romanow on the first anniversary of his report. His thorough review came to an irrefutable conclusion: The pursuit of corporate profits weakens, not strengthens, health care by taking dollars and resources out of medicare.

I told Mr Romanow today, and I tell Ontarians now, that his report was a giant step forward. It's a giant step forward because it builds on our values, yes, but also

because it's based on evidence, not ideology. It's based on facts, not myths. But even a giant step forward will not move Ontario forward unless we in this Legislature take the next steps. This legislation represents several significant steps forward.

The Canada Health Act does not include the principle of accountability. Our legislation would entrench it. There is no sure way now to know whether health care dollars are consistently being spent wisely, whether specific performance targets are being met, whether we are doing a better job of taking care of patients.

Our legislation would create an innovative way of doing just that: a new Ontario Health Quality Council. The new provincial council would keep track of factors such as waiting times, and issue an annual report on how the system is doing and, frankly, how the government is doing.

Our new government has been working hard to champion a National Health Council, something Mr Romanow recommended and the previous government did not support. I am pleased to report that this idea has gained momentum once again. I think we all owe a debt of gratitude to the Premier, who has led these efforts on our behalf. Our Ontario Health Quality Council can make a tremendous contribution to the national body and, more importantly, it can make a tremendous contribution to the people we are all privileged to serve.

It's not enough to tell Ontarians we have the best health care system in the world; we need to ensure we have the best health care system in the world. Like Mr Romanow, Ontario's patients want to see evidence, they want to see progress and they want to see real, positive change in health care, not more creeping privatization of health delivery.

That is why our new government has acted to ensure that new hospitals in Brampton and Ottawa are publicly owned, are publicly controlled and are publicly accountable.

1410

That is why we will soon move to ensure that private MRI and CT scan clinics brought forward by that government are returned where they belong: to the public domain. That is why we will continue to take real, positive steps in the weeks, months and years ahead, so Mr Romanow's giant step forward turns into a march toward the health care we need.

We will, as Mr Romanow's report puts it, build on our values. We will build a health care system that is public, universal and accountable; health care that's second to none; health care that serves generations to come; health care that's the envy of the world.

Mrs Elizabeth Witmer (Kitchener-Waterloo): I'd like to respond to the statement that has just been made by the Minister of Health. I don't think anybody disputes the need to be accountable. In fact, the last eight years we've been doing everything we possibly could to ensure the accountability of the system, and I plan to demonstrate that.

We certainly don't object to the Ontario Health Quality Council. I think people in this province deserve the best possible health care with the shortest wait times possible. However, I will tell you, this doublespeak, this imaginary bogeyman of two-tier medicine that you have created, you know is not real.

Perhaps you've forgotten that it was your government under David Peterson and Health Minister Elinor Caplan that introduced the Independent Health Facilities Act on November 23, 1989. It was proclaimed April 23, 1990. Today, you are responsible for these independent health facilities' privatization. There are over 900 of them in the province today. Does that mean you're going to get rid of the mammograms, the X-rays, all of the surgical services, the treatment services, the diagnostic services, that are available to people today? Because that is two-tier, and you introduced it. You need to acknowledge that you introduced it.

You know as well that the deal that supposedly you made with the two hospitals in Brampton and Ottawa continue to be two-tier. They are still P3s. They are public-private partnerships. There was no change. In fact, it says here in Corcoran's article, "Health Minister Smitherman confirmed in an interview yesterday that the P3 deals for Brampton and Ottawa are essentially going ahead as the Tories planned." So I would advise you to put away the bogeyman.

But let me tell you about what our government did, because we made great strides. We provided accountability to the public. We recognized that we needed to provide the services that were needed and to spend the money well. As you know, we improved access to service. We provided more access to family physicians by setting up the family health networks. We were the very first province in Canada to do so. We hired 12,000 more nurses. We created the position of nurse practitioner. We were increasing access for international medical graduates to 650. We made a commitment and are building Ontario's first medical school in 30 years in Thunder Bay and Sudbury. We did make a tremendous amount of progress, and we were prepared to do much more.

As far as waiting lists are concerned, I would just remind you that we did slash the wait times for MRIs and CAT scans in Ontario. We tripled the number of these machines from 57 to 151 in eight years. I also want you to know that we had built a province-wide computerized cardiac care network that had reduced the wait for cardiac surgery by 50% since 1996. In fact, I got a call from a—

Interjections.

The Speaker (Hon Alvin Curling): When the minister was making his statement, there was a hush and everyone could hear. Now the responses must have the same respect. I'd like to have the member deliver her response in the same manner. Thank you.

Mrs Witmer: Thank you very much, Mr Speaker.

I was talking about the great strides that had been made in recent years, since 1996, with regard to reducing

wait times for cardiac surgery. We had actually reduced them by 50% because of a new province-wide computerized cardiac care network. If you don't believe that, I had a patient call me yesterday, thanking me because they did get to the front of the line because of the seriousness of their condition.

We had already moved to put in place making sure there were acceptable treatment times for general surgery, cataract surgery, cancer treatment, hip and knee replacement and MRIs. So great strides had been made. I appreciate the announcement today by the minister and I'm glad you're building on our improvements and our increased funding.

Mr Gilles Bisson (Timmins-James Bay): On a point of order, Mr Speaker: I ask for unanimous consent for five minutes for the third party to have its statement.

The Speaker: Unanimous consent? Agreed.

Ms Shelley Martel (Nickel Belt): It's a pleasure for me to respond on behalf of the New Democratic Party. Let me begin by saying that we are here on the first anniversary of the release of the Romanow Report. It's important to remember that the report was put together after extensive consultation and dialogue with Canadians about the shape of the health care system they wanted to see and what that system should provide to them. But let me make it clear as well that one of the key points Romanow made was that despite all of the invitations to come forward, the private sector could not prove that private sector delivery of health care was more efficient, more effective, had better patient outcomes or was cheaper than the public system. In fact, he made it clear that there was no proof that private health care delivery was cheaper than delivery in the public system.

So how come the Liberals haven't learned from that lesson? Because here we stand today, and this Liberal government has not cancelled the for-profit, private MRI-CAT scan clinics in Ontario, this despite a very clear election promise to do so. This government can provide no evidence that there will not be queue-jumping in these private clinics, and the government can provide no evidence that paying your way to the front of the line can be stopped in these private clinics. If the government truly believed in publicly funded, publicly administered health care, the government would have been in here today, on the anniversary of the Romanow Report, cancelling the for-profit clinics and making it clear that new MRIs and CAT scans are going into publicly funded, publicly administered hospitals. Where is your action on this important promise?

The second point that I want to make has to do with the P3 hospitals, because if the government was listening to Romanow, the government would end the private financing of the P3 hospitals. With respect to these hospitals, there is absolutely no difference between the Conservative lease and the Liberal mortgage with respect to the hospitals in Brampton and Ottawa. The government has not cancelled the private financing of these hospitals. The private sector is going to continue to do the construction. What does that mean for patients and

for taxpayers? It means that it will be much more costly to build hospitals that should be built with public money. Why? Because it will cost the private consortium more money to borrow money, much less than what it would cost the government to borrow that same money.

And the private sector is going to want a profit for its work, a tidy profit of 15% to 20% that's going to be added to the mortgage payment. That is money that should be used for patient care, not for profit for the private consortium. There is absolutely no difference between the deal that was arrived at by the Conservatives and the deal that was announced by the Liberals last week. Get the private sector out of the financing of these hospitals. Do what has traditionally been done in this province: Publicly fund the construction of publicly owned, publicly administered hospitals and make sure that we do have money for patient care and make sure that money that should be going to patient care is not being diverted into the profits of the private consortiums.

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If the government was listening to Romanow, the government would have been here today ending the competitive bidding in the home care sector, because again, we know that when the private sector is involved in home care, money that should be going to home care services ends up in the pockets of the for-profit home care providers. Today, on the anniversary of the Romanow Report, the government has nothing to say about competitive bidding in home care and public money that should be going to patient care instead going into profits for these companies.

You know what? I think the first order of business for the new health council should be for that health council to review the P3 hospital deals in Ottawa and Brampton to expose just how similar the Conservative deal is to the Liberal deal that was announced last week. I think that should be the first order of business for the health council.

What the government should be doing today, if they truly want to improve health care for Ontarians, if they truly want to ensure that people in Ontario can get the health care they deserve, is to immediately be dealing with the promises they made: the hiring of 8,000 new nurses, the establishment of 150 new family health teams, the new ways they were going to bring in to attract, recruit and retain specialists and doctors, the ending of the fee increases for seniors who live in long-term-care facilities, the increased investment in home care. Where are you on these promises, which would truly improve health care for all Ontarians?

ORAL QUESTIONS

PROVINCIAL DEFICIT

Mr Frank Klees (Oak Ridges): My question is to the Minister of Finance. Minister, let me say first of all how

encouraged we are that it seems that finally you and your government are prepared to get down to business. In his homecoming speech last night, we read that your Premier has given direction, finally, to get down to the job of wrestling with the fiscal challenges you face.

By the way, I believe the message from the people of this province to you is that they want you to keep your promise to balance the budget. We believe as well that that is very possible. Sir, you have some five months left until the end of the fiscal year. Between now and then, a great deal of work must be done by you and by your colleagues. I'm asking you now, are you prepared to get to the task, to balance this budget, and are you prepared—as your Premier said, nothing is off the table, including the sale of assets—to get that job done?

Hon Greg Sorbara (Minister of Finance): As I listen to my own MPP—because I live in Richmond Hill, and the member for Oak Ridges represents me—I find it incredible that the member for Oak Ridges, who I am told may seek the leadership, will not yet do what the people of Ontario want him and their party to do: to simply admit that over the course of the past year and throughout an election campaign, they told a story that had absolutely no basis in reality. Indeed, even yesterday the Tories put out a series of proposals that is so fictitious, that is so wrought with metaphor and hyperbole as to suggest that they have not yet come to realize that the deficit that they created, not just over the course of the past eight years but last year, creates a tremendous—

The Speaker (Hon Alvin Curling): Supplementary.

Mr Klees: The only thing that is fictitious is the bogus deficit that this government is discussing.

Let us offer you some help, Mr Minister. At the time our government realized that significant expenses had hit this province through SARS, through a number of other issues, not the least of which was an electricity blackout across the eastern seaboard of North America, that we would have a challenge. There was a direction that the Premier of the day gave to each minister, and that was to get to work to ensure that whatever projected deficit—which I remind you is five months down the road—would in fact be made up.

Why can you not give your ministers the same instruction: Get on with the job and bring in a balanced budget by the time the year-end is here?

Hon Mr Sorbara: I want to tell my friend from Oak Ridges that no one is working harder to get this terrible financial crisis under control than this government under the leadership of this Premier—no one. So I do not need his invitation to get down to work.

In the last budget, they overestimated revenues from crown corporations by some \$600 million. They pretended, in that budget, that they were going to have asset sales of \$2 billion. They had expenditures during the year after the budget of \$800 million more than they had budgeted for. We are going to fix this problem. We're working very hard on that agenda.

Mr Klees: We really do hope that you will address the fiscal challenges of this province. That was our task. We were prepared to do it, and we would have done it. The problem is that you have no sense of urgency. Even your Premier last night in his speech said, "We're going to take a couple of months to make that case so people understand that there's a need to do something."

You don't have a couple of months to think about this. Your responsibility is today. Give instructions to each of your ministers to get on with the job. Bring in a balanced budget by the time the year-end is here. You've got five months to do it. Don't sit around thinking about it. You don't have the time.

You promised the people of this province a balanced budget. Give it to them. That's your job.

Hon Mr Sorbara: I'm intrigued by the member's call to work. Four days ago, I introduced a bill in this House that began to fix the problem. In fact, the reckless tax cuts to large corporations that that party put into place were bankrupting Ontario. How did he vote on it? He voted against the bill.

Interjections.

The Speaker: We're just on the first question, and I hear more heckling from all sides. We have to do better than that.

Hon Mr Sorbara: As I was saying, the first order of business was to get rid of the reckless tax cuts that that party put into place during their last couple of years in office.

The Speaker: New question?

Hon Mr Sorbara: How did the member vote on that? He voted against the bill. Their position is, notwithstanding that we're six—

The Speaker: Whenever I say "New question" and I cut you off, it's time for you to sit down.

New question?

YOUNG OFFENDERS

Mr Robert W. Runciman (Leeds-Grenville): My question is to the Minister of Children's Services. I want to compliment her on her appointment.

Earlier this week, Minister, you had a question from one of your backbenchers. You responded with some comments related to the transfer of youth justice services to your new ministry. One of the quotes from Hansard was, "We will focus on helping kids get their lives back on track and become contributing members of society."

Could the minister explain what the rationale is for this transfer, and why her government feels it's appropriate to have a children's ministry responsible for 16- and 17-year-olds, some of whom are convicted murderers and rapists?

1430

Hon Marie Bountrogianni (Minister of Children's Services, Minister of Citizenship and Immigration): I thank the honourable member for his question. We believe that kids between the ages of 12 and 17 are

children, regardless of the difficulties that they've put themselves in. We believe they deserve a second chance.

Right now there are silos across the ministries when dealing with children. That is why the Premier thought, and I agreed, that one children's ministry with all of the children's services underneath would break down those silos and help those young people in trouble get their life together in a more coordinated fashion.

This hasn't taken place yet. If you have anything more specific, with specific cases, I would refer you to my colleague the Minister of Community Safety and Correctional Services. However, that is the thinking behind the new coordinated ministry.

Mr Runciman: I think it's appropriate that this minister receive the questions and respond, because in her earlier response she indicated that this transfer would occur before the end of the year. So I think plans are well underway.

This morning, citizens across Ontario were horrified to learn that two 15-year-old teenagers and a 16-year-old are being charged with murder in connection with the beating death of a 12-year-old grade 7 student. According to press reports, the boy was beaten to death with a baseball bat and his throat was slashed. Our sympathies—and I'm sure I speak on behalf of all members of the Legislature—go out to the young boy's family and friends.

If these teenagers are found guilty of the brutal murder of this helpless 12-year-old, can the minister tell us in a broad-brush way what type of programs she anticipates providing these people under her enlightened and caring Liberal approach to young offenders?

Hon Mrs Bountrogianni: I thank the member for the question. I can't talk about the specific case because it is under police investigation. I can tell you that the Liberal government is just as shocked and disgusted at this murder as anyone else in Ontario and will take this very seriously. I can tell you that there are community programs out there, but because of the silos it is very difficult to access some of those programs. I can tell you that because of the changes in the federal jurisdiction, the young offender numbers are coming down, but as the honourable member knows, that doesn't mean these kids aren't still in trouble. So there will be more access to other community programs, and we will consult to see what improved programs can also be developed to deal with these children.

Mr Runciman: This is a familiar theme. Certainly we've heard it for years from the federal Liberal government. According to Liberals, young offenders who commit serious crimes are victims of their environment and we need to treat them with kindness, provide swimming pools, pool tables, video games, rock-climbing courses, and all will be well in this rose-coloured Liberal world. That isn't the real world, and we all know it. Some of these people are violent, hardened criminals who put hard-working, honest Ontarians at risk.

I ask the minister not to go down this road. Can she make this commitment to all families—

Interjections.

The Speaker (Hon Alvin Curling): Would you allow the member to ask his question, please.

Mr Runciman: Can she make this commitment to all families who have lost loved ones or had their lives destroyed by the actions of violent young offenders?

Hon Mrs Bountrogianni: I'd like to once again thank the member opposite. Again, I'm a parent; I know you're a parent. Those of us who are parents were shocked and disgusted at what happened to this 12-year-old. I happen to have a 12-year-old, and as all parents know, that's the first thing that comes into your mind. We will take this very seriously.

The new children's ministry will also include kids right from birth to 18. Many of these problems, as the honourable member knows, as my honourable colleagues across the floor all know, happen very early in life. Prevention is the solution. We will deal with young offenders, absolutely. These murders should not take place and we will do everything we can to prevent them, but the best possible policy is long-term solutions to prevent the factors that lead to kids getting into these kinds of difficulties.

BALANCED BUDGET LEGISLATION

Mr Joseph N. Tascona (Barrie-Simcoe-Bradford): My question is to the Premier. Mr Premier, earlier today your office received a letter from John Williamson, the Ontario director of the Canadian Taxpayers Federation. You Liberals might remember him. He's the fellow who has been out there recently echoing our caucus's comments that your tax increases will hurt our economy and kill thousands of jobs in Ontario.

The letter sent to you states that, "On Friday, November 21, you publicly stated the balanced budget law is having a 'perverse effect on governments.' No other details were provided and your comments have been widely interpreted to mean the government is considering amendments that will scuttle the act in its current form."

Mr Premier, what Ontarians find perverse is your government's decision to, day after day, break your promises to the hard-working taxpayers of this province. It is the Liberal actions and Liberal broken promises, just weeks after the election, that Ontarians find perverse.

The taxpayers' federation and we in the PC caucus believe that any weakening of the Taxpayer Protection and Balanced Budget Act is totally unacceptable. My question to the Premier is—

The Speaker (Hon Alvin Curling): Make your questions a little bit shorter. You may be able to get it in the supplementary.

Hon Dalton McGuinty (Premier, Minister of Intergovernmental Affairs): I want to thank the member for his question, and I look forward to chatting with Mr Williamson some more on this matter.

