



ISSN 1180-4319

Legislative Assembly
of Ontario
Second Session, 38th Parliament

Assemblée législative
de l'Ontario
Deuxième session, 38^e législature

Official Report of Debates (Hansard)

Wednesday 7 December 2005

Journal des débats (Hansard)

Mercredi 7 décembre 2005

**Standing committee on
regulations and private bills**

**Comité permanent des
règlements et des projets
de loi d'intérêt privé**

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Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE
ON REGULATIONS
AND PRIVATE BILLS**

**COMITÉ PERMANENT DES
RÈGLEMENTS ET DES PROJETS DE LOI
D'INTÉRÊT PRIVÉ**

Wednesday 7 December 2005

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The committee met at 1008 in committee room 1.

**RONALD McDONALD HOUSE
(LONDON) ACT, 2005**

Consideration of Bill Pr17, An Act respecting Ronald McDonald House (London).

The Vice-Chair (Mr. Tony C. Wong): Ladies and gentlemen, this is the standing committee on regulations and private bills. I call the meeting to order. The first order of business is Bill Pr17, An Act respecting Ronald McDonald House (London). The sponsor of this bill is MPP Deb Matthews. MPP Khalil Ramal will be speaking on her behalf. The applicant is represented by Keith Trussler and Russell Gibson, legal counsels. I will first ask MPP Khalil Ramal to make remarks, if he has any.

Mr. Khalil Ramal (London-Fanshawe): Good morning, Mr. Chair. I have the privilege and honour to sponsor this bill on behalf of my colleague Deb Matthews from London. She is not able to attend this morning, so she asked me to represent her today.

Two gentlemen have come from London to be the applicants and represent the board of directors of Ronald McDonald House in London. We have with us Keith Trussler and Russell Gibson, both legal counsels on behalf of the board of directors of Ronald McDonald House. I believe they came this morning to ask us to amend legislation to enable the municipality to exempt them from certain taxes. Ronald McDonald House has been used for a number of years as a lodge to help families with children who have come to London Health Sciences Centre suffering from some kind of sickness. They also have charitable status, which means they are exempt from taxes in the federal jurisdiction. They are with us today to explain why they need this bill to pass to give them the ability to be exempt from city taxes. I would ask both of them, or whichever chooses to speak, to explain what's significant and important about the passing of the bill.

The Vice-Chair: Thank you, Mr. Ramal. I would now invite the applicant to speak. Please introduce yourselves.

Mr. Keith Trussler: Thank you, Mr. Chairman. My name is Keith Trussler, and I'm here not as a lawyer or as counsel for the charity, but I am here as a member and a past president and current board member. Mr. Russell

Gibson is counsel for the charity, and he is to my immediate right.

The Vice-Chair: Welcome.

Mr. Trussler: Thank you. We are here to seek approval of legislation and to answer questions regarding Bill Pr17, the result of which will be to exempt lands upon which the Ronald McDonald House is situated in London, Ontario from taxation for municipal purposes.

Southwestern Ontario Childrens Care Inc. is a not-for-profit corporation and a compliant registered charity with Canada Revenue Agency. In 2005, we celebrated our 20th anniversary of providing a home away from home for families of seriously ill children. With 17 available rooms, we provide accommodation to roughly 300 to 400 families per year. In the last calendar year alone, we provided over 4,000 accommodation nights. These family stays last anywhere from a single night to, in some cases, over three months for some families. We charge families \$10 per night. We also provide facilities for food preparation and laundry so that we can re-create, to the best of our abilities and to the extent possible, a home environment, as opposed to that hotel or institutional environment to which they are subjected while their children are seeking and receiving medical care.

No family is ever refused at London's Ronald McDonald House or any Ronald McDonald House for want of ability to pay. Our families, our residents, come from across southwestern Ontario. Interestingly, approximately 30% of our families come from the Windsor area, 14% from Chatham-Kent, 13% from the Huron-Grey-Bruce areas, 10% from Oxford-Perth and other percentages from other locales, including a small percentage from eastern and western Canada each year. This is a testament to the fine children's and pediatric medical facilities in London. Frankly, I don't think Ronald McDonald House is the draw.

We provide these facilities with a staff of three full-time individuals and 10 to 12 part-time staff persons, as well as a volunteer base of 60 day-to-day active volunteers. We also have a board and committee volunteer group comprising another 50 individuals. We self-fund. We receive no government funding of any sort.

We conduct this operation each year with an annual budget of approximately \$350,000. This expected tax relief is material in terms of our annual operating budget. The expected relief is on the order of approximately

\$15,000 per year. Our efforts in seeking private legislation to accomplish this exemption from municipal taxes and the school portion, which will follow, follows other similar successful efforts by the Toronto house in 1986 and Ottawa's Ronald McDonald House in 1993, respectively.

