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**Official Report  
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(Hansard)**

**Monday 20 February 2006**

**Journal  
des débats  
(Hansard)**

**Lundi 20 février 2006**

**Standing committee on  
finance and economic affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Pat Hoy  
Clerk: Trevor Day

Président : Pat Hoy  
Greffier : Trevor Day

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES**

Monday 20 February 2006

Lundi 20 février 2006

*The committee met at 1552 in committee room 2.*

**PRE-BUDGET CONSULTATIONS**

**The Chair (Mr. Pat Hoy):** The standing committee on finance and economic affairs will now come to order. We're here for report writing. I guess the first order of business would be to ask if anyone is unhappy with any of the wording in the pre-budget consultation draft report, notwithstanding that there are motions to be put forward, but just on the report itself that has been prepared for us. Is there any concern about the wording in any particular section? I'm not hearing that there would be.

Therefore, I will move now to the motions themselves. In the past, we have agreed as a committee to identify the motions as motion 1, 2, 3 etc. Everyone should have them in writing. Perhaps I will indicate—

*Interjection.*

**The Chair:** I'm advised that I need a motion to adopt the draft report as written.

*Interjection.*

**The Chair:** Mr. Arthurs. All in favour? Carried. We thank research for that report.

As I was saying, we have in the past as a committee referred to motions by number. I will indicate for the benefit of the committee in what party's name the motion stands, and then we can move forward.

*Interjection.*

**The Chair:** We have passed a motion that accepts the draft report as written, and now I'm talking about the motions. In the past, the committee has spoken to motions in terms of their number. Each person should have the motions in front of them. They are all numbered. We would refer to them by number. I will try to indicate, as we move through them, in whose name they stand. If that's agreeable, we can do that. Agreed? Agreed.

We'll move to motions. Motion 1 is in the name of Mr. Hudak.

**Mr. Tim Hudak (Erie–Lincoln):** Read it in, Chair?

**The Chair:** We don't have to, which was my point about identifying them as motion 1, 2, 3 etc., and whose name they stand in. There is an opportunity to comment, if you wish.

**Mr. Hudak:** I'll just give it a brief introductory comment. I know my colleague Mr. Barrett—and maybe others—wants to speak to the issue. We heard con-

tinually during these hearings about jobs—well-paying industrial jobs, I should add—fleeing the province of Ontario. I've brought forward this motion that says, at its essence, that “The standing committee on finance and economic affairs recommends the Minister of Finance incorporate an action plan for the manufacturing sector to make Ontario the economic engine of Canada once more, by realizing that tax and energy policies of the McGuinty Liberals are destroying this sector of the economy.”

I'm always looking for friendly amendments if “destroying” is too strong a term, but we do want to recognize, I think since January of 2005 through 2006, some 80,000 manufacturing jobs have left the province, in all corners of Ontario. We saw in January of this past year alone some 30,000 lost jobs in that sector. So I'd like to put that motion on the floor, and I look forward to the debate.

**The Chair:** Comment?

**Mr. Michael Prue (Beaches–East York):** It's not so much a comment but a question. I would not disagree with the purport of what is being said here, except I didn't hear anything that the tax policies—and I don't know what tax policies in particular Mr. Hudak thinks are destroying that sector of our economy. Certainly, I agree that the energy policies of the McGuinty Liberals are causing huge problems, particularly in northern Ontario and in the manufacturing sector, but I didn't hear anything during the course of the debate over all those days that would pinpoint to any great extent how tax policies were doing the same. Therefore, I would have a hard time voting for that motion based on the word “tax.” If it was removed or separated, I could vote for the other half.