Let me be clear to you and the people of Ontario: The balanced budget legislation is not working. You made the case for that. Under this balanced budget legislation, you maintained that you had a balanced budget when in fact

you had a \$5.6-billion deficit. That's why we have to fix the balanced budget legislation in Ontario.

Mr Tascona: Premier, it's time to be straight with the taxpayers of this province. In your election platform, paper number three, page 5, it says, "We support and voted for Ontario's balanced budget law. ...We will not bend the law whenever convenient."

That is not all. In your election platform, paper number five, page 13, it says, "We will comply with the Taxpayer Protection Act and balanced budget legislation, not bend the law at any whim."

There you have it from your own election platform. Can you tell the House and the thousands of Ontarians watching at home: Will you keep this promise as written in your election platform, or will you do as you have done before and break yet another commitment made to the Ontario voters?

Hon Mr McGuinty: It may have escaped the member opposite's attention, but in fact, he is a member of a party which itself broke its own balanced budget legislation.

We believe that the people of Ontario are entitled to responsible, balanced budget legislation. They do not have that in place at the present time. What they have is a bill that enabled this party, the party opposite, to hide a \$5.6-billion deficit. Obviously, this legislation is not having the intended effect, and we intend to improve upon that to bring real transparency and real accountability to real balanced budget legislation in the province of Ontario.

HEALTH CARE REFORM

Ms Jennifer F. Mossop (Stoney Creek): My question is to return to an issue that is of great importance to the people of Ontario and it is for the Minister of Health and Long-Term Care.

Minister, my constituents, as do most Ontarians, believe in universal and accessible public health care. Ray Romanow, in his report on health care, found a near-universal belief in public health care across this country. Over the past eight years, my constituents have been very concerned about the evidence of a creeping privatization in our public health care in this province. What will you clearly do to protect public health care and ensure universal and equitable access for all Ontarians?

Hon George Smitherman (Minister of Health and Long-Term Care): Earlier today, I had the honour of presenting a bill, Commitment to the Future of Medicare Act, which I recommend to all members of this House. I recommend it because it entrenches our values. I believe that medicare is the very best expression of Canadian values and that we need to build on it.

We'll build on it by entrenching the principle of accountability with those other principles that have long been in the Canada Health Act.

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Lastly, this bill will ensure that this government and any future government cannot do what that government did. When that government brought in seven private MRI

and CT scan clinics, not only did they give them to the private sector to operate, they also allowed insured Ontarians, Ontarians who have OHIP coverage, to buy their way to the front of the line. We'll make that practice illegal.

Ms Mossop: But there is also the issue of accountability. Whether public or private, the health care system must be accountable to the patients, their families, to the taxpayers, the community and health care workers. It's vital that we restore an atmosphere of trust in this province, especially in the area of health care. What will you do to ensure accountability?

Hon Mr Smitherman: On the issue of accountability, I have, in the five weeks since I was named health minister, worked within the health sector to usher in a new era of accountability. We've demonstrated that in our very transparent handling of the challenges with respect to sterilization in our hospitals.

A significant component of the piece of legislation that I introduced today is to create the Ontario Health Quality Council. That council will be an important tool to ensure that Ontarians get an annual report that gives them a very clear sense of what's going on in their health care system.

I'm very pleased that this government has made a commitment, which is to extend the powers of the Provincial Auditor to give the Provincial Auditor more opportunity to take a look at how we're spending money in our health care system.

These things combined will provide Ontarians with much greater accountability with respect to this most cherished service, the provision of health care.

HOSPITALS

Mrs Elizabeth Witmer (Kitchener-Waterloo): The Minister of Health makes a lot of noise about things being different, but at the end of the day they broke their promise to cancel the P3 hospitals. We're glad, because we knew that those P3 hospitals would make hospital services accessible more quickly to the people in Ontario.

You said yesterday, in response to the member from Brampton Centre, that the hospital in Brampton would be "a public hospital, unlike your deal," referring to our deal, "that it is publicly controlled and it will be a hospital that is publicly accountable." I would suggest to you that on September 28 of this year, the Royal Ottawa Hospital put out an announcement that said that the board approved the redevelopment model. They voted on principles that would stipulate the delivery of all health care would remain in the public sector, where it belongs, now and into the future. So what's different? What's the shell game?

Hon George Smitherman (Minister of Health and Long-Term Care): I'm pleased that after this many days, the party actually gave this member an opportunity to stand and ask that question. Here's what I'll tell you. To the member opposite, our commitment during the election was that we would bring these hospitals back

into the public realm. What does that mean to the honourable member, who doesn't seem to get it so far? It means that these hospitals, unlike your deal, will be owned by the public hospital boards.

What else does it mean? It means that we forced language to be inserted into these contracts that makes absolutely certain of who's in charge: The public hospital board is in charge. Under your deals, the tail wagged the dog. We have made an assurance to the people that we will make these contracts public, because we believe in the fundamental principle of accountability and equality. These are deals that have restored public ownership, public control and public accountability, and that makes them a great measure better than the deals you offered.

Mrs Witmer: This is a lot of hot air and you know it. You know these deals are basically no different. You've inserted the word "mortgage," as opposed to "lease," but at the end of the day the private sector is still involved. In fact, I would suggest to you, and I'll read again from the Royal Ottawa Hospital: "This hospital will remain a public hospital. Recent comments made by those opposed to the redevelopment were deliberately deceiving the public by describing it as two-tiered medicine." To this day, you continue to deceive the public by referring to it as two-tiered. Let us see a copy of—

Interjections.

The Speaker (Hon Alvin Curling): Order. This might be about the third time for the week that I've warned members about using such language. Member, would you mind withdrawing?

Mrs Witmer: Yes, I'll withdraw from this quote.

Hon Mr Smitherman: I found it a rather precious word from a Minister of Health who, from 1997, for four years, ushered in \$800 million in unfunded liability in the form of operating deficits of hospitals that are now on their books in the form of working capital deficits, with no capacity to service them. And you're going to lecture me?

You say no big deal, your deal to ours? Let me tell you the big deal. This is an e-mail that I received on the afternoon after I left Brampton, from a woman who had long been involved with the Chinguacousy hospital board that had made the land available in the first place in Brampton. She said, "As a past chairman of the Chinguacousy health services board, I was very disappointed to learn the land and the funds for which we had been trustees for many years and given to the hospital" was to be transferred to private ownership.

We have made certain, in Brampton and in Ottawa, that those lands and those buildings will now and will forever be in the public domain.

HIGHWAY 11

Ms Monique Smith (Nipissing): My question today is for the Minister of Transportation. Minister, last Friday, you and federal Transport Minister David Collenette announced \$336 million in joint funding for 10 highway improvement projects across Ontario. The people of Nipissing and I were disappointed that Highway 11 was

not included in this announcement. My community has been promised that Highway 11 would be a priority for this government. I'd like assurances that the four-laning of Highway 11 between North Bay and Huntsville will be completed as promised.

If northern Ontario is to grow and prosper, if we are to attract industry and capital to the north, we need a viable transportation link. Minister, why was Highway 11 left out of your announcement last week?

Hon Harinder S. Takhar (Minister of Transportation): I thank the member from Nipissing for her important question. I can tell the honourable member that last week's federal-provincial announcement required that projects be part of the national highway system. Unfortunately, Highway 11 between North Bay and Barrie does not meet that criterion. However, that is just one program to improve highways in Ontario.

I can assure the member that the province is moving forward with the four-laning of Highway 11. In fact, of the 57 kilometres of Highway 11 that still need to be four-laned between North Bay and Huntsville, 10 kilometres between Trout Creek and South River are now under construction, to be opened in the fall of 2004.

Ms Smith: Mr Minister, I'm glad to hear that Highway 11 has not been forgotten, but I have to ask you more. I understand the financial situation that our province has found itself in, but my community has waited far too long. The northern economy depends upon safe, reliable transportation networks for its goods and its people to and from the north. The two-lane highway has been a barrier to economic development in my region, and we cannot afford any further delays.

Mr Minister, will you assure me that we are working toward the timeline that has been set out and that we will follow the timeline that has been set out for the construction of this highway?

Hon Mr Takhar: I would again like to thank the member for her question. As the honourable member points out, Ontario faces a large challenge in tackling the deficit. We did not create that problem, but our government will address it in a responsible manner.

We recognize that good highways are vital to northern communities, and we will help the north achieve its economic potential. Improving northern highways is a priority, and that's why we are committed to developing a northern Ontario highway strategy. Because I know how important this highway expansion project is to the member's community, I would be very pleased to meet with you and the Minister of Northern Development and Mines to discuss the next steps in the four-laning of Highway 11.

1450

VISITOR

The Speaker (Hon Alvin Curling): I just want the members to recognize a former member of Parliament, Mr Ed Fulton from Scarborough East. He's a former member of Parliament here.

PROJECT TURNAROUND

Mr Garfield Dunlop (Simcoe North): My question today is for the Minister of Community Safety and Correctional Services. In this new era of accountability and co-operation, why didn't you have the common decency and courtesy to the operator, the young offenders and their families know before you told the media that you have plans to close Project Turnaround?

Hon Monte Kwinter (Minister of Community Safety and Correctional Services): I thank the member for the question. You should know that this particular facility, operation turnaround, has been under review for some time. There is a contract that expires January 31, 2004, and we were looking in a responsible way to see whether or not that should be continued. After looking at the figures, after looking at the costs, which were, in many respects, absurd when you consider that today there are 15 young offenders in that facility with 40 staff, which is 2.8 staff members for every one offender, whereas in our other youth facilities the ratio is one staff to eight young offenders—it made no economic sense. The facility has problems. We have absolutely conformed to our contractual arrangements. There was no indication that this contract would be reviewed. If it was to be reviewed, it would have to go out to new public tender. The decision was made in the interests of saving \$2.5 million per year for the taxpayers.

Mr Dunlop: Thank you very much, Minister, for that response. First of all, that wasn't the question I asked. Second of all, it's not "operation turnaround," it's "Project Turnaround."

Minister, recently you've been responding to the media about your leader's desire to close Project Turnaround. To correct some of the comments before I ask my question, you need to know the following facts about Project Turnaround. The per diem costs are 33% less than those of other provincial facilities. Youths do not volunteer to come to Project Turnaround, and Project Turnaround is the only facility that has a certified vocational program and the only facility where programs are mandatory. Fourth, you and your leader have never visited Project Turnaround.

In light of these facts, of which you're already clearly not yet aware, are you prepared to stand in the House today and tell the staff and youth at Project Turnaround that you will review the private sector operator's contract and endeavour to keep this efficient and successful facility open?

Hon Mr Kwinter: You should know that the decision has been taken. The contract will not be renewed.

You should also know that some of the suppositions that you have indicated are not true. I've heard reports about the recidivism rate. You should know that (a) they have to volunteer in order to go there, and (b) there are no young offenders who have been charged currently or in the past for either arson, sex offences or homicide. Thirdly, any young offender who goes back into the regular system is not included.

So when you take this small amount—and today there are 15 young offenders in that facility that's meant to hold 32. If you use that number, then you can't possibly compare 800 young offenders with a whole range of very serious crimes and take 15 who have serious crimes but not to that extremity and say that we're comparing one to the other.

HOSPITALS

Mr Howard Hampton (Kenora-Rainy River): My question is for the Premier, and my question is this: Premier, you said during the election, "We will end the Harris-Eves agenda of creeping privatization of health care." On Friday, you broke that promise. You okayed P3 hospitals in Brampton and Ottawa. The Toronto Star captured it very accurately.

On this, the first anniversary of the ground-breaking Romanow commission, Premier, will you explain to Ontarians why you are breaking your medicare promise and promoting P3 hospitals?

Hon Dalton McGuinty (Premier, Minister of Intergovernmental Affairs): To the leader of the third party, I was very pleased earlier today to be accompanied by my Minister of Health and to meet with Roy Romanow and celebrate the anniversary of his very, very important report. I want to assure the member that our new legislation breathes life into our very important commitment made to the people of Ontario that we're going to stand up for universal public medicare on behalf of our families in Ontario.

It's very clear. What we've done to these two hospitals in particular is ensured that they now fall under public ownership. They will be publicly controlled and they will be accountable to the public. That's what's important to the people of Ontario, and that's what we've done.

Mr Hampton: Premier, you're not fooling anyone. Once again it was accurately captured: "P3 by Any Other Name." It doesn't matter if you're talking about a Conservative lease or a Liberal mortgage, the reality is this: These hospitals are privately financed, which will cost more. The private financing and the private operator will want to make profits on top of the increased borrowing costs. That means that money of the health budget that would have gone to patient care now goes to the corporate profit line, now goes to the corporate interest line. It means that many of the services in the hospitals are going to be privatized, again with additional cost.

You announced the new health council today. Would you ensure that the first task of that health council is to investigate these P3 deals and within 60 days report on how much health care funding is going toward private corporate profits, private contracts and private interest costs?

Hon Mr McGuinty: Let me just say that I am very proud of these two new hospitals that are going to meet the interests of these communities. I'm proud of the work this minister has done in changing what were going to be private hospitals into public hospitals. The member may

think this distinction is somehow academic or esoteric, but I can tell you, and to the families of Ontario, we have stood up for them and on their behalf we have delivered public hospitals, publicly controlled and accountable to the people of Ontario.

GREAT LAKES WATER QUALITY

Ms Deborah Matthews (London North Centre): My question is for the Minister of the Environment. The Great Lakes are a tremendously valuable natural resource, unique in the world as a source of fresh water. Not only are they of a magnificent beauty, but we rely on them for fishing, for tourism, for recreation and for drinking water. We have a responsibility to keep the Great Lakes clean and safe for future generations.

There are very disturbing reports that indicate mile upon mile of Lake Huron shoreline has been permanently posted as unsafe for swimming. Clearly, this is unacceptable. What is our government doing to ensure that the Great Lakes in general and Lake Huron in particular are safe?

Hon Leona Dombrowsky (Minister of the Environment): I would like to thank the member from London North Centre for her question. It's an excellent question and she's obviously very concerned about an important issue in her community.

Sadly, not only did the previous government leave us with a \$5.6-billion deficit that we have to deal with, we have many and serious environmental issues that are now facing us. This is one example of a cleanup that we must now begin to address, but this a job we will very gladly undertake because for this government the environment is a priority.

1500

I'm happy to say the Walkerton inquiry found that the previous government acted irresponsibly and made irresponsible cuts. However, our Premier has committed to implementing all the Walkerton recommendations. We believe those recommendations will be integral to protecting the environment of this province.

Ms Matthews: Thank you for your reassurance, Minister. Clean water is important to the people of London North Centre, whether it is in the lake or from our taps.

The previous government undertook reckless cuts to the Ministry of the Environment. The Walkerton inquiry found that those cuts connected directly to the disaster there. I understand that our government will, instead, take a responsible approach to the challenges ahead. My constituents want to know that the water they drink is safe. What has this government done to begin bringing about real change and implementing the recommendations of the Walkerton inquiry?

Hon Mrs Dombrowsky: I'm very happy to say that yesterday, as a matter of fact, the government brought all compliance and enforcement requirements of the Nutrient Management Act under the direction of the Ministry of the Environment. The addition of compliance to the Ministry of the Environment's enforcement requirements

fulfills a recommendation of the O'Connor report. This government is committed to implementing the recommendations of that report. This government will provide strong, clear and comprehensive rules, and my ministry will work co-operatively with my colleague the Minister of Agriculture and Food. We will consult with farmers and other stakeholder groups to ensure that all the rules that are put in place by this government are implemented properly.

NORTHERN ONTARIO ENERGY RATES

Mr Norm Miller (Parry Sound-Muskoka): My question is for the Minister of Northern Development and Mines in his role as guardian of northern interests. Congratulations on your new job. I would like to know what protection there is for northern Ontario households in your recently introduced energy bill. As you know, energy needs are far greater, and alternative fuels like natural gas or propane are not always available in the north.

I'd like to quote an e-mail I just received: "What are people in the north facing -25°C ... many days supposed to do? Turn off their electric heat mid-month ... and live with the Salvation Army till month's end ... especially if they are on pensions, or single parents?" How does your plan protect northern families who will use far more than the 750 kilowatt hours per month?

Hon Rick Bartolucci (Minister of Northern Development and Mines): Thank you very much for the question. I appreciate it. But I find it strange that it would be coming from a member of the opposition who campaigned extensively during the last election that the books were balanced, the books were balanced, the books were balanced. They went to every city and town across northern Ontario, saying the books were balanced. Well, the reality is that we are left with a \$5.6-billion deficit. The responsible thing is to do exactly what the Minister of Energy has done. It is the appropriate thing to do.

I must tell you that the people in northern Ontario have had to learn to be very resourceful over the course of the last 12 years, with your government and the former NDP government, and I must tell you that we will ensure that we use the conservation techniques that are in place to minimize the effect that you caused because of your mismanagement of Ontario's finances.

Mr Miller: Minister, perhaps you didn't understand. My question was not about the bogus deficit; my question was about what you're going to do to protect the interests of northerners who are going to be facing higher electricity bills.

Also, I'd like to know what protection your energy plan has for northern businesses. Yesterday I spoke to the management of a northern mine. They are trying to decide on the feasibility of an expansion that's going to provide, if it goes ahead, is going to provide some badly needed, high-paying jobs.

We already know that the manufacturing, lumber and mining sectors are grappling with the 20% higher value

of the Canadian dollar, with the softwood lumber dispute and with other challenges, including your recent tax increase. What concessions have you made in your new energy bill to ensure that northern businesses can remain sustainable? And this time, please answer the question.