We have participated in an extensive consultative process at the local level with our municipal and education officials and have come forward with their unqualified support for this initiative. We believe the bill, subject to a few amendments which you will hear this morning, reflects the understanding, intentions and mechanical agreement, I guess, of all the necessary stakeholders.

I'd be pleased to answer any other questions you might have.

The Vice-Chair: Thank you, Mr. Trussler. Comments and questions from members?

Mr. Dave Levac (Brant): First, let me congratulate and thank those 50 board members, 60 volunteers, 10 to 12 part-time and three full-time staff—all the people who have made Ronald McDonald House work so well. It's obviously a testament to the city, a testament to McDonald's and a testament to the desire of making our sick comfortable. I deeply appreciate the work you do. I'm sure I can say, on behalf of all of us here in the Legislature, that we're very impressed with the work being done by Ronald McDonald Houses across the province.

I just want to be on record as suggesting to you that I've read the comment of Kevin Bain, the city clerk, which is probably the most important part of this in terms of acceptance. It's obvious that the city of London, in their vote, is fully supportive, along with Kevin Bain. We thank you for stealing him from Brantford, because he is doing bigger and better things as a city clerk. He's a friend of mine, and I want to suggest to you that you've got one classy guy there.

Mr. Trussler: I can tell you that Kevin Bain has been extremely helpful.

Mr. Levac: Absolutely, and he most definitely understands what you're providing. Anyway, just a basic thank you and keep up the good work. You have my full support.

The Vice-Chair: Mr. Hudak?

Mr. Tim Hudak (Erie-Lincoln): I just have some general comments on behalf of the Progressive Conservative caucus as well. We are in support of the legislation. We'll obviously consider any amendments brought forward that will make the legislation even stronger. You will certainly find our caucus supportive. Having spent some time in London myself as a UWO grad, I know the outstanding reputation that Ronald McDonald House has in southwestern Ontario. No doubt the strong support they receive from your local members as well as from the city of London speaks very powerfully about your reputation.

I won't belabour the issue. I just want to say, on behalf of the PC caucus, congratulations on your outstanding work, and we're supportive of the legislation.

Mr. Trussler: Thank you so much, sir.

The Vice-Chair: I'm going to invite the parliamentary assistant to make comments for the government.

Mrs. Maria Van Bommel (Lambton-Kent-Middlesex): Actually, I want to say thank you very much, but I'm not going to say it as parliamentary assistant, simply as the MPP for Lambton-Kent-Middlesex. Ronald McDonald House has provided an invaluable service to my rural constituents. I know of one family in particular who used the home on an off-and-on basis for over a year to allow them to stay with their daughter. She didn't survive, but the fact that they were able to be with her, rather than having to drive the long distances back and forth to the hospital, allowed them to spell each other off, give each other a bit of respite. It was an invaluable service to them. I want to say thank you very much for everything you do there.

Mr. Trussler: Those comments are greatly appreciated.

The Vice-Chair: Are there any other interested parties? Seeing none, I will now invite the parliamentary assistant to comment.

Mrs. Van Bommel: I want to propose a motion to amend the bill.

1020

The Vice-Chair: Are we ready to proceed with clause-by-clause consideration now? Agreed?

I'll start with section 1. Shall section 1 carry? All in favour? Opposed, if any? That is carried.

Section 2: Mrs. Van Bommel.

Mrs. Van Bommel: I move that section 2 of the bill be amended by striking out the portion before clause (a) and substituting the following:

"Tax exemption

"2. The council of the city of London may pass bylaws exempting the specified property from taxes for municipal purposes other than local improvement rates."

The Vice-Chair: Any comments or questions on this amendment?

Mr. Hudak: I assume there has been some discussion with the proponents and that these amendments carry their favour.

Mr. Trussler: Yes, that discussion took place earlier today, and we are certainly content with these proposed amendments and have signed off on them.

Mr. Hudak: Thank you.

The Vice-Chair: Further comments or questions? Shall the amendment carry? All in favour? Opposed, if any? That is carried.

Shall section 2, as amended, carry? All in favour? Opposed, if any? That is carried.

Mrs. Van Bommel?

Mrs. Van Bommel: I move that the bill be amended by adding the following section:

"Assessment Act exemption

"2.1 An exemption from taxes granted under section 2 is deemed to have the same effect as an exemption from taxation under section 3 of the Assessment Act."

The Vice-Chair: Questions or comments on this new section? Seeing none, all in favour of the new section? Opposed, if any? That is carried.

Section 3: any comments, questions, amendments? If not, shall section 3 carry? All in favour? Opposed, if any? That is carried.

Shall section 4 carry? All in favour? Opposed, if any? That is carried.

Shall the preamble carry?

Mrs. Van Bommel: I move that the preamble of the bill be amended by striking out “for municipal and school purposes beginning in 2005” and substituting “for municipal purposes, other than local improvement rates”.