**Mr. Toby Barrett (Haldimand–Norfolk–Brant):** I don't know whether Mr. Hudak wants to answer the question, but I do want to comment. I think there is obviously a broader trend. This is more of a specific motion, but there is a much broader trend with respect to not only Ontario's position in Canada but Ontario and Canada's position with respect to the United States. I know this committee received some economic data comparisons with Massachusetts, for one, and other neighbouring states. What I think would be very much a concern for the members of this committee is our position and North America's position, if you will, internationally, and I certainly think of the manufacturing enterprises in China. I don't go into Wal-Mart but I do go into Canadian Tire, and it seems that a very large

percentage of the manufactured-for-retail-sale goods in a Canadian Tire store are made in China.

At present, we are very fortunate in having a high standard of living, but we are falling behind other jurisdictions, and I think we have to recognize this. I just put that forward in the context of the seriousness of this particular motion, which again specifically focuses on job losses in the manufacturing sector.

**Mr. Hudak:** I appreciate my colleague Mr. Prue's comments and support on the nature of energy policy causing damage to our manufacturing sector. Just to answer his question on the tax policy as well, there were a series of business groups, among others, that referenced the high level of taxation. I think we all remember that one of the first bills brought to the Legislature raised the corporate tax rate approximately 30%—I don't have the note in front of me—and the capital tax has been postponed to some vague schedule towards 2012.

**1600**

As a result, according to the C.D. Howe Institute, Ontario now has the second-highest effective rate of business taxation among competing jurisdictions—that's provinces, states and other countries. I know this is something the Canadian Taxpayers Federation has brought forward. Chambers of commerce brought a similar line forward. Roger Martin, from The Institute for Competitiveness and Prosperity who was one of the representatives of the expert panel, has highlighted the impact of high marginal tax rates that are causing an impact on our ability to attract investment and create jobs. I think the combination of the energy policy and the taxation policy is most dramatically impacting on the well-paying manufacturing base in the province, and hence the result of 80,000 lost jobs this past year.

**The Chair:** Further comment? None indicated. I'll call the question. All in favour?

**Mr. Hudak:** Recorded vote.

#### Ayes

Barrett, Hudak.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Prue, Wilkinson.

**The Chair:** The motion is lost.

We'll move to motion number 2, in the name of Mr. Hudak. Comment?

**Mr. Hudak:** Another important general principle that the official opposition is bringing forward, as we heard from various groups during the committee hearings—and also an important tenet from our point of view—is that the government should finally make good on its commitment to balance the books. Of course, this was a promise by Dalton McGuinty as he was campaigning for office. We have seen a record increase in revenue to the province under this government. At the same time, while

revenues have increased substantially, there's been an average increase of some 8% per annum in the last couple of budgets. We feel a greater effort should be made towards balancing the books. In fact, if the government had stuck to its original plan, as outlined in Minister Sorbara's 2004-05 budget, given those spending expectations coupled with the increase in revenue in 2005-06, there would have been a balanced budget this past year.

We believe that in the economic statement of the new finance minister, Minister Duncan, combined with the quarterly update most recently released, revenue will actually be quite a bit higher than projected there and in fact believe the minister could balance this past year, this current fiscal year, 2005-06. Nonetheless, we are putting forward a motion that would say that the Minister of Finance should finally deliver a balanced budget in 2006-07, as committed to by the McGuinty Liberals.

**Mr. Barrett:** There was a pre-budget submission from the Canadian Federation of Independent Business indicating government debt and deficit is among the highest priorities for members of the Canadian Federation of Independent Business. I think that would apply to most people in Ontario. They want to see their governments at any of the three levels balance the books. A series of deficits is nothing more than an accumulation of debt, and I consider that an unfair burden, a tax, if you will, on our children and grandchildren. Every time we run a deficit, we again reduce our ability to compete in the future. I think this information came out over the weekend: Debt service charges alone now almost equal the entire budget of the Ministry of Education. Again, there's an indication of a further encumbrance on our children and grandchildren.

**The Chair:** Comment? None indicated, I'll call the question.

**Mr. Hudak:** Recorded vote.

#### Ayes

Barrett, Hudak, Prue.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

We'll move to motion number 3, in Mr. Prue's name. Comment?