Hon Mr Bartolucci: It is a fair question and we've been very, very responsible in our approach. We will continue to be very, very responsible in our approach, because we realize that if we do not get a handle on the problem that you created, there will be no sustainability in northern Ontario, because you put us in the hole.

NORTHERN ONTARIO DEVELOPMENT

The Speaker (Hon Alvin Curling): New question? The member for Sault Ste Marie.

Mr David Oraziotti (Sault Ste Marie): Thank you, Mr Speaker, and congratulations on your acclamation to the Chair of this House. It is clearly a reflection of the confidence that members have in your abilities to be fair and impartial.

My question is to the very capable Minister of Northern Development and Mines. As you are aware, the communities of northern Ontario are struggling economically to make ends meet; the youth of the north continue to leave at an unprecedented rate; and vital public services such as health care and education are in dire need of repair and reinvestment, largely due to the Conservative and NDP mismanagement. In the past, we have been entirely left out of the consultation processes. Northerners have real concerns and deserve to be heard and deserve to be provided with real solutions that will work for the north. Minister, can you tell me what strategies will be put in place to ensure that northern concerns will be heard?

Interjections.

The Speaker: I'd like respect be given to the member, who is asking his first question.

Interjections.

The Speaker: Order. It is always the practice here that we give the courtesy of silence for the individual to present his question.

Have you completed your question?

Mr Oraziotti: I have, Mr Speaker.

Hon Rick Bartolucci (Minister of Northern Development and Mines): I would like to thank the member from Sault Ste Marie and congratulate him on his election as the member from Sault Ste Marie.

We agree with the member's concerns and that's why our government committed to northerners to establish a direct link between their communities and their ministry and their minister, through the creation of northern development councils. These councils will directly advise the government regarding northern economic and social priorities, and help implement the strategies that we need for positive change in the north.

Mr Oraziotti: Thank you, Minister, for your answer. I want to congratulate you as the first northern development minister actually from the north in almost a decade.

As the minister is well aware, having a northerner in this position will help ensure that our concerns are understood. Minister, you mentioned northern development councils. How and when will these councils be set up and, more importantly, how will they benefit the constituents of Sault Ste Marie and other northern Ontario ridings?

Hon Mr Bartolucci: We're working to create these councils just as quickly as possible. I've asked the ministry staff to come up with various options so that we can create the right option. Once they are established, we will ensure that they reflect the uniqueness of the area that they are going to represent. Isn't that a refreshing thing to think about? Finally, for the north, we're going to have a government that sets its policies, sets its priorities and sets its decision-making based on the uniqueness on northern Ontario, for a change.

1510

RURAL ENERGY CONSERVATION

Mr Ernie Hardeman (Oxford): My question is to the Minister of Energy. Minister, on Tuesday we heard you tell the people of this province that they have to "pay the price" for hydro and make a choice between lower hydro rates or investments in health care, clean air and clean water. You suggested the main intention is to force consumers to conserve energy.

But what happens to those who have no choice in how much energy they consume, people like the farmers in my riding of Oxford, who use hydro to heat their barns and dry their corn? Premier McGuinty told these people they would not have to deal with increases in the cap on hydro because his government was committed to keeping the cap until at least 2006. Are those farm families supposed to let their animals freeze and their corn rot so they can conserve energy because they can't afford the 25% increase in the cost of energy? This question is about how you're going to deal with the impact on our farming community, not the reason why you are proposing to do this right now.

Hon Dwight Duncan (Minister of Energy, Government House Leader): What the farming community has to pay for is a terrible Tory policy that's left this province deeper in debt than anybody ever imagined. We're confident the measures we've outlined can be managed by all sectors of the economy in order to preserve our ability to provide energy into the future. Failure to do so, in our view—and I know you disagree—will leave us with inadequate supply, higher priced supply, and an inability to allow farmers to be competitive on the international market due to too high energy costs. We have to do this now in order to ensure a stronger economic future, particularly for rural Ontario, and also for the rest of the province.

Mr Hardeman: Again, I just want to point out that the question wasn't about why you are doing this; the question was about how you are going to deal with the impact to the farming community.

A couple of days ago, I asked the Minister of Agriculture whether there were any impact studies done as to what impact this would have on the farming community, recognizing that your government did make that promise to the rural community that this would not happen, and now we're doing it anyway. In that exchange in the Legislature two or three days ago, the Minister of Agriculture said that those impact studies were going to be done, and he made that promise to the farm community at their annual convention. The farmers were somewhat supportive of it, I was told.

Imagine my surprise when I went home last night and saw the headline in my local paper: "Farmers to Pay the Price as Liberals Move to Lift Hydro Rate Cap." The picture on the front is the president of the Oxford County Federation of Agriculture, who said that he is greatly disappointed with the breaking of the promise of the Liberal government, who said they would not raise the price of their input costs, and now they are.

I would like to know from the minister whether he is going to do what the Minister of Agriculture—

The Speaker (Hon Alvin Curling): The members seem to want to make statements when they are asking a question. Please come to the point quickly.

Hon Mr Duncan: I know that farmers have expressed their concerns. My colleague the Minister of Agriculture, along with myself, met with the Ontario Federation of Agriculture on ways to encourage conservation and other means to cut farmers' energy costs. Carol Mitchell, parliamentary assistant to the Minister of Agriculture, will be setting up a consultation with farmers on conservation methods.

Nobody wants to do this, but we have to. Our failure to address this problem today will lead us to even deeper problems down the road. Our failure to comprehend the perverse impact that your policy has had on energy markets, in our view and in my view, can't be sustained. Our failure to address this, in our view, will harm the farming community probably more than any other down the road, because it can't be sustained. Our farmers are paying for your policy right now through their taxes. First, those energy costs go right through to the bottom line. Second, because of your deficit, that's going right through to the debt, which means they're paying taxes on it.

Your policy was wrong; ours is right. The farmers of this province know that and will work with us.

GREATER TORONTO TRANSPORTATION AUTHORITY

Mr Dominic Agostino (Hamilton East): My question is to the Minister of Public Infrastructure Renewal. Our Premier, during the election and in the throne speech, committed to a Greater Toronto Transportation Authority and that there would be a consultation process before we implement the new authority.

As you know, during the past eight years my community of Hamilton has been ignored by the Conservative

government of the day, whether it was transportation, whether it was downloading, whether it was gridlock, whether it was air quality. The time has come now for Hamilton to be there and be at the table.

What I'm asking for is the possibility that Hamilton be part of the Greater Toronto Transportation Authority. Gridlock doesn't stop in Burlington where the border of the GTA stops. Air quality and GO Transit are very important issues that impact on the quality of life of my constituents and of the city of Hamilton.

Will Hamilton be consulted and be considered as part of the process for the new GTTA that is being considered?

Hon David Caplan (Minister of Public Infrastructure Renewal): I want to thank the member for the question.

Our first step toward easing gridlock will be the creation of the Greater Toronto Transportation Authority. The GTTA will take a leadership role for much-improved planning and coordination of transportation initiatives in the greater Toronto area in the coming months and years ahead.

In addition, the transportation authority will be asked to implement a user-friendly one-pass fare system, which will greatly improve the delivery of service for transit users throughout the GTA, which will include improving service delivery for Hamilton-area transit users as well.

The GTA is one of Canada's fastest-growing regions, and as we move forward with the creation of the Greater Toronto Transportation Authority, it will include an evaluation of the boundaries which have come to define the greater Toronto area.

Mr Agostino: Thank you, Minister. I'm certainly optimistic and encouraged by your response.

Involving Hamilton in the Greater Toronto Transportation Authority has the support of Mayor-elect DiIanni, Mayor MacIsaac of Burlington, the Ontario Chamber of Commerce and the Hamilton Chamber of Commerce. It is extremely important. Every day, 56,000 people from Hamilton go to work outside our own community. This is extremely critical to the future of the Hamilton area.

I'm pleased that the minister today has included Hamilton as part of that consultation process. I'm very hopeful that Hamilton will be part of the Greater Toronto Transportation Authority, because this government knows that the boundaries do not stop at Burlington, unlike the previous government, which totally ignored us for the last eight years.

Can you give us a timeline of what this consultation will look like and when this GTTA could be in place?

Hon Mr Caplan: Our initial first steps for the Greater Toronto Transportation Authority will be to engage the major stakeholders, including GTA transit authorities and local municipal partners. Our consultation will offer our stakeholders an opportunity to voice their input on the composition, the role and the goals of the Greater Toronto Transportation Authority, as well as the boundaries that have come to currently define the GTA, for the purposes of coordinating and planning transportation and transit services. This consultation will

begin in the very near future. I look forward to the participation of local municipalities, including the city of Hamilton.

I look very much forward to the input that we will receive into the development of the transportation authority. Since this initiative was announced in the throne speech last Thursday, we have received wide support from a number of stakeholder groups.

SPENDING REDUCTIONS

Mr Tim Hudak (Erie-Lincoln): I have a question for the Minister of Finance. First, I'd like to congratulate the Minister of Finance, who as of this afternoon will be the second inductee into the Dalton McGuinty promise-breakers club. He has earned this privilege for successfully and quickly breaking three promises: running a deficit, raising taxes and failing to deliver promised insurance-rate cuts. We have not seen this kind of triple-gainer, back flip-flop since the glory days of Mary Lou Retton.

I asked the minister, the acrobatic minister, the question yesterday. Will you table with the Legislature any letters or e-mails that you have sent around to your colleagues in the civil service describing your spending reduction targets for this fiscal year?

Hon Greg Sorbara (Minister of Finance): The only thing that's broken is the mess that that party left us. That's the only thing that's broken. The fact that they went through 28 days of campaigning on the fictitious notion that Ontario's finances were in good shape really sets them apart from all other governing parties in the history of this province going into an election campaign.

Let me tell you about the steps we're taking. We have rolled back the corporate tax cuts. We did that with Bill 2. Yesterday I introduced a bill that will freeze insurance rates, and in 90 days we will be bringing forth regulation that will reduce insurance rates by an average of 10% on automobiles.

1520

Mr Hudak: I say to the minister, you're already in the club. You can stop with the act. You got your membership card. You're part of Dalton McGuinty's promise-breakers club. You can come forward with the facts from now on. You've made it in the club.

A very interesting contrast: In 1995, then Finance Minister Ernie Eves immediately went to work, rolled up his sleeves and found \$2 billion worth of savings in his first three weeks in office. I find it hard to believe and quite a failing that this Minister of Finance has not yet identified one dime of savings to put toward this year's books.

I'll ask the minister again, has he or has he not set specific spending reduction targets for this fiscal year and, if so, what are they?

Hon Mr Sorbara: The cuts that Ernie Eves made in 1995 set back our hospitals and our school system and they have not recovered over the course of eight years. You cut water inspectors and you cut social assistance;

we roll back corporate tax cuts. You took billions away from kids in schools; we took away the private school tax credit. We're going to stand on our record, I say to my friend from Erie-Lincoln.

JUSTICE SYSTEM

Ms Laurel C. Broten (Etobicoke-Lakeshore): This question is for the Attorney General. Minister, in my community, Etobicoke-Lakeshore, people are concerned about crime and the justice system. They want assurance that those accused of crime will move through the courts and the justice system in a timely fashion. There's a concern that the courts in our province are carrying a heavy court load in cities like Toronto and Ottawa and around the province. Would you please tell this House what concrete steps you will be taking to ensure that Ontario courts operate efficiently.

Hon Michael Bryant (Attorney General, minister responsible for native affairs, minister responsible for democratic renewal): I'm happy to talk about, in the time remaining, what we are going to do to tackle a very heavy case load, as you say, what we're going to do to make sure that our communities are safer and stronger and what we're going to do to ensure that we have a strong and potent justice system.

But I'd also like to tell you about what we've already done. I was very happy to announce this week that we have appointed 10 new justices to the Ontario Court of Justice. They will be sitting in courts across the province: in Ottawa, in Toronto, in Newmarket, in Sault Ste Marie and in Barrie. This is just part of our government's commitment to ensure that justice happens in a timely fashion and that the courts operate efficiently. This is just the beginning of the McGuinty government's commitment to an independent justice system, a strong justice system, safe communities and real rights for victims of crime.

PETITIONS

SENIORS' PROPERTY TAX RELIEF PROGRAM

Mr Toby Barrett (Haldimand-Norfolk-Brant): Since the election, many people—renters and homeowners—are concerned they're going to lose the tax relief promise to the existing legislation. This petition is signed by some of those people in our area.

"Whereas Liberal leader Dalton McGuinty has announced plans to scrap the Ontario Home Property Tax Relief for Seniors Act, eliminating this tax break for renters and owners; and

"Whereas this tax relief would help Ontario seniors remain in their own apartments and houses, and assist them to meet rising costs; and

"Whereas this tax relief program would provide \$450 million in net benefits for 945,000 senior households;

"We, the undersigned, respectfully petition the Parliament of Ontario as follows:

"That the government of Ontario support Ontario seniors and help them remain in their own homes by maintaining the PCs' Ontario home property tax relief for seniors program and rejecting any proposal to take this tax break away from our senior citizens."

I support our senior citizens and it's my honour to affix my signature to this petition.

SMALL BUSINESS TAX RELIEF

Mr Ted Chudleigh (Halton): "Whereas business tax cuts have helped fuel the strongest economy and economic and job growth ever seen in Canada; and

"Whereas corporate income taxes on small businesses that create most of our new jobs have been scheduled to be reduced to 5% in 2004 and 4% in 2005; and

"Whereas the corporate income tax rate for manufacturing and processing firms has been scheduled to be cut to 10% for 2004, 9% in 2005 and 8% in 2006; and

"Whereas the general corporate income tax rate has been scheduled to be 11% for 2004, 9.5% for 2005 and 8% for 2006; and

"Whereas the capital tax on employers is on the road to be cut by 10% in 2004, with a plan to scrap it entirely;

"We, the undersigned, petition the Parliament of Ontario as follows:

"That the government of Ontario stay the course and maintain the scheduled tax reductions for job-creating businesses."

I'm pleased to affix my name to this very eloquent petition.

Mr Toby Barrett (Haldimand-Norfolk-Brant): I have a petition with respect to the small business tax relief and I wish to present names on the petition. These were gathered at recent meetings: the Canadian Federation of Independent Business, and a local chapter of the Canadian Manufacturers' Association.

"Whereas business tax cuts have helped fuel the strongest economic and job growth ever seen in Canada; and

"Whereas corporate income taxes on the smaller businesses that create most of our new jobs have been scheduled to be reduced to 5% in 2004 and 4% in 2005; and

"Whereas the corporate income tax rate for manufacturing and processing firms have been scheduled to be cut to 10% for 2004, 9% for 2005 and 8% for 2006; and

"Whereas the general corporate income tax rate has been scheduled to be 11% for 2004, 9.5% for 2005 and 8% for 2006; and

"Whereas the capital tax on employers is on the road to be cut by 10% in 2004, with a plan to scrap it entirely;

"We, the undersigned, petition the Parliament of Ontario as follows:

“That the government of Ontario stay the course and maintain the scheduled tax reductions for job-creating businesses.”

I sign this petition.

ORDERS OF THE DAY

ONTARIO ENERGY BOARD
AMENDMENT ACT
(ELECTRICITY PRICING), 2003
LOI DE 2003 MODIFIANT LA LOI
SUR LA COMMISSION DE L'ÉNERGIE
DE L'ONTARIO (ÉTABLISSEMENT
DU COÛT DE L'ÉLECTRICITÉ)

Resuming the debate adjourned on November 26, 2003, on the motion for Second Reading of Bill 4, An Act to amend the Ontario Energy Board Act, 1998, with respect to electricity pricing / Projet de loi 4, Loi modifiant la Loi de 1998 sur la Commission de l'énergie de l'Ontario à l'égard de l'établissement du coût de l'électricité.

M. Gilles Bisson (Timmins-Baie James): Sur un point d'ordre, monsieur le Président : comme vous savez, chaque année on a l'opportunité de célébrer la fête de quelqu'un de spécial dans cette Assemblée. Comme vous savez, on a eu une élection, et justement l'Assemblée n'a pas siégé durant tout le temps de cet été. J'aimerais prendre cette occasion pour féliciter tous les députés courants et les députés passés qui n'ont pas eu la chance de fêter leur fête avec nous, et j'aimerais, de la part de notre caucus, le troisième parti, célébrer cette fête avec tout le monde qui n'a jamais eu une fête dans le passé, dans le futur. Merci beaucoup trop tard.

The Speaker (Hon Alvin Curling): That's not a point of order, but thanks for the information anyhow.

Yesterday, I think at the end of the period, Mr Hampton—is it a point of order?

Mr Bisson: On a point of order, Mr Speaker: I would ask unanimous consent to finish the time for our leader, Howard Hampton.

The Speaker: I heard your point of order.

Hon Dwight Duncan (Minister of Energy, Government House Leader): I ask that we recess for five minutes to allow Mr Hampton to finish being interviewed by the media.

The Speaker: Do I have unanimous consent? Agreed. This House is recessed for five minutes.

The House recessed from 1530 to 1536.

The Speaker: The member for Kenora-Rainy River.