The Vice-Chair: Any questions or comments on this amendment? If not, shall the amendment carry? All in favour? Opposed, if any? That is carried.

Shall the preamble, as amended, carry? All in favour? Opposed, if any? That is carried.

Shall the title carry? All in favour? Opposed, if any? That is carried.

Shall the bill, as amended, carry? All in favour? Opposed, if any? That is carried.

Shall I report the bill, as amended, to the House? All in favour? Opposed, if any? That is carried.

Thank you, members. Thank you, applicant, and congratulations.

VQA WINE STORES ACT, 2003

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

Consideration of 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.

The Vice-Chair: The next order of business is Bill 7, An Act to authorize a group of manufacturers of Ontario wines to sell Vintners Quality Alliance wines. Mr. Hudak?

Mr. Hudak: Thank you, Chair. It's been a while since I've been at this particular committee. Do I need to make any motions to begin with, or just—

The Vice-Chair: Would you like to make an introductory remark?

Mr. Hudak: Yes, thank you, Chair. I'm pleased to, and I'm pleased that this bill has been allocated time at committee as well as very interesting extensive public hearings, which we held in my riding, in Lincoln, as well as in Toronto.

Basically, if this act were to pass, it would create VQA wine stores, which have been in existence in British Columbia for some time. The goal here is to give greater market access to our small and medium-sized VQA wine producers. I think all the members here know that VQA wine is 100% Ontario grape product. There's no import and no blended component in VQA wine. It therefore has substantial spinoff benefits to our local grape growers,

associated agriculture industry and municipalities. I do appreciate that upon second reading, we had positive comments and support from all three parties at second reading debate in the Legislature.

The Vice-Chair: Thank you. Are we ready to proceed with clause-by-clause consideration?

Mr. Hudak: I was just getting warmed up. Chair, if I could add a few more things, I just had some other comments on the bill. I'm not going to speak much longer in my introductory comments.

I did want to indicate that I think any solution for our small and medium-sized VQA wineries and for grape growers has a dual function: to do more at the LCBO—and certainly progress has been made. I've enjoyed working with Andy Brandt and his team at the LCBO. The craft winery section has been a step forward. But as we heard at committee from those involved in the industry, you also need other opportunities for the small producers, because many of them are challenged to supply the LCBO stores. It just doesn't fit for them economically or logistically because of the large size of the LCBO and the capacity they demand for these wines. I see VQA wine stores as a solution to give greater market access to the small craft wineries. As members know, for some time they've been restricted to selling only at their site. We're blessed in Niagara or Pelee or Prince Edward county because we can drive to one of these places, but for the vast majority of the population, whether it's in Toronto or Ottawa or Timmins-James Bay, it's a heck of a drive to get down to Niagara to visit one of these wineries. By providing greater market access, that will help their business model and translate into success in the agricultural sector.

Lastly, the government's greenbelt policy has an aim to support the preservation of agricultural land. I believe this fits with the overall goals of that legislation by ensuring that farmland in the greenbelt area, at least the parts of the greenbelt area in the Niagara Peninsula, will have viable grape production into the future.

Those are just my introductory comments. I do thank members of all three parties who have been supportive of this legislation.

The Vice-Chair: Thank you, Mr. Hudak. We'll now deal with comments, questions or amendments to any section of the bill, starting with section 1.

Mr. Peter Fonseca (Mississauga East): I'll just make some general comments in respect to Mr. Hudak's legislation. First, let me say that the Ontario Liberal Party and the government of Ontario fully support our grape growers and winemakers here in Ontario. It's a vital industry. Yes, being protected by the greenbelt is something we're wholly committed to. I just picked up three dozen bottles of VQA wine here for presents over the holiday season. It's a great chardonnay, and I look forward to having some of that myself over the holiday season.

Our government knows how vital this industry is. In May 2004, we set out an amount of \$10 million in additional funding over five years to help this industry.

We're making sure we can address some of the points that Mr. Hudak brought up.

An MOU was signed last week, with four signatories to an agreement with two key points. They highlighted that the government was committed to creating a committee that will address the medium- and long-term issues of this industry. The associate secretary of cabinet will chair this committee. That demonstrates that the government of Ontario really recognizes the importance of this industry and its issues.

1030

The MOU also clearly articulated a commitment to promoting transparency and clarity for the consumer by presenting VQA wines in LCBO stores and wine retail stores in a manner that clearly distinguishes VQA from non-VQA wines. That is very important.

Where we find there are some obstacles, barriers, challenges—this is unfortunate, but this bill violates the trade agreements that exist right now by increasing the number of wine retail stores selling exclusively domestic wine. I'll just make note that the Consul General wrote to this committee. She wrote on September 28, 2005. US Consul General Jessica LeCroy spelled out that our NAFTA agreements "required Canadian provinces to treat US goods no less favourably than the most favourable treatment of goods from any other province." This would be in violation of NAFTA, and that is something that would have to be addressed.