**Mr. Prue:** This is a package on how to get to the position of the previous motion that I just voted for and where the government finds the revenues. There is sufficient money out there; you just have to know where to look and you have to be willing to take it. All this lines up how you can find \$4.75 billion, with which a great many things could be done. You could upload the download in its entirety, \$3.3 billion. You could increase welfare rates. You could get ride of the clawback. You

could do just about anything if you had \$4.75 billion. You could run a balanced budget.

Here's where you get it, at least where we think you can get it: \$1.5 billion from higher tax rates on individual incomes over \$100,000. That simply has to go back to the two provisions that were taken away during the Mike Harris years: the surtax at \$100,000 and the double surtax at \$150,000. That is about \$1.5 billion. There's \$2 billion from returning corporate tax rates to where they were in 2000 before you took office. There's \$750 million from closing the loopholes in the employer health tax benefiting large corporations. And there's \$500 million, or half a billion dollars, for increasing tobacco taxes by \$10 a carton, which won't even take us anywhere near the top of the average in Canada. We're now second-lowest; only Quebec has lower ones. If you're serious about getting rid of smoking, I can't think of anything that will do more to get rid of it after May 31 than that.

There's \$4.75 billion, and I leave it to you: Do you want the money? It's very simple.

**Mr. Hudak:** I'm very pleased to see my colleague Mr. Prue putting options on the floor, because he and I agree there are probably a series of options on how the finance minister, if he truly wanted to, could balance the budget, and should balance the budget, in 2006-07.

My view is that, opposed to raising taxes, the way is to control spending. I'll reiterate: The average program spending increase under the McGuinty government to date has been 8% per year. At the same time, the economy has grown at 4% a year. That kind of spending increase is simply not sustainable. But if they had made an effort to control spending or even met their projections in previous budgets, they would be showing a balanced budget this year, let alone hitting one in 2006-07.

While I support the principle of Mr. Prue wanting to see a balanced budget, I cannot agree that the way to do so is through greater tax increases.

**Mr. Barrett:** There is a concern. Maybe we hear more of this concern on our side of the fence, but over the last two and a half years people in Ontario have been hit by multiple tax increases—I certainly think of the McGuinty health tax—coupled with high energy costs that have accrued expenses to certainly rural and northern Ontario families, something in the order of an additional \$2,000 a year per family if you factor in electricity—energy costs like natural gas and the health tax.

Income taxes and the marginal tax rate have been identified as a problem. It's a problem for investment and prosperity, and high marginal tax rates on income do deter some people from working or doing that extra bit of overtime. I certainly know that when I was a member of a union and working in a factory, after a while you realized—this is at a time when the marginal income tax rate certainly wasn't as high as it is now—that it just wasn't worth working Saturdays or Sundays or on statutory holidays.

We did hear testimony, and clearly any thought of additional capital taxes is a disincentive to growth and a

disincentive to investment, investment in manufacturing, investment in improving plant or capital.

**The Chair:** Further comment? None indicated, I'll call for the vote. All in favour?

1610

**Mr. Prue:** Recorded vote.

**The Chair:** A recorded vote is requested.

**Mr. Prue:** As a matter of fact, just to save time, a recorded vote on all of them would be in order.

**The Chair:** Does the committee agree to a recorded vote in every circumstance? It does help the Chair and the clerk, I would admit.

### Ayes

Prue.

### Nays

Arthurs, Barrett, Hudak, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Now we move to motion 4, in Mr. Hudak's name. Comment?

**Mr. Hudak:** The infamous Dalton McGuinty health tax stands out as one of his greatest—sadly, of many—broken promises. We all remember that Dalton McGuinty looked into the TV camera and said that he wouldn't raise our taxes, meaning the taxes of Ontarians, but upon taking office, in his first budget, imposed a whopping new health tax on working families that could be up to an average of \$600 per annum on Ontario families, and even higher, depending on their income and if both the spouses work or not. Seniors have to pay this tax, and there's been great criticism brought forward as well about the lack of progressivity in this tax. Simply put, people are paying too much in taxes as it is. It's having a downward pressure on disposable income and spending, as we heard from the Retail Council of Canada.