Mr Howard Hampton (Kenora-Rainy River): I believe that last night I was at the point where I was pointing out that despite the government's claims about their energy bill, that this somehow represents new energy policy, in fact there is no new energy policy. What there is is a duplication of the energy policy of the

former government. The former government said some four years ago that privatizing and deregulating our hydroelectricity system would lead to new supply, cleaner air, and, they said at the time, to lower prices for electricity. The Liberals at the time—in fact, Mr McGuinty was a most fervent supporter of the Conservative policy of deregulation and privatization of hydroelectricity—said that would happen as well. And now what we have in this bill is that while the Liberal government will change the Conservative rate cap, they are going to continue that policy: privatization and deregulation of what is an essential service.

I simply want to remind the people across Ontario to reflect back now, four years later. We were told it would lead to lower costs for electricity, cleaner air and new supply. I want people to reflect back, because if they think about it today and look at their hydro bill in the year 2000 and look at their hydro bill now and compare, what they're going to find is that their hydro bill has doubled. If you look at the number at the bottom of the page in each case—and that's only the number that really counts—the hydro bill has doubled. Second, there is no new supply. Third, the air isn't cleaner; it's in fact dirtier. And fourth, we're constantly at risk of the lights going out, which was the experience in the province in August of this year. In fact, over the last couple of years there have been a number of days, a number of occasions, where we were at risk of seeing the lights go out, a blackout.

I heard the energy minister say, just as Conservative energy ministers used to say, that if you let the price of electricity go up, it will entice the private sector to build new supply. Once again, Conservative energy ministers and now this Liberal energy minister have been trotting out that tired old line for four years. Norm Sterling, Conservative Minister of Energy, trotted out that line; Jim Wilson, Conservative Minister of Energy, trotted out that tired line; Chris Stockwell, former Conservative Minister of Energy, trotted out that tired line; John Baird, Conservative Minister of Energy, trotted out that tired line. It didn't work. And now we have Mr Duncan, the Liberal Minister of Energy, trotting out that tired line, and it's not going to work for him either.

Why won't it work? For a couple of reasons. If you go talk to the private energy companies, the Brascans and whatever the rump of Enron is that still survives after their accounting scandals and swindles in California, they will tell you that the electricity price would have to be allowed to increase much more to entice them to build.

They don't just want profits; they want mega-profits. They want to be able to pick the pockets of Ontario small businesses and Ontario industries and Ontario consumers. They want mega-profits. They want the kind of manipulation that Enron was engaged in in California. So you have to let the price increase substantially in order to entice the private operators to build new generating sources in Ontario. But that, for Ontario, means that people's hydro bills will skyrocket even more. And it means that energy-intensive industries in this province,

like the steel industry, the mining industry, the smelting industry, the refining industry, the pulp and paper industry, the auto assembly factories, and yes, the high-tech industry—we would lose jobs in those sectors. I think the Minister of Energy is starting to get clued in to that.

There's another reason, though, why it would be very difficult for the Brascans, the Enrons and the TransAltas to build, and that is because after the scandals, particularly in the United States, some of which are still emerging, where some of these corporations built new generation, borrowed lots of money from the banks and then couldn't repay their loans, the financial institutions aren't willing to lend them money any more for new supply.

Here in Canada, for example, the Toronto-Dominion Bank was burned to the tune of hundreds of millions of dollars. The Canadian Imperial Bank of Commerce was burned to the tune of hundreds of millions of dollars. They were burned in this scam once already. I doubt very much that they want to be burned again. So many of the so-called private energy companies—the rump, the remnant of Enron, the Brascans, the TransAltas—can't get the loan capital to build new private facilities, can't get the loan capital for the \$100-million, \$200-million, \$300-million construction costs. In fact, many of the American electricity giants can't even get the banks and financial institutions to refinance their existing debt, never mind give them new loan capital for new construction.

This minister is going to find, just as the Conservative energy ministers did—this myth that you bribe the private sector with some money and they will come—that he doesn't have enough money to bribe them with. He doesn't have enough money and he can't pick the pockets of Ontario consumers and Ontario small businesses enough to satisfy the greed of those private electricity providers.

Finally, the minister says there are some conservation steps in this bill. There are no conservation steps. Frankly, the only conservation theory that this government is following is the same one the Conservative government followed, which is, if you drive the electricity price high enough, some people won't be able to pay it. But that's not conservation; that's deprivation.

The Speaker: I thank the member for Kenora-Rainy River for his contribution to the debate.

It's now time for questions and comments.

Mr Bob Delaney (Mississauga West): It is a pleasure to rise before this House and to represent the people of Mississauga West and to thank the people in the neighbourhoods of Meadowvale, Streetsville, Churchill Meadows, Lisgar and Erin Mills for having sent me to this place.

We are shocked that the member from Kenora-Rainy River would not support measures that would save the lives of so many thousands of vulnerable Ontarians from the noxious air pollution fumes spewed out by our coal-generation plants.

We are disappointed that the member from Kenora-Rainy River could not understand that the noxious nitrogen oxides, the heavy metals and the other pollutants that spew from the smokestacks at all coal-fired plants represent a far greater hazard than the member has let on with his economic arguments that, frankly, one would expect to come from the official opposition and not from the independent members.

Mr Bisson: Mr Speaker, on a point of order: I listened attentively this afternoon to the ruling you gave here in this House in regard to how we are to refer to each other in this House: It is by riding or, for a minister of the crown, as minister of such and such, not by party affiliation. I would like you to clarify that to the member. Seeing as he's a new member, he might need a bit of a refresher.

The Speaker: I want to thank the member for the point of order. I will tell every member to try to recognize individuals by their riding and by their status in their party. But I would also say to you, while I am on my feet, that the member for Kenora-Rainy River continued in his long speech to refer to people here by their name. I would just say in general that I would like all members to participate in that kind of direction.

I know it's your first time, member for Mississauga West. I think there are about 30 seconds or so on the clock and I would ask them to roll the clock back 30 seconds.

Mr Delaney: Thank you, Speaker. The measures announced by the Minister of Energy will provide Ontarians with stable base generating capacity, clean economical power that we can count on for generations to come, and will respect the innovation and skills of Ontario businesses that provide the components and the stations that make up our energy grid.

Mr Bisson: I listened intently last night and again this afternoon when listening to the leader of the third party, my leader, the member for Kenora-Rainy River, raise the issue in regard to where this government is going with their hydro policy. As a northerner, I really take heed of the comments he makes because I understand, I think as most other members in this assembly probably understand as well, that one of the highest costs of doing business in northern Ontario is energy costs.

If I look at the example of industry within the riding of Timmins-James Bay, as it would be in Kenora-Rainy River, Sudbury, Sault Ste Marie and other communities across the north, we have some of the largest hydro utility customers in Ontario. In fact, Falconbridge in Timmins, at the metallurgical and mine site, is the largest utility customer of the Ontario Hydro system. Others in ranking are also situated in northern Ontario. By and large, industries in the north, because of the very nature of industry—being refineries, smelters, pulp-and-paper plants—are high energy users when it comes to both electricity and natural gas.

I just know, because we've gone through this battle before, that when the former Conservative government tried to tinker around with the electricity system—I

should say, put a sledgehammer to it—by trying to move to an open market and a privatized system, energy prices went through the roof. As a result, we had to lay people off in our community, because some of those major utility customers in both the mining and forestry industries were having a hard time trying to make ends meet as it was, in an already tough economy and a tough market for their product, let alone what happened with energy. In fact, one of the reasons that Falconbridge laid people off this summer was anticipation of peak power prices.

So I say that the policy this government is following by way of energy is going to lead to job losses in northern Ontario, and that's something you will understand come the next election.

Mr Brad Duguid (Scarborough Centre): I listened with interest to the comments of the leader of the third party. I've got to tell you, when I was going door to door in the last election, our constituents still remembered some of the things that happened during his time in government a number of years ago. When we look at what the NDP did when they were in power, the member and his government added \$4.2 billion to Ontario Hydro's stranded debt. That's part of the reason why we have such problems here today. They increased hydro rates by 40%—40% in just three years. They're worried about what we're talking about here. It's not even close. They built no new supply, no new supply at all, and that's why we're in an energy crisis right now as we speak. We need new supply. They not only didn't build clean and green supply, they built no supply at all.

1550

Worse than that, they cancelled the lifeline to Manitoba, an agreement that would have given us other options instead of having to rely on importing American power. We could have had an agreement with Manitoba; it was totally irresponsible at the time to cancel. What did they use the funds for? They used the funds to buy a Costa Rican rainforest. People still remember that. I can't believe that at the door I was still hearing that in the last election. People still remember that.

The current government is acting responsibly with the direction we're taking right now. Thank God that we have change from the NDP, and thank God we have change from the Tories.

Mr Garfield Dunlop (Simcoe North): I'm pleased to rise this afternoon to take part in a couple of questions and comments surrounding this piece of legislation. I'm very happy that the member just referred to the leader of the third party as the leader of the third party. Although I'm not in agreement with the policies of the New Democratic Party, I certainly do agree that you do have a place in this House. Under the democratic renewal program of the McGuinty government, I'm sure that democracy will prevail and you will have a seat here before long.

I'm glad the member from Scarborough mentioned the lifeline to Manitoba, because we took those steps earlier this year, as you know, when Ernie Eves signed a

memorandum with Mr Gary Doer, the Premier of Manitoba, for that particular transmission line.

Interjections.

Mr Dunlop: I can hear the heckling in the background saying that didn't happen, but the fact of the matter is that there were memorandums of understanding both with the province of Quebec and the province of Manitoba. It's amazing when you stand in this House and you do try to tell the truth, you try to state the specifics, that you hear this heckling in the background saying that it's all wrong when in fact they're trying to take credit for it now because they've made no agreements whatsoever.

This is an interesting topic because, as we heard last night and we're going to hear for the next couple of hours, this is a very controversial subject in Ontario. The Liberals did not keep their promise on this topic. It's as clear as can be. They did promise the citizens of Ontario that they wouldn't raise their taxes and they wouldn't lift the cap until 2006. Unfortunately, that hasn't happened and we're here today trying to fight for the jobs of the citizens of Ontario because this may be a giant step in the removal of hundreds of thousands of jobs from Ontario. Thank you for this opportunity.

Hon James J. Bradley (Minister of Tourism and Recreation): On a point of order, Mr Speaker: I'd like unanimous consent of the House to do another two minutes so I can quote from Mr Hampton's book where he says he's not ideologically—

The Speaker: Order. Do we have unanimous consent? I didn't hear unanimous consent.

The member for Kenora-Rainy River has two minutes.

Mr Hampton: Actually, I'd be happy to take up the member from St Catharines. My opposition to private power is not based on ideology; it's based on the fact that whether you look at Great Britain, New Zealand, California, Alberta or Montana, it has been an environmental disaster, a financial disaster and, frankly, has created ongoing problems in all those jurisdictions. I'm surprised the member for St Catharines doesn't know that yet.

Now, I want to respond first to the member for Mississauga West. I recognize you're new here, but do you realize that the speech you gave was given by the former member for Mississauga West, only he was a Conservative? It seems that the Conservatives gave him the same kind of speech. You should demand a new speech. That speech didn't work for the Conservatives and, my friend, it's not going to work for you either.

Then I want to speak to the member for Scarborough Centre because I recognize he is new here too. He should go back and check the Hansards. Do you know who the most avid opponent of the Manitoba transmission line was? It was the former energy critic of the then opposition Liberals. His name was Dalton McGuinty. Let me quote: "Does the minister continue to support the Manitoba purchase?... We know now it's cheaper to produce this electricity in the province than it is to buy it from Manitoba.... we now know that if we cancel the deal today"—this is in 1992—"it's going to cost us \$82 million, but if we wait until the end of the environmental

assessment hearing, it's going to cost us over \$200 million." Why was it cancelled? People, like your leader, were almost out of control in their opposition to the Manitoba purchase. You want to know why there is no Manitoba hydro? Talk to Dalton McGuinty. He was the most vocal opponent—

The Speaker: Thank you. Further debate?

Mrs Donna H. Cansfield (Etobicoke Centre): I'm pleased to be here representing Etobicoke Centre, to speak about the electricity bill with my colleagues.

On August 14, 2003, the lights went out in Ontario— all over Ontario, except for a very few places. Yes, consumers were warned that this could happen in peak times and that blackouts actually could occur. Consumption was close to its highest peak in Ontario and in the United States, and it happened. It exposed the vulnerability of Ontario's hydroelectric system and, ultimately, it shook the confidence of its consumers.

These comments are similar to those of the David Suzuki Foundation, which echo the thoughts of thousands of people in Ontario, for Ontarians pay more than \$12 billion every year to keep their electrical system running.

However, there was still more to come. The repeated intervention of the government in the industry, the uncertainty, the instability of the system and the long-term contracts that were not there ultimately made Ontario an unattractive place in which to invest. If you go back and remember, originally the idea was to drive out the inefficiencies and drive down the cost, and ultimately it would make the market competitive. Instead, what happened? The cost of debt rose and we saw the withdrawal from the market by investors.

In addition, the previous government imported supply from the United States from coal-fired electrical generators. I know the member from Kenora-Rainy River feels like I do, that this is not amusing, because more than 2,000 Ontarians die every year—20 of whom are in my community—from smog-related respiratory disease, and yet we continue to import coal-fired electricity from the United States. There's something wrong. It's not sustainable. Something had to be done and confidence had to be restored to the system.

I'd like to take this opportunity to congratulate the Minister of Energy for following through on his commitment to deliver to this Legislature a responsible approach to electrical pricing. In making the announcement, the minister has certainly given Ontarians the straight goods, and this is definitely something that the previous government failed to do.

The truth of the matter is that the Tory's 4.3-cent rate cap was nowhere near representing the true cost of electricity in Ontario. It actually created a net cost to this government, and ultimately the taxpayers, of \$800 million, close to \$1 billion by December 31, and still counting. This situation is not sustainable and is undermining the province's long-term ability to fund critical services such as health care and education. Clearly, the responsible course of action is the one my colleague

Minister Duncan announced yesterday, a plan to bring electricity prices in Ontario closer to the true cost of electricity, a plan to encourage conservation and energy efficiency, and a plan to begin rebuilding confidence in Ontario's electrical system.

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Yesterday, we heard from a colleague that there was an issue around our seniors—our seniors are important to us; all Ontarians are important—that this individual might in fact have a cost attributed to her electricity bill, and she will. But when it comes to the winter and we can't guarantee that there will be a supply of electricity and that furnace goes out, then tell me what the cost will be to our health care system if that person becomes ill. If that person is elderly, we may not find that person until it's too late. So this is really important to us, that we look to a sustainable future.

The proposed Ontario Energy Board Amendment Act is fair to consumers, it is fiscally responsible and it does encourage conservation and energy efficiency. So the 4.3-cent price freeze is not, and was not, sustainable. It would be irresponsible for the province to continue to subsidize electricity consumption at the expense of taxpayers and future generations. It would also be irresponsible for the province to continue to discourage conservation by shielding customers from the true cost of electricity. So we must get serious about conservation. We do need to do more to encourage both businesses and individuals in Ontario to look at ways to conserve and to use electricity wisely.

The proposed Ontario Energy Board Amendment Act provides just the first step. It would encourage conservation by providing homes and small businesses with a lower price for the first 750 kilowatt hours of electricity consumed each month. It would also protect consumers by providing stable prices that enable them to pay their monthly bill. The proposed plan would not take effect until April 1, 2004, and it enables not only the consumers but us to provide those incentives for conservation. It would give consumers a chance to review what they do and use in terms of their energy, to help take those conservation measures and ultimately limit the impact of that change on their electricity bill.

The bill also includes another important conservation initiative. It permits local distribution companies to achieve their full commercial return as of March 1, 2005, but only on the condition that they reinvest one year's worth of those additional monies in conservation. Today I happened to be at the renewable energy task force, speaking to these local distribution companies. This is something they are really interested in doing, because previously they were actually penalized when they tried to do it. They were told that if they did do this, there would be a penalty, so why would they bother considering to go forward? This would result in the investment of approximately \$225 million toward conservation initiatives, one of the highest levels of investment in this area in the history of Ontario.

As I've noted, the proposed Ontario Energy Board Amendment Act is just the first step. We need to do more

to demonstrate the benefits of conservation, to help homes and small businesses use their electricity wisely.

Electricity is an interesting commodity. You can't store it, and most people take it for granted. But when it's not there, just as we saw in August, it results in a major disruption of our lives and of the lives of our business-people as well. So supply is important, and we will be giving this a high priority in the months ahead.

Conservation is equally important, and we will be giving this the attention it deserves to ensure that Ontario continues to have a secure, reliable and sustainable electricity system.

I was pleased to note that the Minister of Finance on Monday proposed to extend the retail sales tax program for high-efficiency Energy Star-qualified appliances: refrigerators, clothes dryers, freezers, washers and dishwashers. I also note his commitment to consult with the public on long-term measures that can be taken to promote conservation and energy.

I encourage, and I know my colleagues will encourage, people when they are purchasing new appliances to look for the Energy Star designation. Those appliances will help to lower their electricity bill. For example, a qualified clothes washer will use 35% to 50% less water and 50% less energy per load than the average clothes washer. An Energy Star dishwasher is also more than 50% more efficient than a standard ordinary dishwasher.