Another quote: "Bill 7 appears to contemplate the creation of new wine stores that would be licensed to sell only Ontario wines. If enacted in its present form, the measure would appear to prevent US wine from being distributed through these stores. As such, the bill would seem to raise serious questions as to its consistency with the CFTA Article 804.1 therefore with NAFTA annex 312.2." This is from the US Consulate General. I just wanted to address those concerns with this bill.

Mr. Hudak: I appreciate Mr. Fonseca's comments. I think one thing we need to bear in mind is that there will be groups that will oppose anything that promotes domestic industry if there's competition from imports. We heard comments against the bill from the importers, for example, and the spirits industry, which are dominated by foreign-owned multi-nationals. You can't blame them; they'll make their case for market share.

We can't lose sight of some important facts, though. The growth to date at the LCBO recently has really been in the imported wines. Australian wines, for example, year over year, were up 30%, South Africa 23%, New Zealand 19%, while the growth in VQA wine was only 2%. Their growth is outpacing Ontario VQA wines and therefore seeing a larger market share.

If a foreign jurisdiction were to take up a trade challenge, for example, they would need to prove damages and then they would find some compensation for those damages, if my understanding of trade law is correct. It would be awfully difficult for them to prove that the damages did exist when you see those types of amazing growth rates in the imported wine, who

currently actually dominate the LCBO. I find it hard to believe that Ernest and Julio Gallo or Yellow Tail or whoever, which are currently dominating LCBO shelves, would begrudge some small market access for our VQA stores.

I do appreciate the member's comments, but I think we need to put it in context of the market challenges that currently face our VQA suppliers.

Mr. Gilles Bisson (Timmins—James Bay): Coming from northern Ontario, those last comments from the Consul General—I live the experience on softwood lumber every day. I have to say that I echo the comments made by Mr. Hudak. I think it would be very hard for the Americans or anybody to argue that giving access to the market of our own domestic industry is not going to be a huge challenge to the market of those who import wine into this country.

The second thing—I'm hoping this Hansard will be read by the Consul General, because it's the only way I'll get to talk to her. I've got to be careful of what I say before I start an incident here. I've had the opportunity this fall, as have all of you, to talk to everybody from the poultry industry, the agricultural industry, you name it. They've all been here and it's always the same old story: The Americans are very bad at following the lead that they want other countries to follow when it comes to GATT or NAFTA. They're in favour of us cancelling everything from supply management in poultry and milk and the rest but are not very good at doing what has to be done on their side in order to give others access to their own market. So I find this a little bit hard to take.

I will just say that I wish for a day when Americans live to the degree of the law that other countries do when it comes to trade and don't see themselves as an island unto themselves and basically move into this world. We as Canadians I think have shown the way about how a country can deal with trade in a fair way, not only for its citizens but for the market in general. I just get a little bit tired of that kind of attitude from the United States.

I am totally supportive of what Mr. Hudak is doing here, and I think the Americans will be very hard pressed to make an argument at the GATT or NAFTA under this particular act.

The Vice-Chair: Any further comments or questions? If not, then we'll start voting.

Section 1: Shall section 1 carry? Opposed, if any? That is carried.

Section 2: Any questions or comments? If not, shall section 2 carry? All in favour? Opposed, if any? That is carried.

Section 3: Any questions or comments?

Mr. Bisson: Being a vintner myself, Mr. Hudak, can I sell my wine? I want to let you know that 2005 Muscat and Zinfandel are going to be very good this year, and I'm wondering how I can approach the sale of my wine.

Mr. Hudak: The record will show that as long as Mr. Bisson—he's a strong supporter of the domestic industry and Ontario farmers. VQA wine would have to be the case to get through this act. But the PC caucus will look

forward to sharing some of his future vintages in the caucus room after midnight sittings.

Mr. Bisson: Very good. We'll take you up on that offer.

Mr. Levac: There are no midnight sittings, so we'll have to drink the good wine.

Mr. Bisson: Hang on a second. I make good wine. You just leave me alone.

Mrs. Van Bommel: That's on the record now, you know.

The Vice-Chair: Members, are we ready to vote?

Shall section 3 carry? All in favour? Opposed, if any? That is carried.

Section 4: Comments or questions? Shall section 4 carry? All in favour? Opposed, if any? That is carried.

Shall the title of the bill carry? All in favour? Opposed, if any? That is carried.

Shall Bill 7 carry? All in favour? Opposed, if any? That is also carried.

Shall I report the bill to the House? All in favour? Opposed, if any? That is carried.

There being no other business, the meeting is now adjourned.

The committee adjourned at 1037.

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