We believe that, given the growth in revenue to the province, if the Minister of Finance would try to get spending under control as opposed to an 8% increase per annum, he would have the ability to incorporate into this upcoming 2006-07 budget a schedule to eliminate the McGuinty health tax. We don't necessarily mean the minister could eliminate it in one year, but we think it would be responsible of him to bring a schedule forward that would see it happen beginning in the 2006-07 budget. So the motion, in its essence, says that "The standing committee on finance and economic affairs recommends that the Minister of Finance incorporate into the 2006-07 budget a responsible plan to phase out the McGuinty Liberal health tax."

**Mr. Barrett:** On the introduction of the Liberal health tax, it became the largest tax increase in Ontario's history. It just added to one unfortunate situation: the impact of the marginal tax rate on those families where both spouses are working. We have very high tax rates

now, certainly in comparison to competing jurisdictions in the United States, and the higher marginal tax rate reflects not just higher personal rates, but also that the rates apply at lower levels of income than you see in the United States. Adding the health tax on top of that takes a bad situation and makes it worse. The other disturbing issue around the introduction of the new health tax was that at essentially the same time, the McGuinty government actually cut certain health care services. We know about optometry, chiropractic care and physiotherapy, and that's included in the motion.

**Mr. Prue:** I just have a question of the movers of the motion. I would support this if the intention is to replace the monies from some other source, i.e., the income tax system as the most logical one. However, if it is merely to get rid of \$2 billion from health, there's no way I could support that. I'm not sure of the intent of the motion. Is it to replace it with a progressive income tax, so that people who earn more, pay more, and people aren't paying \$600 simply because they're employed? Or is the intent to get rid of it altogether and cut \$2.4 billion from health? I'm certainly not going to vote for that.

**The Chair:** Comment?

**Mr. Hudak:** I'm pleased to respond to my colleague. I think we all know that there is no relationship between the health tax and health spending. Health spending goes up whatever level the McGuinty government wants to put it at, regardless of the health tax. It simply flows into the consolidated revenue fund. The notion that it's a health tax per se is a false one. It is simply just a name put on what is an ordinary increase in income taxes.

To answer his question, our intent as Progressive Conservatives is to lower the tax burden on working families, seniors and young people in the province of Ontario. So my intent would be that the minister bring forward a schedule to eliminate the health tax without bringing forward some competing proposal to increase taxes.

**The Chair:** Comment? None indicated, I'll call for the vote.

#### Ayes

Barrett, Hudak.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Prue, Wilkinson.

**The Chair:** The motion is lost.

Now we'll move to motion 5, in Mr. Hudak's name. Comment?

**Mr. Hudak:** This comes from a presentation in Kitchener that the committee enjoyed from the Ontario computer animation and special effects folks. It was in reference to the refundable tax credit. They had illustrated a couple of problems with it in terms of the time frame they used for eligibility for the tax credit. It was a

residency issue—anyway, I won't belabour the point—and other concerns that they had, and they called, more or less, for this tax credit to be reviewed and improved. I think we all support the tax credit. It has a significant impact on the economy and on this sector, and I'm pleased to have been part of a government that brought that forward. From time to time, it's important to review these tax measures to make sure they're capturing appropriately the goals of the industry to expand and create jobs.

What I would suggest is that "The standing committee on finance and economic affairs recommends that the Ministry of Finance improve the OCASE refundable tax credit"—again, OCASE is the Ontario computer animation and special effects refundable tax credit—"based on the advice of the animation sector and investors."

**The Chair:** Comment? Hearing none, a recorded vote.

#### Ayes

Barrett, Hudak, Prue.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

I move to motion 6, in Mr. Hudak's name.