I realize that not everyone in Ontario is in a position to purchase new appliances, but that doesn't mean they can't take other kinds of conservation measures. There are a number that we can all take that require much less investment and in some cases only require that we change our behaviour and our attitude: buying and installing fluorescent light bulbs—small point, big savings; using a programmable thermostat for your furnace—turn it down at night and turn it up in the morning. If you leave, don't leave it there; again, turn it down when you're out. Turn up your air conditioner a couple of degrees during the summer months. Reduce the leakage in your taps, especially hot water taps. These are small points, all of which add up to saving electricity. Maintain your refrigerator and your furnace. For example, if you have a furnace that uses one of the filters and the filter is dirty, the furnace doesn't run at the same efficiency. Change your filters on a regular basis. Shut down your computer or your VCR when you're not using them. Don't forget that these are the kinds of machines that draw power on a regular basis and increase your electricity bills. By saving energy, we save money, and that money could be spent where we want it to be, in our education and health care systems and ultimately on our families and our communities.

I noticed a few press reports indicating that conserving energy means doing away with festive lights during the holiday season, and I wanted to tell you this is not the case. Tomorrow night I have the pleasure of being in Mississauga on behalf of the minister to enable people to trade in their old holiday lights for the new LED lights. This is a 97% efficient Christmas light bulb. What an

opportunity. So there are ways and means we can work together. For example, these bulbs last up to 20 years. I don't know about your family, but that makes a lot of sense to my family.

As members of this Legislature may know, in a previous life I had served as chair of the Toronto District School Board, and for 15 years I spent a lot of time in education. I wanted to speak a little bit more about how that role can work to help to change attitudes, not just around the issue of conservation but about the issue of sustainability.

Sustainability is taking your society, your economy and your environment and putting them in balance, enabling young people to know and understand how fragile the earth is, and that for their future, our future and the future of generations to come we remember—I'll paraphrase it—the aboriginal prayer, "Walk softly on Mother Earth because you walk on your future." It is so important that we teach children to care for their environment, and that environment is beyond just the environment. It's society, it's the economy, and their balance. That's the concept of sustainability.

One of the most important ways we can do that is through our teachers. We have in this city alone 400,000 young people. We have teachers who embrace the concept of sustainability and take it and integrate it into their existing curriculum, where they share with the children in their classroom the difference between biology and law and how that concept is a part of their everyday thinking. It's not an add-on. It's not just thinking about the environmental issues; it's thinking about the whole concept. When we teach our children, we know we teach the future, because ultimately it's through the children across the breakfast table or the dinner table that they engage their parents, their aunts and uncles and grandparents in those conversations that help them make a difference in their thinking. Children are the greatest teachers of all in many respects.

I believe this energy policy in the province will not only encourage conservation and make good economic sense, but it makes good environmental and sustainable sense. It will reduce our reliance on coal-fired generators and lead to a better quality of life for all of us. Interestingly enough, as I've listened to the debates over the last while and I speak about sustainability, I actually believe that everybody in this House thinks the cap should go, from a different perspective. Some think it should go in 2006. Others believe it should never have been there in the first place. We believe it's just bad public policy and needs to go for a lot of reasons, obviously one of which is sustainability.

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But I also think that the people in this House believe in the concept of sustainability and might be prepared to work together to find the ways and means to develop those long-term strategic plans that enable us to change how people think, so that in fact we can use our energy efficiently and effectively. I believe that everybody wants a place where the water is safe to drink and the air is

clean to breathe. We may have different paths by which we get there, but we all ultimately want the same goal.

For me, I see the future is bright, not dark—pun intended—and that we can get there, if we choose to get there, by working together. Those strategies that are short-term, medium- and long-term are important not only to ourselves, to our teachers, to our children, to our communities, but ultimately to the future of Ontarians for generations to come.

I wanted to be able to say a couple of words about something that I know many of you have talked about, and that's meters. I brought with me information about metering and the different kinds of meters that we have in Ontario for what we can do. Let me see if I can remember. They are interval meters and time-of-use meters—bucket meters, as they call them. These are the kinds of options that we'll be looking at in the future, and whether or not they are practical. I know there are a number of energy generators—local distribution companies—that are using them. Can they be sustainable? Are they affordable? Are they something you want to look at en masse, or are they something you wish to pilot?

We also know that these are things we can't do alone, that in fact you require partnerships. You need to reach out to your communities, whether it's the local distribution companies, the generators, the communities as a whole, or even the government of Ontario, which obviously has the lead role in all of this, in terms of taking Ontarians forward for a better energy and conservation initiative.

We'll be able to develop those strategies by bringing those stakeholders to the table. Ultimately, we may begin by bringing together within the government of Ontario those ministries—the Ministry of Training, Colleges and Universities, the Ministry of Education, the Ministry of the Environment. We all bear some responsibility in terms of developing those strategies.

Then we reach out beyond that to those people who wish to help us. I can tell you that they are there, and they are numerous: the McConnell Foundation, the Shad Foundation, Dearness, Pembina, TransAlta—a number of companies which have been working with the federal government and NRCan, and also here with the sustainable future, on how we can develop curriculum and initiatives to enable people to learn, to change their habits, short term and long term.

Of course, the obvious is that we can all start by setting that perfect example ourselves. When we go into a room and the light is on, remember when we leave it to turn the light off. Maybe if we start getting into those habits ourselves, they are the kinds of things people will pick up on. We can be the leaders or the mentors, if you like, in that particular initiative.

One of the other things that we are looking at that could be done is looking at the long-term investment and enabling investors to again have that restored confidence in Ontario. One of the ways that we can do that is by providing what we've done with this bill: a stable, pre-

dictable and ultimately good long-term supply, in terms of electricity, for the people in Ontario. That attracts investors. We can't do this on our own, in terms of the costs. We do need the investors. We do need that partnership between public and private.

Those are the types of initiatives. I welcome and applaud the minister for the work that he and his staff have done. It has been absolutely superb. I look forward to consulting with and working with people right across Ontario.

Actually, I challenge each and every one of you to go home to your constituencies and find out what energy efficiencies are currently being used—those household tips, if you like, some of which already come through our distribution companies, some of which people themselves have been entrepreneurial and come up with—that you can then cross share with us, so that we can do a better job in terms of conservation and energy supply in our province.

The Acting Speaker (Mr Mario Sergio): Questions or comments?

Mr Dunlop: I want to congratulate the new member for Etobicoke Centre for her speech in the Legislature this afternoon. I want to also congratulate her on her victory in the election. I can tell you that she's replacing one of the most colourful members of this Legislature we've ever seen in Chris Stockwell. Of course he filled the position of Speaker and a number of positions in the cabinet.

Mr Peter Kormos (Niagara Centre): He also travelled well.

Mr Dunlop: Yes, he travelled a fair amount.

I do want to congratulate her for her comments today. Although I don't agree with some of the things she said, I certainly agree with a lot of the issues she brought up around conservation. That was, of course, the goal of the bill we introduced last year on capping. We put a number of incentives in using financial assistance for people who are purchasing appliances etc.

I think we all have to look at what happened as a result of the blackout. I don't know about you folks over there or anyone else in the Legislature today, but I think everyone had strong thoughts of conservation on their minds the week following the blackout, and I have those views right to this day. I never really thought much about it until the blackout hit, and then I realized how much we take hydro and our utilities for granted.

We don't say much in these two-minute hits, but I do want to congratulate the new member again, and I look forward to further debate here.

Ms Marilyn Churley (Toronto-Danforth): I too want to congratulate the member for Etobicoke Centre. I want to congratulate and thank her for her very positive speech. I listened carefully to the speeches—

Mr Kormos: As did I.

Ms Churley: —as did my colleague the New Democratic member for Niagara Centre. I listened carefully to all the speeches made by the new Liberal members. I hear the ones that are respectful and positive and the ones

that aren't. I have to say to the member that I very much appreciated her tone. She spoke about her beliefs, her hopes and about looking at ways that we can, in fact, improve the electricity system in this province, which we all agree we have to do. Because she was so positive, I'm not going to say the things I planned to say about broken promises—I'm not saying that, am I?

But I do have to say that I find the new slogan for breaking ironclad promises—I admire your approach to that. They now call it taking responsible action. I think that's pretty neat. That's a pretty good turnaround for talking about broken promises.

Mr Kormos: Manoeuvring.

Ms Churley: Manoeuvring.

I would say to the member that dwelling on conservation and talking about conservation is key; it's really important. We've known that for a long time, and we haven't done enough in that area. I'm looking forward to seeing what the new Liberal energy minister is going to bring forward in terms of real conservation. We know that New Democrats, when we were in government, did bring in some conservation and efficiency programs, which the Tories immediately threw out. There were some very good ones cited by the Suzuki Foundation when they came during the election campaign—it didn't get much play. We need to bring many of those back.

Ms Laurel C. Broten (Etobicoke-Lakeshore): I'm very pleased to rise tonight and speak with regard to this bill, which will bring forward safe, clean, affordable and stable energy for our children and our children's children. Our government's plan is taking a responsible approach to electricity pricing that better reflects the true cost of electricity and will encourage conservation. Conservation, in turn, will help us meet a commitment which is very important to my community of Etobicoke-Lakeshore, and that is to phase out coal-fired generation by 2007. This is ultimately crucial to the community of Etobicoke-Lakeshore, which is near the Lakeview generating facility, which spews dirty air over my community.

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One of the organizations which I have been involved with over the past is a group called Good Air, Safe Power, which is precisely undertaking and has worked hard over the years to ensure that our coal-fired generating plants are closed down. Shutting down these plants will lower Ontario's emissions of the four worst air pollutants by 20%.

Our government believes that we can do something to have cleaner, better air in our province, and it is crucial. We must do that because the Ontario Medical Association has proven that each and every year in Ontario, smog causes 1,900 premature deaths in this province, 13,000 additional emergency room visits and \$1.1 billion in health care costs and lost workdays.

I can tell you, when I participated in the smog summit in Toronto last year, I was devastated to learn of the long-term health consequences that smog has on our children. New research is demonstrating that, in fact, DNA is changed for life when children breathe in dirty

air. So I commend the minister on this great work and I look forward to seeing coal-fired generating plants closed.

Mr John O'Toole (Durham): I would also like to rise and extend my congratulations to the member from Etobicoke Centre, and appreciate that she really is delving into a very important policy area that will be discussed broadly here.

I don't think there will be a huge amount of difference, except with the position of the third party. Finding the right way to achieve this while protecting consumers is really what the debate should be about. She did, at the end of her remarks, mention a few of the tools that need to be brought forward to give consumers some control of their usage at the meter level. Hopefully sometime this afternoon I will be speaking on that issue.

But I am also looking forward to our critic, the member from Burlington, shedding some light on the issue and certainly bringing the new members up to date on this policy discussion. It has been held for 20 years.

Certainly one of the comments made just preceding my comments was with respect to the issue of coal and where it fits into the generation side of providing peak power and looking at future prices on commodities. It would be interesting to note whether we purchase that from other sources in other countries that probably use a source that is the same source of fuel or energy: coal.

At the moment, supply adequacy is a very large debate within the sector, and perhaps later this afternoon I will have some time to talk about a recent conference held in Toronto by the largest producers in the province of Ontario and indeed the country looking at the forms of fuel, both currently and in the future, that will provide the generation of supplied energy that we'll all expect to have there, to provide the grid with the power and the load the consumers expect and businesses need.

The Acting Speaker: The member for Etobicoke Centre has two minutes for response.

Mrs Cansfield: I'm actually delighted to be able to learn from everyone in the House who has had the opportunity to look at the issue of conservation, and I look forward to having the opportunity to review all the members' initiatives in this area because, you're right, for some period of time people have been looking at it and it would be foolish not to engage all of those conversations to see what it is we can do.

Ultimately, the differences are there on the one end, but we all tend to agree on the issue of conservation and the need to instill in our children something to deal with their future.

For us, I think what we need to be able to do is pull from the different perspectives, the initiatives, the thoughts and concerns about renewables, the things that have been tried in other countries—some of which have been successful, some of which have failed.

But I think what is most important is to develop a long-term, comprehensive plan, not a Band-Aid approach, something that is just going to happen because it's going to make somebody happy for a short period of

time. Good conservation takes time, and I look forward—I really do—to working with everybody to make this truly an initiative that might be one of the House for all of the children and, as I say, the future of Ontarians to come.

The Acting Speaker: Further debate?

Mr Cameron Jackson (Burlington): I want to compliment the member who just spoke on her appointment as the parliamentary assistant. I have known her for quite a few years and I'm going to very much enjoy working with her in the next four years, in particular as the parliamentary assistant to the new Minister of Energy.

I have been allocated a specific time, Mr Speaker, and I will be dividing that with my colleagues from Durham and Kitchener-Waterloo.

There's no question that all Ontarians are concerned about the future of hydro and the access to long-term and future sources of electricity that are affordable and priced fairly in our province, that every Ontarian wishes to do their fair share in conserving, not just for reasons of reducing the impact on their pocketbook but also for the reasons that have been enunciated with respect to cleaner green energy and its effect on our environment and our personal health.

I think the concern that has emerged in the last week or so in this province is the fact that Ontarians have not been invited to participate in any kind of public debate about the future of this important resource, the future of consumer protection and affordable power in our province. This came as an absolute shock to everyone.

As you know, on October 29, the government, having its first official act, broke a promise and hired a highly priced private consultant by the name of Erik Peters to give them a written opinion based not on an audit that should have occurred with a significant enterprise such as the province of Ontario, with its \$70-billion-plus budget, but rather on a simple snapshot of the finances of the province during a specific three- or four-day period. Erik Peters reported with much fanfare in his report that he had come to some conclusions that, if we were to measure the projected deficit on those three or four days, six months from now, we very well could indeed be looking at a \$5.6-billion deficit.

We all now know—and it has been demonstrated by the media, economists, the business community and through the debate in this House—that that snapshot is no longer relevant, primarily because much more information has come to light which was not included in the terms of reference that were handwritten by staff in the Premier's office and handed to Mr Peters as part of his private consulting contract to manufacture this deficit and this report.

The proof of the pudding is in Erik Peters's own conclusions. He says very clearly, "Owing to the future-oriented nature of the assumptions and resulting information" about this budget and the future deficit, "neither the assumptions nor the information can be audited. This is why my review does not constitute an audit." He is very clear to explain what the value of this document is.

We don't know how much taxpayers paid for the first of many private consultants whom the Liberals will be hiring, but in the end he says, and I quote from his report, "I express no opinion as to what the actual deficit for the year ending March 31, 2004, will be." This bears repeating. This is from the paid private consultant, Erik Peters, who produced this report based on a request for a very narrowly defined set of guidelines in his private consulting contract. He says, "I express no opinion as to what the actual deficit for the year ending March 31, 2004, will be."

I hasten to add that in my long years in this building, I did participate in an all-party exercise to hire Mr Peters. I find him to be an outstanding public servant. We have had on occasion, our government and the previous government, difficulties and sometimes disagreements with the manner in which he treated certain matters in the books, but I have the utmost respect for the man. That's why I am so very clear to indicate here in the House that he was hired as a private consultant to prepare an opinion based on narrowly defined guidelines.

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The reason I want to put that on the record so carefully is because that information, that the manufactured future deficit for this fiscal year for the province of Ontario could be as high as \$5.6 billion, became the seat of truth in the mind of a new government as to the reason why they would change the way electricity was going to be priced almost immediately in Ontario.

The Premier would have us believe that he received this report from Erik Peters on October 29, and less than 24 hours later, having slept on this report for one full evening, he woke up the next day and decided, "You know what? We're going to have to get rid of the cap on hydro rates in order to balance the books." That's exactly what he said, that the \$700 million, approximately, that it was costing taxpayers or the provincial treasury to ensure consumer protection in this province was no longer sustainable because we were looking at a potential deficit of \$5.6 billion.

Did he call up the people at the Ministry of Energy and ask them, "Could we work on this for a couple of hours today and discuss how the mitigation fund that the province set up under the previous government is performing?" After all, over the course of the four years of the cap—it was put there as a means of creating stability for consumers while a whole series of new activities occurred that would ensure greater conservation, greater consumer protection, the ability to seek out and finance new forms of energy to expand our grid. All these objectives were part of the overall plan, but the cap was to provide us a brief period of time to find these solutions and to consult with the public at large as to how they can partner with us and make them effective.

Much has been stated so far about one of the most obvious, which is conservation measures. I'll come back to that in a moment. But I want to get back to the fact that we have from the government a manufactured deficit as the basis for going in and grabbing from consumers

hundreds of millions of dollars that will come in the form of increased energy rates as well as increased taxes over the course of the immediate future and of course in the next fiscal year.

To prove that this deficit is not as high as they are suggesting, for example, Erik Peters was not allowed to consider the fact that the federal government had already promised to the province of Ontario that it would receive close to \$800 million as an adjustment under the Canada health and social services transfer payments. We now know that we're getting that. We knew, frankly, two months ago, but if you're writing those narrowly defined guidelines from staff in the Premier's office to hand to private consultant Erik Peters, he's not allowed to look at those because he didn't have the cash in his hand, or he may not put it on the books this year; he may have received the cash. And when you consider the SARS money that we've received to date, the \$330 million, that puts that at \$1.1 billion. Already this deficit is dropping.

The incredulous nature of the government to on the 29th still say the cap is in place, and then on the 30th, the next morning, wake up and announce to the public, "Oh, by the way, we think there's going to be a deficit we can't handle as a government." That's the other message that's very clear, that they are not up to the job of handling this deficit, and because they can't handle the deficit, they're going to have to find all sorts of new sources of revenue. I want the House to realize what the general public has realized of the events of this week.

We have heard in this House that the removal of the cap will, in and of itself, generate close to \$800 million, the equivalent of what the Liberals would have us believe is going to continue into the future as the cost of subsidizing our 4.3-cent rate cap. Instead, the Liberals have gone out and found a way to find \$800 million more by allowing local utility companies that do the distribution to charge back all the costs that had previously been approved by the Ontario Energy Board and that we had put a hold on for a series of very good reasons.

They also announced a tobacco tax, which in four months will raise \$800 million—again this figure of \$800 million. They're going to pick that up between now and the end of the fiscal year. One could reasonably argue that in the next four months the smokers of Ontario could have found the dollars to ensure that the 4.3-cent cap could remain. Now, I'm not here to suggest for a moment that that's a good way of designing and planning for our electricity future. I am, however, suggesting that the smoke and mirrors of this manufactured deficit and this Liberal government's way of dealing with it is causing concern amongst consumers, because invariably it comes back to the fact that they are going to simply have to pay more because this government, the Liberal government, lacks the political will to go in and find those savings inside their government. They lack the ability to manage the situation that they themselves figure is out of control. It's not out of control.

Treasurer Manley was in town not too long ago to advise this province that it can anticipate an additional

\$500 million—half a billion dollars of additional revenue in this fiscal year. This was information that was not available to Erik Peters in his opinion; it was unavailable for Peters to put into his report. But we have it from the authority, the federal government, which is responsible for all this collection, that we're now going to have—and I have other examples. The SARS money: Why did the government settle on accepting just one third of what we were eligible for? There is additional unanticipated revenue from commercial income tax revenue. There's the OPS hiring freeze: \$300 million of savings.

The issue here is that the day after they received the report, the reason they're intervening in the marketplace—the way they're intervening in the cap on hydro, rather—is because of this manufactured debt.

Did the Premier consult with any of his ministers or his caucus members? They had to have been the most surprised people in the province. They were reading about it in the paper at the same time we as taxpayers and consumers were reading about it in the newspaper. I don't think that's very fair. I don't think it's fair to their caucus, nor do I think it's fair to a whole series of cabinet ministers who are charged with the responsibility of ensuring they can continue to deliver programs, which I can tell you will be put at some risk as they go into programs where energy prices will be going up a minimum of 25%.

For the Minister of Health, we're talking about hospitals. How many nurses will have to be laid off in order for hospitals to balance their books to pay for the increased cost of energy? How many daycare centres will have to close spaces or increase fees in order to pay their hydro bill so they can remain open? The list goes on and on. Schools—I say to the respected parliamentary assistant, something she's very concerned and keen about as well—how many teachers are going to have to be laid off in order to keep the lights on in those schools? My colleague talked earlier today about its particularly harsh impact in northern Ontario and in rural Ontario with their predominant dependence on energy sources.

So we have a situation where the government would have us believe that they came to this realization in that 24-hour period. Well, I personally reject that. Not for a moment do I believe that the Premier was going to make a decision of this magnitude, involving one of the largest energy corporations in the world, involving something as fundamental as hydro, having told the public that he would keep the cap in place and that he would still honour his commitment to remove coal-fired plants by the year 2007—and I respect that position. I'm not sure how achievable it is, but I acknowledge and applaud the notion that that is good public policy. It is our view as well. When we were the government, we were not quite sure we would be able to achieve those benchmarks by the year 2007.

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No, the truth of the matter probably is closer to the fact that he knew all along that he was going to make this change. What he failed to do was to be open and upfront

and honest with the people of Ontario that in fact this is what his plan was. I believe it was a deliberate, wilful and deceptive move on the part of the new Premier, having only been on the job a few weeks, that now he was going to fundamentally change the way electricity was going to be delivered.

Mr Shafiq Qaadri (Etobicoke North): On a point of order, Mr Speaker: I thank the honourable member, but “deceptive” and “deliberately misleading” and “falsehood”—I think that’s very contrary to the standing orders.

The Acting Speaker: Would the member withdraw the word “deceive.”

Mr Jackson: I used the word “deceptive.”

The Acting Speaker: “Deceptive.”

Mr Jackson: I’ll withdraw the word “deceptive,” but I think the member opposite should withdraw the words “deliberately misleading.” I didn’t use that. I’d like to use those words, but I thank the member for raising them if that’s in fact what he was thinking when I was speaking about his government’s actions. He has now helped me put that on the record, and that is actually now on the record, so thank you. I agree with you. That’s exactly how I felt as a taxpayer and as a member of this chamber.

The community at large has commented—well, there have been a lot of comments in the media. Obviously, this decision was well received by a whole host of other people in our province. There are some very interesting people who were very pleased to receive the news that we were removing the cap, that profiteering was now the order of the day, that the priority was that we needed to guarantee financial returns and that distribution companies, transmission companies, the uplifting charges, all of these increased costs, which frankly, for the record, are almost all taxable and generate significant new revenue to this provincial government—we find that that is the number one priority for the government.

What’s interesting is that there was very little comment from the minister when he tabled Bill 4 about consumer protection, partially because he has no intention of providing consumer protection in the front end of this legislation. We may have to wait upwards of two years for the Ontario Energy Board or some new entity to manage the process for consumer protection, which brings me to the issue of conservation, which is one way in which a consumer can protect himself.

We do not have in this province an adequate program that enables people to be better consumers and empowers consumers to be able to monitor their use. They’re left being told that they must buy high-efficiency refrigerators and turn their lights off. This simplistic level of conservation isn’t the necessary empowering instrument. They need a whole series of new innovations, which are almost market-ready but not fully market-ready in this province or anywhere in Canada, for that matter.

But see, by leaving the cap on for a period longer, it would have allowed the government to plan for these increased costs and empowered consumers to have the ability to protect themselves. They’ve put the cart before

the horse. They’re saying that they have to guarantee the profit, they have to open up—the only way they’re going to find new investment, the only way to save hydro and its affordability and to find new sources of energy, is to increase the profit.

Make no mistake—this is one of the compelling arguments from the NDP. They talk very clearly about the cost of producing hydro versus a pricing regimen in Ontario that has profit built into it all the way down the system. That’s an overly simplistic way of describing the NDP’s view, but they do make a valid point, that the system is not designed to look at finding new sources of energy or to determine the most affordable way of acquiring new energy.

In fact, the system is completely geared to determining price. The spot price happens to be one of the highest prices, and everybody down the line receives the higher price when it is determined. So there’s very real concern out there that even though the government has moved the cap a little higher, what they don’t talk about and what they’re not focusing on is that half of the hydro bill that you get every two months that deals with all the additional charges that are presented by your distribution company and the transmission lines and the uplift charges and retiring Hydro’s stranded debt, all of those factors are subject now to a potential—not even a potential. It’s clear that there is over \$800 million worth of increases coming to consumers, predominantly residential and business consumers, who will pay that additional charge over four years simply because the Ontario Energy Board has been approving it.

A bit of a mistake was made in the past in this whole process of deregulation. That was the notion that by allowing municipalities to assume the distribution of their hydro—in other words, taking over the old public utilities at no cost; we transferred them to many municipalities—we were surprised and a little shocked at the activities of some of these utilities charging back to their customers, the very people who own the utility, additional financing charges. This practice became so out of control that the government, as we all know, intervened.

I’m just going to give you an example of what happened. I wrote an article in my paper to my community back on July 19, 2000. The “city of Burlington opted to incorporate and retain ownership of Burlington Hydro. The utility is valued at \$80 million and the city assumed a \$39-million share of the company on paper for tax purposes. In turn, it is charging back \$3.5 million worth of interest payments on the \$39-million share. This artificial transaction is all without any monies changing hands except the city then took \$10 million of net cash assets and transferred it to the city coffers.”

It’s hard to explain to people that the hydro they’ve been paying for the last quarter-century of their life has now resulted in a transfer and that they, as taxpayers in Burlington, now owned this utility and that the city was going to borrow money against it and charge it back to the very people who paid for it. This was rather frightening.

The reason I want to put this on the record is that these are the corporations, the distribution companies, which have approved from the Ontario Energy Board significant rate increases. In Burlington's case, it's sitting on a 9.8% increase, waiting. I expect that city council in Burlington is very happy with the Liberal government decision because they can now increase every hydro bill to every citizen by 9.8%, simply to pay for the money they took out and then lent back to the citizens of Burlington. The city of Toronto, for example, holds a \$980-million debt at 6.5% with Toronto Hydro. The going rate is 3%. Hamilton took \$137 million from its hydro utilities.

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We're going to want to discuss with the minister in a lot more detail exactly how he is going to protect consumers in this regard. I understand that the bill, on the face of it, enables him to adjust prices and gives him certain authority to allow local distribution companies to increase their bills and to recoup some of their investment. But I have yet to hear a process by which the public's going to be able to participate in a consultation, to have input, to be able to tell this government that these are some of the charges they feel are not appropriate.

We can start with the most obvious one, and that is the federal government charging GST on hydro. The province doesn't charge PST, but the federal government seems to feel that they can get away with charging the GST. It's interesting, with all these meetings that the new Premier has had with the federal government and, in particular, Finance Minister Manley—I understand that Manley shortchanged Ontario by over 60% of its SARS disaster relief money. I recognize that the Prime Minister has shorted us in other areas of the transfer payments. Knowing of course that the new Premier was planning to change the pricing mechanism for hydro in this province, you would have thought he would have at least scored a minor victory for consumers and said, "You know, you have to pass a regulation in your federal cabinet, Prime Minister, before you step down, do the right thing and not profiteer on hydro, especially since we're planning to increase the price and, therefore, they're going to be paying hundreds of millions more dollars in GST to the federal government." That didn't happen.

There has been no real effort to protect consumers. All week my colleagues have been raising issues about the increased costs that are going to be borne. My colleague from Haldimand has raised issues for farmers and my colleagues have raised issues about sole-support family members on limited incomes.

We have very little information from this government about the impact that this is going to have. We would hope that before we have to vote on this legislation we will have an opportunity to influence the public consultation process and public meetings, which I believe the minister has promised. I hope he doesn't renege on that. We would hope that the public has an opportunity to have a fuller explanation about the powers that he anticipates transferring to the OEB. Since he is silent on that, we need to know that a committee of this Legislature is

going to have an opportunity to look at those regulations before they come in place, because very clearly the concerns from this side of the House, having put a cap in place in order to buy us time to put certain mechanisms in place to protect consumers and to drive new green energy—which we were successful in doing with the efforts of the former member from Scarborough, Steve Gilchrist, one of the most ambitious green energy programs ever in the province—anywhere in North America for that matter—with very real, achievable benchmarks, working with consumers, providing tax incentives for them to convert to those forms of green energy.

We have none of that before us as we're about to make this decision. No, the fundamental first decision is we have to sell out the voters of Ontario first and then we'll begin the process of selling off more and more publicly owned Ontario Hydro or OPG.

Quite frankly, we will not be supporting this legislation because there are more questions left unanswered by this minister. He has not given us the full impact costs. He has only talked about the rate of hydro going up. That's half of the bill. Frankly, for the record, only half of the energy consumption in this province is consumed by small business and individuals. The other half is consumed by the very large industrial consumers. They do not have the cap in place on them and they have a different arrangement for the rates they pay for hydro in this province.

This is clearly an intervention aimed at consumers, and not in the name of conservation. This is done as a means of financing future deficits for the province of Ontario. It'll take us a little while but we will be able to project the hundreds of millions, in fact billions, of dollars that this government will profit from the decision they are making today, and those dollars will be used for them to balance future budgets, much in the same way the federal government used the unemployment insurance fund to balance its books. It used a scare tactic. It used inappropriate, misleading numbers federally to suggest that they were at risk. We know that Ontario paid a disproportionately higher amount of its UI dollars. It created a \$7-billion or \$8-billion surplus for the federal government at the expense of Ontario businesses. That's how they balanced their budget.

Since the departure of Prime Minister Chrétien has been announced, we know that a significant number of his immediate staff have found their way to the new Premier of Ontario's office and they're bringing with them that tactic: "We know in Ottawa just exactly how to find money and how we can take money from one sector and use it for another purpose for the government." This sleight-of-hand approach to taxation should not be brought back into the province of Ontario. It was uncovered federally, it's not appropriate, and I truly believe that the real issue here is that they will be generating significant additional revenue to pay down the deficit on the backs of small consumers and small business with hugely increased—25% increases to the rates that people will pay for their hydro now and well into the future.

I would like to spend a little more time, but my colleague from Durham has served on the energy review committee of the Legislature. He has a nuclear facility in his region and has been of significant assistance to me with his commitment to this agenda and the work he's done advocating for his community. I'd like to yield the time to him, as I indicated earlier, in the hope that he too will share with the people of Ontario just what the true agenda is for the new Liberal government of Ontario. Broken promises mean taxpayers were sold off and next will come more of a sell-off of Ontario's hydro.

Mr O'Toole: Mr Speaker, I might in advance let you know that I'll be sharing the 27 minutes left with my colleague from Kitchener-Waterloo, who also has a passion for—I suppose you would say it's beyond energy—just good policy in the public interest.

One has to look at this bill fundamentally as an ongoing debate on public policy, but substantively it's a demonstration of a broken promise. That's the problem. I think it's just being honest, really, with the electors when you're running an election. Given that this policy had been discussed broadly and debated by all sides of the House—in fact, you supported our response to the opening of the market. The only person I really believe here who in all honesty carried the public interest right from the very beginning, although the solutions were not widely endorsed, is the member of the third party, Howard Hampton. In fact, Public Power was the thrust of their entire election campaign. Yet you somehow skilfully skated around a very important topic that now, after you failed to commit to your promises, has resulted in an unexpected, unplanned, unanticipated increase to those who could least afford it. That starts with, in my case, persons on fixed income, and specifically it's been mentioned a couple of days that small business, and in many cases agriculture, have yet to understand the full impact that this will have on their operations. Primarily it's the supply-management group.

Those are all sort of complaints, but I think I'll start at the beginning, really. Would he like to think that perhaps one would need to look at the Donald Macdonald commission, which started in 1994, 1995? Donald Macdonald, who was really Trudeau's finance minister, is a very reputable, independent person who was asked by the government to examine the state of affairs in the whole electricity marketplace.

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Donald Macdonald really wrote a very definitive report with the support of a lot of experts, economists, engineers and statisticians. The whole army of experts came up with a model of saying that the vertically integrated model of generation transmission and distribution wasn't very responsive to government policy and/or consumers.

We saw during the NDP era an attempt to deal with the policy issue of electricity, and their plan was basically to increase rates until finally, in fact in 1993, I believe, the NDP, if you check the record, actually froze the rates. They were the first ones to actually interrupt the

market and freeze the rates. Of course that contributed significantly to the accumulated debt, and Macdonald identified that the accumulated debt had arrived at about \$38 billion.

So what I'm doing here is trying to point out the reason for government action. After they consulted, they estimated that the total stranded debt, which is debt that wasn't supported by assets, was basically in the order of about \$15 billion. So at that point in time, we had to deal with how you're going to pay off the debt. I think it's a responsible measure. I see members on the other side nodding their heads. It's an appropriate way to deal with a problem that all parties of all stripes had contributed to.

In fact, I put to you, even if you read in detail the Macdonald commission, you'll find that Ontario Hydro had become a slave of government economic policy. How did that work? I think it was the Peterson government that made the decision on the nuclear plants to start them and stop them. In our case, in Darlington—my riding, of course, is Durham—there's a very successful nuclear operation, Darlington nuclear plant. Just down the road a little bit to the west is the Pickering nuclear plant and one of the older plants, and of course, there's one in Bruce.

When he added up all the assets versus the liabilities, there were about \$15 billion that they couldn't support. So our response to that was to put a charge on the rate, which I'm anxious to see how you deal with, and to set up the revenue flow that came from that charge of 0.7 cents per kilowatt hour. It's a pretty significant charge. The rate was about 4 to 5 cents, and 0.7 cents is about a 15% increase right there, just to pay off the debt. So it's a significant whack; there's no question about it.

I think our plan to deal with the stranded debt was perhaps a little aggressive. We were looking for capital at the same time in the industry. They were looking for refitting Pickering and refitting Bruce. These refittings were coming into the billions of dollars. In fact, the government's next initiative was to have a committee—it was called the NAOP committee—the nuclear asset optimization plan committee. It was an all-party committee, of course: Sean Conway, Jim Bradley—I can name all the members. It recognized that the assets themselves were being depleted because of lack of attention to repair over a number of years by, I guess I would say again, all parties.

I'm just saying there's a serious problem and it hasn't gone away. Your bill here does nothing to deal with that. It does put a lot of rate into the system, and I don't think our plan is fully understood by members on the other side—not to be critical—but it was a four-year plan. As Mr Jackson said, a mitigation fund was set up to allow the generation side to increase the supply. If you can increase the supply, hopefully prices would stabilize; you'd be importing less power.

In our attempt there, the NAOP committee came up with a recommendation of about \$3 billion that was going to be used to refit the Bruce and Pickering plants. We've all seen with some shuddering and misgiving—I

see Mr Arthurs, former mayor of Pickering, certainly knows lots about this topic—the lack of ability to deliver reactor number 4 on time, on schedule and up to power. I guess it's my understanding that they're close, if not at full power, in that one reactor now. That's my understanding; I haven't watched it in the last couple of weeks. But they were close to bringing it to full power, which would bring in about 800 megawatts, I believe, per reactor. They have overspent the NAOP allocation already. In fact, it brings into question the mechanism. I think I would say in public here that we brought in what they called a turnaround team—Mr Andognini and some other American hotshots—who were going to change the culture from design-build to operate-maintain. To this day, I still have some outstanding questions as to whether those were the appropriate agreements. I know many of the skilled trades people who live in my riding call me quite regularly, giving to me living examples on an ongoing basis of inappropriate use, in all cases, of public money.

Why I referred to the government with questions and comments I made earlier was that this is a public asset, there's no question about that, so paying for it either in a tax rate or some other rate is really a tax. Even paying off the stranded debt—let's face the facts—is a tax: 0.7 cents per kilowatt based on consumption.

Dealing with that, we found that the mitigation fund over four years, by increasing supply, would stabilize pricing. The pricing that we set, 4.3 cents, was a reasonable target given that we didn't want to kill the economy. As Mr Jackson said earlier in his remarks, when you look at the whole consumer side of this equation, about 50% of the power is very small business, institutional and residential. The largest consumers are the economy of this country. The largest consumers, of course, are the resource industry, the steel industry, mining, forestry and the petrochemical industry. If you want to increase their power, you'll be cutting jobs. So there are some strong, difficult economic questions ahead when you structure—I've looked at Bill 4 in some content. It does give the minister a fair amount of discretion—a terrific amount of discretion, if you want to know. He also has the final say on rates. So I'm wondering how much power the Ontario Energy Board really has, because the minister once again, as a politician, is potentially interfering.

The other action—and I'm just going to take a couple more minutes because I see the member from Kitchener-Waterloo is anxious. The government set up a committee, and this committee, I believe, was an extremely important committee. I just want to read the terms of reference that were stated by the Premier in the budget. This was when we were government. Among other things, he was actually reducing the provincial sales tax on energy-efficient appliances. I'm pleased to see in Bill 4 that you've extended that. Hopefully you will in fact expand it to some extent to encourage and educate consumers on the important consumption-conservation side of the equation.

It says here, "As Ontario's economy continues to grow there will be a need for more electricity." That's the

adequacy-of-supply question. "The Independent Electricity Market Operator (IMO) in their '10-Year Outlook: An Assessment of the Adequacy of Generation and Transmission to Meet Future Electricity Needs in Ontario from January 2003 to December 2012'"—these are the terms of reference—"has indicated under the reference resource scenario with median demand growth, additional resources within Ontario are forecast to be required for reliability purposes beginning in 2009. These additional resources could take the form of new generation or price-responsive demand."

There has been some talk about price-responsive demand and there's more to be said on demand-side management. It's a big part of the solution here.

"Long-term security of electricity supply for consumers is a necessity for the growth of Ontario's economy. Characteristics of a secure electricity system will include a mix of diversity in fuels, locations, technologies, minimization of volatility, reliability, resilience, responsiveness and demand-side participation."

This is a term that everyone should become familiar with. "Demand-side participation" really is a codified word for the consumer. Today the consumer in Ontario really has no tools. They pay a blended price. So if you try to shift peak load, you don't get rewarded. In other words, if you do your laundry at night or run your dishwasher at night, off peak load, so they say, it doesn't affect your bill one ounce because you pay a blended price. If everyone did it, or if we moved all the clothes washers and that to off-peak load, we would have an impact on the overall grid demand. But that's unfortunate. You have to give some of the demand-side tools—interval meters and things like that—to consumers, as was mentioned earlier by the member for Etobicoke Centre. If I had more time, I'd certainly speak at some length on that topic.

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The goal here was that the Premier of the day, Mr Eves, was wise enough to set a committee whose terms of reference were to deal with conservation and generation. A tremendous amount of work has been done by that very reputable group. That committee still exists; it's now chaired by Courtney Pratt. Mr Pratt is also the new CEO of Stelco, I believe. The co-chairs at the time were Peter Budd, an eminent lawyer dealing with power contracts; Gunars Ceckster, president and CEO of Enersource; John Brace, president of Northland Power; Ron Osborne, president and chief executive of OPG; Duncan Hawthorne, CEO of Bruce Power; Tom Parkinson, president and chief executive officer of Hydro One; Dave Goulding, president and chief executive officer of IMO; Mary Ellen Richardson, president of the Association of Major Power Consumers; Don Gibson, a lawyer with McCarthy Tétrault; Ed Houghton, chair of the Electricity Distribution Association; and Steve Dorey, who's actually with the Ministry of Energy. There was also Don MacKinnon, president of the Power Workers' Union; Bryne Purchase, Deputy Minister of Energy; Jan Peeters, chair and chief executive officer of Olameter;

Paul Norris, president of the Ontario Waterpower Association; Mike Crawley, president and chief executive officer of AIM PowerGen Corporation; Rebecca MacDonald, chair and chief executive officer of Energy Savings Income Fund; and David McFadden, of the Stakeholders' Alliance for Electricity Competition. And there were other people who were resourced to the committee.

That committee was commissioned to bring forward a preliminary report in early August, and their report is basically due any time—December or February. That report will serve as a very good reference point, and I encourage the Minister of Energy to take full advantage of those independent experts, most of whom, by the way, have just recently participated in the IPPSO conference that was held here in Toronto, a profound panel of speakers and independent experts who, at the end of the day, really recognized this is a very important commodity for our economic future.

In the interest of time, I just want to make one final remark and leave at least 10 minutes. What is demand-side management? I think the key definition I continue to think about is giving consumers the meters that allow them to say what their high-energy-consuming appliances are, like compressors, air conditioners, refrigerators and things like that, and actually turns them off. In a very sophisticated way, it can be linked to the Internet, and when it sees prices go over a certain point—you can set that price at four cents or five cents—it shuts off the hot water heater or the freezer and you can time how long they're shut off. It gives the consumer some tool to shift load. That would be the absolutely necessary complement to de-capping the price.

The other forms—the investments going forward in energy generation, distribution and transmission are there, and more money is needed in the system. As Mr Hampton absolutely pointed out in his response to the introduction of Bill 4, the 4.3 cents to 4.7 cents or 5.7 cents per kilowatt hour is only part of the equation; in fact, it's really the smallest part of the bill. It's going to affect the total bill.

I want to leave my remarks by saying I'm most concerned about small business, specifically agriculture and specifically supply managed, like eggs, chickens and those kinds of livestock operations that need controlled heat and cooling. This is going to be a huge burden for those industries, not to mention the large consumers, the resource sector I mention earlier.

Thank you very much for the time to speak on this very important public policy issue. As Mr Jackson said, I probably, with some reluctance, will not be supporting this bill.

Mrs Elizabeth Witmer (Kitchener-Waterloo): I'm very pleased to join the debate on the Ontario Energy Board Amendment Act, 2003. I want to thank my colleague, the critic and member for Burlington, for his comments. I think he certainly set the stage and explained our position extremely well. I also want to thank the member from Durham for his comments. He has been

very keenly involved in this issue and certainly has demonstrated his concern for consumers and small and large business over these many years.

I join the debate because I think the public of Ontario was quite shocked this week. They were quite surprised that the Liberal government under Dalton McGuinty had broken yet another promise. In fact, not only had the government broken a promise, it had broken a promise that is going to have a huge, huge impact on consumers and businesses throughout Ontario. I've heard my colleagues talk about the need for consultation to take a look at what impact this is going to have on consumers and on business, and I would certainly agree.

If we take a look at the introduction of the bill and what the bill says, we know we're all going to get a whopping rate hike. We know it's going to cost Ontarians hundreds of dollars, in fact hundreds of millions of dollars a year. Really, what we have here is a government that has indicated that households in this province will be paying anywhere from \$5 to \$15 more for electricity, starting next April. They broke the promise to keep in place the cap we had put there. Instead, next April it's going to go up from 4.3 cents to 4.7 cents for the first 750 kilowatt hours of electricity that are used each month by the householder. If they use beyond that, and the majority do, people are going to be charged 5.5 cents a kilowatt hour.

Now, that's not where the rate increases are going to stop. They're going to go further than that, because the Minister of Energy also indicated this week that the local hydro companies that had their rates frozen by our government are now going to be able to recover their costs as well. They're going to be permitted to earn profits.

At this point in time, I don't think anybody knows exactly what the impact on consumers and on the business community is going to be next April. At the present time, the only thing for certain is that everyone in this province who uses electricity will definitely be paying more. An example was given of a small pizzeria. What does this mean for a business like that? Well, it says here that a typical pizzeria is going to see its power bill jump \$250 per month. That's a lot for a small operation like that. It's certainly going to impact whether or not that individual is going to be able to hire staff, and will probably increase the price of the product that individual produces, which means that people are going to have to pay more for the product as well. So there's quite a cycle involved.

I want to take a look at what people in this province are saying, people who responded to the Toronto Star Web site. The Toronto Star Web site indicates: "Ontario's new Liberal government has broken a key campaign promise, and introduced legislation to raise retail electricity rates." Then it asks, "Is that a fair move? Has the government gone too far—or not far enough?"

Now, we in this House can certainly talk about this bill, and we can give our own verdict. But I think it's important, because the public has not had an opportunity

for consultation on this bill. In fact, they were shocked to see the introduction of the bill by the Minister of Energy, after the government—Dalton McGuinty, and all the members—had campaigned so strenuously throughout the election time and said, “No, we will not raise the cap,” and then one of the first pieces of legislation was to do exactly that.

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This is what the public is saying. I think this is important and I hope the government members who are here today will take into serious consideration how this is being perceived by the public. As I say, this is as it’s reported on the Toronto Star Web site.

We hear from Artur Halota of Mississauga on November 26, and this is what he says: “This new government broke a promise, and now I have doubts that it can be trusted.”

We take a look at Andy Patel from Brampton, also on November 26. He’s very concerned and he says, “I feel that a recall should be available like the California recall for the voters that feel that they erred in their decision to elect the Liberals who made promises they could not keep.”

Another quote, also the same day, November 26, from a Steve Turpin in Toronto: “The Mike Harris government inherited the largest deficit in Ontario history from the Liberals and then the NDP in 1995, but they kept all of their election promises.”

Of course, this speaks to the fact that this government has now broken so many of its promises, for example, the balanced budget pledge that they made, the pledge to not build houses on the moraine, the pledge to cancel the P3 hospitals, the pledge to have an inquiry into the meat issue. The list goes on and on, and I know it will grow in the weeks and the months ahead.

Let’s take a look at a person from Cambridge, Andrew Buchan, also November 26. He says, “The Liberals need to be held accountable for”—and then he uses the L word—“to the Ontario public.”

We hear from Sohaib Gill of Toronto on November 25. He says, “The attitude of this government is typical of the disappointing governments in the developing world—promise anything to win the elections and, once elected, blame everything on the previous government.”

Then I go to November 25, Toronto, Gabor Takacs: “Higher hydro prices will lead to less consumer spending, less business activity, fewer jobs and decreased tax revenue. Subsidizing hydro would be cheaper. On a different note, I am anxiously awaiting for the first Liberal promise to be kept.”

Then we go to Scarborough, November 25, Brian Mahoney: “Raising the price of electricity isn’t the point, not at all. It’s the fact that Dalton McGuinty”—the L-word—“and apparently will continue to”—L-word—“as time passes. For the first time, I voted Liberal. For the last time, I voted Liberal.”

Irene Chan, Toronto, November 25: “Guess we should just take each one of the promises and place bets on how they will be broken. How many voters were duped?”

Tim Marshall, Toronto, November 25: “In the first weeks of its new electoral mandate, the new Liberal government has made a key tactical error in judging the acceptance of the voting public with respect to the raising of retail electricity rates. Their attack on seniors, persons on fixed income and all consumers with an increase to the cost of one of life’s necessities forces me to never vote for the Liberals again.”

Also November 25, King City, James Middleton: “Mr McGuinty has once again broken his word on an election promise. His position on the moraine, P3s, fixed hydro rates—and blaming it all on the \$5.6-billion deficit—once again gives credence to the fact that you can’t believe anything a politician tells you before an election.”

I’ll end with one more quote from a person in Toronto. It’s important, because the Liberal government certainly did extremely well with the voters in Toronto, but I think you can see the cynicism already, and you see already that people are saying that they’re not going to vote Liberal again. Anyway, this is Pandiyan Rudhramoorthy: “Voted for them, but never again. The easiest way to hide their inability is to blame everything on others. I do not believe that a politician of McGuinty’s calibre did not know of the deficit. He is not up to the job.”

Ladies and gentlemen, I think it indicates that certainly the members on the opposite side need to be aware of the unhappiness of the voters. I will not be able to support this bill.

The Acting Speaker: Questions or comments?

Mr Bisson: Ah, the little light just came on. Thank you very much up there in heaven. They’re the ones who turn on the lights on our desks.

I want to take this opportunity to respond to three Tory speakers who raised issues. I just want to go back to this particular one, and that is a little article from the—oh, God, I wish I had my glasses—I think it’s the Expositor in Brantford. The headline says, “Levac Supports Liberal Move.” I don’t have my glasses, so I’m just doing it as close as I can.

It’s quite interesting, because it says, “Levac Supports Liberal Move.” That’s on the removal of the hydro rate cap. We remember that the Liberals had voted in favour of the imposition of the rate cap initially. So this is quite interesting.

Hon Mr Bradley: He was listening to Michael Prue.

Mr Bisson: No, listen to this, Jim. It’s quite good.

It says, “When Eves was fixing to impose the cap in August and September 2002, Levac quietly voiced his misgivings in local media and political circles about the decision by the Liberals” at the time “—then in opposition—to go along with it out of fear for possible repercussions from the voters.”

I just think that’s so interesting. You’ve got Dave Levac, then Liberal opposition person, who said, “I don’t agree with the position the Liberals are taking,” but because he had been whipped in line and did what he was told by his leader and his whip, and more importantly, did it because he understood that people wanted to be protected from high energy costs, he basically voted in favour of it. I think that’s kind of interesting.

But here's the one I really thought was good, where he's trying to shift blame, and this is really a good one. It goes on to say, "He recalled Tuesday he e-mailed MPP David Ramsay—at that time the opposition Liberal caucus leader"—hmm, I thought that was kind of interesting—"to inform him officially he would not support the cap.

"Considering his delicate position as the party's public security critic, Levac took the diplomatic option of leaving the Legislature before the vote."

I think it interesting. I just want to point out that it's Mr Dalton McGuinty who was the leader of the Liberal Party at the time, not Mr Ramsay.

Mr Wayne Arthurs (Pickering-Ajax-Uxbridge): I rise to respond to some of the comments in respect to our legislation. The former government had many months from the time the cap was imposed to make some proposals in regard to how they were going to manage the system, and frankly I didn't hear of any of those.

In the current economic climate we find ourselves in, it's unsustainable to have \$800 million per year added to the provincial debt. Even in the two years remaining between now and 2006, considering that the cap won't come off until the first quarter of 2004, we'll be looking at about \$1.6 billion of additional debt to the taxpayers of the province of Ontario.

There's been no new generation in some 13 years, and that's through two parties who were previous governments, and none in the past eight years. It was the past government that first opened up the market and then overreacted to spikes that were happening.

I could spend some considerable time talking about how we managed to get ourselves here at this point in time. I could certainly speak extensively to the matter of Pickering. I could speak to the decisions to ignore the constituents of that municipality in seeking an environmental assessment in 1997, which probably would have had those reactors back on-line within a couple of years. Instead, the government chose to bring in the million-dollar club from south of the border, and we still wait, although one reactor, reactor four, has come back on. It's been faltering in its start. It's on; it's off again. Quite frankly, the staff there laid down their tools until we gave them direction on how to proceed for the balance of the reactors. That's not a sustainable situation for us whatsoever.

I found it extremely interesting yesterday in our debate that the member for Nepean-Carleton commented on the fact that Pickering was on the block for sale. I didn't realize that Pickering was up for sale as part of the asset grab this year to help fund some of that \$2.2 billion. I find that a telling story.

1730

Mr Dunlop: It's a pleasure to rise and compliment my colleagues Mr Jackson from Burlington and Ms Witmer from Kitchener-Waterloo and of course Mr O'Toole from Durham for their remarks. Certainly they are people who have been very strong members, a strong part of our Progressive Conservative Party, and who believe in the

principles that we set forth when we put the capping in place in 2002.

The plan for the capping, of course, was to go through 2006, a four-year plan. As we said then, it would be revenue-neutral. That was the plan of the government at that time—not revenue-neutral immediately, in this particular year. Of course, I think all of you members who have returned in what is now the government caucus certainly realized there would be problems and there would be a deficit built up over the first couple of years, and over the period of the capping it would remain revenue-neutral. At the same time, it would allow the industries in the province of Ontario to keep the strong economic growth. As you know, we're into our ninth year of economic growth in Ontario. Over a million new jobs have been created in the last eight years and Ontario remains strong.

We felt that the capping was indeed the right thing to do. We're disappointed in the opposition's breaking of a promise, going ahead and lifting the cap. We do think it will have a negative impact on economic growth in Ontario. As I've said the last couple of days, people I've talked to have said it could affect the jobs of up to around 200,000 people.

Thank you for this opportunity, and I look forward to further debate on this.

The Acting Speaker: The member for Toronto-Danforth.

Ms Churley: Thank you for remembering the name of my riding, Mr Speaker, and you're not even the real Speaker. That's very good. I'm very impressed.

We're still talking about hydro, aren't we? Are we? Because you were talking about the economy and broken promises and things like that, I think. I said earlier, in response to a Liberal who spoke very well, the member for Etobicoke Centre, that the Liberals now have a new slogan for ironclad broken promises, and I think we're going to hear it a lot; that is, "taking responsible action." I believe we're going to hear that a lot now.

When it comes to hydro—

Hon Mr Bradley: We're listening to Michael Prue.

Ms Churley: Well, you know what? The New Democrats voted against the rate increase because we knew that with the deregulation and the privatization of the system, that was the big problem, and that simply trying to put a Band-Aid on the problem, simply trying to put a Band-Aid on a deregulation and privatization system, wasn't going to solve the problem, and it's not going to solve it now. As I said the other day, privatization and deregulation lives under Dalton McGuinty and the new Liberal government. That is unsustainable, and the reality is that we have to get back to a fully public system.

We also have to be concerned about believing that decreasing rates is going to solve the problem and that people are going to automatically conserve. There's all kinds of evidence that without not just incentives and tips—and I was astounded to hear the minister in his announcement, when he was talking about conservation,

mention that there are all kinds of tips out there for people to help them conserve. We need real investment in real conservation and efficiency programs for people to fully take advantage of them.

The Acting Speaker: Response?

Mr Jackson: I want to thank all members who participated in this debate and in this discussion.

Just to recap some of the concerns, we from the official opposition are extremely concerned at the manner in which the government has broken its promise, the manner in which this government suggested one thing—right up to and including October 2, Dalton McGuinty looked right into the TV cameras, right into the homes of every Ontarian who pays hydro and said, “I will protect your cap, and I’ll keep it there till 2006.” Not one of those people believe for a moment that he actually meant that now. They realize you don’t make this significant a decision less than 24 hours after receiving from your private paid consultant, Erik Peters, his opinion.

The truth of the matter is that the Minister of Energy hardly mentioned consumer protection at all. What he did mention of significance was—and he was very clear—that beginning March 1, 2004, local distribution companies would be allowed to recoup some of the cost that the previous government had put on hold. This would ease a tremendous financial burden that these local companies, the vast majority of which are owned by municipalities across Ontario, have had to face. This burden is \$800 million, which is now going to be borne by working families.

I want to remind you what Dwight Duncan, their critic, said. He said that a government that had “abandoned working families and seniors on fixed incomes in favour of corporate profits” was wrong. That’s exactly what he stood in his place and did this week. It was good enough for them in opposition to take that position, but it’s not good enough for them as the government of this province to keep their word, to keep the promise they made to consumers in this province. They’ve broken faith with the voters of Ontario on something as fundamental as their hydro costs.

The Acting Speaker: Further debate.

Ms Kathleen O. Wynne (Don Valley West): I want to speak today because I think we need to add as many voices as possible to this debate. This is obviously a very important issue and there’s a cloud of rhetoric surrounding it, so I think we need as many voices as possible to try to clarify what’s actually happening here and what’s surrounding the amendments to the Ontario Energy Board Act.

We need to be clear. The previous government had eight years to work on supply, pricing and conservation. That didn’t happen, and we find ourselves in the mess that we’re in today. It’s difficult for some people watching and listening to us to sort out the reality from the rhetoric. At the same time, I believe that the majority of people are not basically fooled by what they’re hearing. They understand the realities.

So far, I have received no communications from my constituents in Don Valley West criticizing us for remov-

ing this price cap on electricity. No one has contacted me to say anything but, “This was a good idea. You’re moving in the right direction. It had to happen.” So I’m encouraged by that. People will have questions, but I’m encouraged by the fact that they understand what we’re doing.

I want to talk about what this legislation is really about. It’s about taking a principled approach to pricing, it’s about fiscal responsibility, it’s about conservation and what’s better for our environment, and it’s about predictability and price setting that is free from political interference.

So let’s talk about responsible government: responsible pace of change and policy based on principles, not panic. The current reality is that we have a staggering, Tory-generated \$5.6-billion deficit, and this deficit will balloon out of control if we sit back and do nothing about it. That’s the reality. That’s what the arm’s-length, third-party auditor said. That’s what we’re dealing with.

The energy price cap costs \$2 million a day and has added over \$800 million to the debt. That is not sustainable. We’ve got to do something about that. That’s at the core of this problem, and people understand that.

People understand that this cap, if it were maintained, will have to be paid for by taxpayers in the long run. The imposition of this cap was a panic response by the previous government, who never thought about the long-range impact of any of its actions. Look at any sector in this province and you’ll see the damage done by no planning or bad planning. Of course I know the education sector the best, and it is quite clear the damage that has been done there by a funding formula that didn’t take into account the real cost of education, but we can look across the province and see the damage that has been done over the last eight years, sector by sector.

1740

In the most basic way this is about principles versus panic. The previous government panicked and imposed a price cap because their policy direction was adrift. We’re acting now to solve this problem for the long term, for the good of Ontarians, for the good of the environment and for the good of our children.

The member for Burlington suggests that the cap was a strategy to encourage production and to encourage conservation, but there is nothing in the previous government’s record to suggest that they were interested in either of those things, so it’s hard to take that at face value. The truth about the price cap is that it’s a Band-Aid that only should have been a temporary measure. In the long term, it’s not the government’s role to subsidize the cost of electricity. The only thing that has changed now is that the egregious Tory deficit has in fact accelerated our time frame. We knew that this cap wasn’t sustainable, we knew that it was going to have to come off, but the size of the deficit—

Mr Jackson: That’s not what your leader said.

Ms Wynne: We said that; we said it wasn’t sustainable. The size of the deficit has accelerated our time frame. So we’re acting in a prudent and responsible

manner, and that's what Ontarians expect of us. The Premier has talked about the deficit as a factor that in some ways will cause a slower pace of change. In this case, the deficit will cause us to move faster on our agenda, but it is still our agenda. The fiscal reality will shorten that time frame in which we'll bring responsible change. Our government has responded to the reality of the Tory deficit instead of ignoring it, as the previous government did.

Here's what works about our solution.

Our plan is fiscally responsible. It will immediately save \$2 million a day.

It promotes conservation by making the price of electricity more reflective of reality and by introducing graduated pricing, in which people pay more for high usage.

It makes energy pricing non-political, putting the arm's-length OEB in charge of energy pricing for Ontario. It establishes the Ontario Energy Board as the independent regulator for electricity pricing in Ontario. It directs the Ontario Energy Board to develop a clear, transparent, independent mechanism for setting electricity prices, to be implemented as soon as possible and not later than May 1, 2005. As the price regulator, the Ontario Energy Board would also protect and renew Ontario's electricity grid by ensuring reasonable charges for the delivery of electricity.

The plan implements an interim pricing structure that better reflects the true price of electricity. That can't be a bad thing, that people actually understand what the real price of electricity is. That has got to be a good thing, and I think we can all agree on that. Under the interim plan, the first 750 kilowatt hours consumed in any month by an individual would be priced at 4.7 cents per kilowatt hour. Consumption above that level would be priced at a higher rate of 5.5 cents per kilowatt hour. That makes sense because average households consume less than 1,000 kilowatt hours in a month. So our pricing structure reflects the reality and is much truer to what the real cost of electricity is. If the revenue from the interim price plan exceeds the cost of the plan, all eligible consumers would receive a credit for the difference after the OEB implements its pricing mechanism.

This plan will produce an environment in which local distribution companies will be able to create additional capacity in the distribution system. We're not just talking about an academic exercise here; we're actually talking about generating more supply and encouraging local distribution companies. So beginning March 1, 2004, local distribution companies would be allowed to recoup some of the costs the previous government had put on hold, which has put a tremendous financial burden on the local distribution companies.

This approach that we've taken is a responsible, principled one. Our plan replaces the Tory panic response with a principled and responsible approach to electricity pricing. The price of electricity will better reflect the true cost of electricity. How does it possibly serve us as a society to pretend that electricity is cheaper than it is? Of course, it doesn't serve us at all.

For decades, as long as I can remember, conservation has been talked about, it has been held up as a good thing for society, it has been held up as a goal toward which we should strive, and yet all we've done is increase consumption. It's time to face the reality that electricity is not an infinite resource, and in the long run Ontario will be better off if we learn that lesson and help our children to live differently than we have.

The price will be regulated in order to avoid the chaos and price fights that residential and low-volume consumers saw in 2002. We recognize that consumers need that protection. The price will be stable and predictable so families, small businesses and other low-volume consumers can better manage their energy costs. People can deal with known entities. Surprises are anathema.

The price will be regulated by an independent body and not manipulated by politicians. Finally, the price will be regulated on the basis of what's in the public interest and not on political interests. The electricity supply should not be a political tool or a political weapon.

Responsibility is at the core of this plan. More than anything else, this legislation is about behaving responsibly in the face of a ridiculous situation, one that we did not create but one that we will address.

One of my constituents from Don Valley West, Steve Dunn, sent me an e-mail, and what he said was, "I would like to commend you for your sensible decision that the 4.3 cent hydro rate is unsustainable." He goes on to say, "The implementation of this rate by the previous government was unfortunate, and it sent the wrong message to consumers—waste all the electricity you want and your fellow taxpayers will pick up the tab for you." Steve Dunn does understand what we're doing. He and others will have questions along the way—of course there will be questions as we implement this legislation—but he understands the fundamental soundness of our decision.

First, in difficult financial times we can't afford this rate freeze. It's unsustainable. Second, it isn't the government's business to subsidize consumption. The numbers are astounding, so I'm going to recap them once more. We're talking about a \$5.6-billion deficit. That's a far cry from the balanced-budget fantasy perpetuated by the former Premier during the campaign. The previous government was spending \$2 million a day. We can't go on doing that.

Clearly, what they were doing was buying time until their inevitable election loss. When Ontarians relieved the Tories of the burden of government that was obviously beyond them, Ontarians were mercifully relieved of their eight-year-long nightmare of having a government that pretended to address their problems while offering cynical Band-Aid approaches that solved nothing and created the financial mess we now find ourselves in. What we're doing is responsible, sustainable, and it gets to the root of the problem.

Here's what some other groups are saying about removing the price cap. These groups, many of them, signed on to a letter. It's a short letter. I'm just going to read what they said:

“Dear Mr Premier:

“We would like to offer our congratulations on your decision to remove the electricity rate cap for residential and small business consumers.

“The elimination of this artificially low electricity price will facilitate investments in cleaner and renewable, non-nuclear electricity generators. This in turn will help to replace the generation capacity needed for your coal phase-out and result in the reduction of significant amounts of air pollution.”

“It is also an essential prerequisite for Ontario to attain and even exceed your 5% renewable electricity generation target by 2007 and your 10% target for 2010.

“We fully support your proposal that the price cap removal be implemented in such a way as to minimize the impact on lower-income Ontarians and we look forward to the significant clean air benefits that will result from this and related electricity sector initiatives.”

That’s the Ontario Medical Association, Sierra Club of Canada, Ontario Public Health Association, the Clean Air Partnership, the Toronto Environmental Alliance, the Ontario Clean Air Alliance, Greenpeace Canada, Muskoka Lakes Association, and the Georgian Bay Association.

It seems to me that in terms of a healthier society we are not on the wrong track if these are the folks who are backing us and who are supporting our actions.

In terms of conservation, I think it’s really important that we be honest about the initiatives we must step up to. I’m 50 years old and I can’t remember a time that people haven’t talked about the importance of conservation.

There have been exceptions. The Minister of Energy in the previous government, for example, once said that conservation programs “may have made the odd person feel good, but they had absolutely no effect.” We beg to differ. We take a completely different view.

1750

I believe, along with my colleague from Etobicoke Centre, that in fact we all know that we must do more to conserve. We must use the best knowledge and experience from all quarters to find the initiatives, build on what previous governments before the last one did to conserve energy, and we need to build on those initiatives and find new ones.

I’m proud that this legislation contains two major provisions that will encourage energy conservation, and in turn more sustainable living for Ontarians. First, it brings the price of electricity much closer to actual cost. Second, it charges higher rates for consumption above 750 kilowatt hours a month. Both of these pieces will encourage conservation, along with an education campaign that has to be put in place to help our youngsters understand what they need to do and help them to educate us.

The reality is that many of our young people know more about what needs to be done in terms of conserving energy than we do. I have a daughter who is in university—second year, environmental studies—and she keeps me on the straight and narrow. She can tell us what

we should be doing. We need to tap into the knowledge of the young people who are in university and help the younger people to change our habits, because old dogs learn new tricks with difficulty, right?

Mr Lorenzo Berardinetti (Scarborough Southwest): You can’t teach an old dog new tricks.

Ms Wynne: Well, we have to learn. Old dogs have to learn these new tricks.

People are sensitive to price, we know that consumers are sensitive to price, and ceasing to subsidize the price of electricity ends an artificial incentive to overconsumption. Moreover, adopting a progressive pricing scheme creates a further incentive for Ontarians to reduce their consumption. That’s why these measures will increase our conservation.

Our own actions within the government will reflect this philosophy. Our government knows that conservation is everyone’s business. That’s why, as noted by our Minister of Energy, “The government will be taking action to improve its own conservation performance.” “In the coming weeks, the Chair of Management Board will be announcing a new plan to make a noticeable reduction in the government’s overall energy consumption.” We will hold out a real plan for reducing energy within the government.

But as I said before, we can’t be successful in this in the long term unless we deal with kids, unless we deal with what’s going on in the schools, unless we deal with the youngsters who are growing up and going to be having families. We have to change their habits.

That’s why we’re going to support and work with the Ministry of Education, to expand our efforts to educate consumers while they’re young and to inform the curricula that kids are studying right now in our schools. I know, having worked as a trustee, that there are educators within every board in this province who are eager to start working on these initiatives. They need the support of a provincial government that is prepared to mirror that philosophy and work with them. Without that support, they’re on their own and they’re operating in a vacuum. So we have to build a context around those teachers so that they can do the work they’ve been wanting to do for years and have had no support for.

I want to encourage my colleagues— I’m going to share my time with the member for Stoney Creek; she’s going to speak to you the last couple of minutes—to go back to their constituencies and talk about conservation ideas, but also to hear from their constituents, have that discussion about what the removal of this price cap actually means. I have a lot of faith that Ontarians understand this across the province, that they will support this initiative because they understand how sound it is and they understand what’s happening here. They’re paying close attention, and I’d like to say to the folks who are paying attention, who are listening, that we need not be misled by the opposition’s attempt to distract attention from the very real failings of their government’s—

The Acting Speaker: Please sit down.

Mr Jackson: On a point of order, Mr Speaker: Did you not hear the word?

The Acting Speaker: Are you asking the Chair—

Mr Jackson: No, it's the Speaker's job to correct the member who uses the word "misleading."

The Acting Speaker: Thank you very much. I would ask the member to withdraw the word "misleading."

Ms Wynne: I withdraw the word. I apologize.

I would encourage people who are paying attention not to be misled, that they—

Mr Jackson: On a point of order, Mr Speaker: This is contempt of court. That's what it is.

Ms Wynne: Oh, it's the "misled"; it's not "failings." OK, I withdraw it again. I apologize.

The Acting Speaker: The member has withdrawn.

Ms Wynne: I apologize. I thought it was "failings."

The Acting Speaker: The member has withdrawn.

Ms Wynne: We need to be clear that there are those who want Ontarians to believe that this mess was not created by the former government. In fact, the reality is that the financial mess we find ourselves in has not been created by this government. We're having to clean it up. I don't believe that Ontarians are gullible enough to believe that we've created this mess. I think they understand that we're having to do the cleanup. They will respond to our decent, sensible and honest plan. That's what we promised. We promised decent, responsible government. That's what we're delivering. I look forward to working with my colleagues to implement it.

Ms Jennifer F. Mossop (Stoney Creek): I have 44 seconds, but I'm just going to quickly mention that I find it ironic that we're in a reverse role—and perhaps I can continue this story, because it's a fairly long one, at another time. The need for conservation is great right now, but when hydro first came into being, Sir Adam Beck had to create his hydro circus, which went around the province marketing electrical appliances so that there would be enough use of power so that he could amortize the cost of building generating stations and distribution lines, so that we could actually afford to have this. Now

we're at the absolute opposite. Now we have to conserve. This bill is an excellent, measured and sensible approach to get people to learn the need of conservation.

Ms Churley: It's my pleasure to stand up again for a couple of minutes to make comments in response to the remarks made by the esteemed member from Don Valley West, whom I'd like to congratulate. It's wonderful to have her here. She did a great job on the school board. She's articulate and knowledgeable. I'm sure that she is going to add much to the demeanour of this place.

Also, I was amazed at how much you packed into your 44 seconds. I'd like to hear more of what you have to say about Sir Adam Beck.

I do want to say that I went over to chat briefly with my good friend the former Minister of the Environment, now Minister of Tourism: the member for St Catharines. I was chuckling a little bit in talking to him, because he has been around for a number of years now, about how interesting it is watching governments change, and when opposition from all parties end up sitting over there—in this case, there are some over here too—how history gets rewritten so quickly. I find it just fascinating to hear the speeches of the new members, but even more, the older, long-term members from the Liberal Party completely rewriting the history of how we got into this mess. When we hear things like, "The Tories acted out of panic, not out of rational thought," or whatever—Kathleen, you should have heard the panic coming from your Liberal colleagues at the time, day after day after day calling for that rate cap. But I will say that unfortunately, people, you will be hearing from your constituents when the bills start going up. That's why I urge again: Let's get on with real, comprehensive efficiency and conservation programs.

The Acting Speaker: It being close to the hour of 6 o'clock, the House stands adjourned until the hour of 6:45.

The House adjourned at 1759.

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