**Mr. Hudak:** We heard a lot at committee on the OMERS legislation; in particular, municipalities had some concerns, among others. I know this is found in another committee process and is now before the House; nonetheless, I thought the finance committee should reflect the advice that we did hear at committee. Municipalities have brought forward concerns that this could result in a 3% property tax hike on average, or a \$380-million bill. With a lack of counter figures from the government, these are the only numbers that are before us.

Therefore, I'm bringing forward a motion that reads, "The standing committee on finance and economic affairs recommends the Minister of Finance act to stop the implementation of this train wreck of a bill."

If some find the language a little colourful, as opposed to "train wreck" and "disaster" etc., we're willing to take friendly amendments.

**Mr. Barrett:** The Association of Municipalities of Ontario indicates that this legislation would result in a 3% property tax hike. I've certainly received letters of concern from both Haldimand county and Norfolk county down my way with respect to the projected increase in property taxes. It's particularly disturbing, because we now have some of the highest property taxes in the world as it is. Property tax is regressive. It's a regressive tax on households, because it's not related to the family income; it's a regressive tax on business. Again, property taxes can be a significant burden on small business, on farming, and put the province of Ontario at a competitive disadvantage.

**Mr. Prue:** The “be it resolved” I can vote for. I can’t necessarily agree with all of what is contained in the whereases, but I don’t think that’s the issue. If it’s the “be it resolved,” I believe that this bill is going to do far more damage than it’s going to do good. I saw the firefighters in eager anticipation yesterday; I talked to them. I know the police are pleased. But there’s a huge story in today’s Star about the paramedics, who are not at all happy. I just do not relish the thought of having 100,000 workers or more out there striking illegally. I understand why they are going that route, because they feel they have nothing else they can possibly do, but the level of their anger is huge and the ease with which this can be fixed—as I see it, there’s only one man standing in the way of fixing this, and I just wish the Premier would do the right thing.

I’m going to support this, notwithstanding that I don’t necessarily agree with the whereases.

1620

**The Chair:** Further comment? A recorded vote.

**Ayes**

Barrett, Hudak, Prue.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Number 7 is in Mr. Hudak’s name. Mr. Hudak, comment on number 7?

**Mr. Hudak:** This is lucky number 7. We haven’t had a great start on the first six, but I’m feeling good about lucky number 7.

We had a presentation from the Grape Growers of Ontario in Niagara Falls about their replant program. I know all members of the committee are well aware of the importance of the grape, tender fruit and tree fruit industries across the province. I know a number of the committee members’ ridings would be impacted positively by this replant program, whether it is grapes, apples, peaches or what have you. Certainly as a member proud to represent an important part of north Niagara, where you can find these products, I’m pleased to bring this motion forward, as recommended by the Grape Growers of Ontario:

“The standing committee on finance and economic affairs recommends that the Minister of Finance commit funding, within total plan program spending, to fully partner in the national replant program as promoted by the Grape Growers of Ontario.”

**The Chair:** Comment? A recorded vote.

**Ayes**

Barrett, Hudak, Prue.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

We’ll now move to motion number 8, in the name of Mr. Prue. Comment?

**Mr. Prue:** This was one of our questions put forward to the minister today in question period, and I have to tell you, I found the response kind of bizarre. But in any event, the government promised to spend \$300 million on child care during the course of its mandate. So far, nothing has been spent. Any monies that have come forward have come via federal largesse and there has been nothing put forward in any budget by this government to date. This motion suggests that \$150 million of new provincial money might find its way into the budget. Certainly, we are very nervous as to what will happen with the federal program but, in the absence of any provincial money, any gains that have been made to date will dissolve.

Having said that, I’d move the motion.

**The Chair:** Comment? Hearing none, a recorded vote.

**Ayes**

Prue.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Motion number 9, in the name of Mr. Hudak. Comment?

**Mr. Hudak:** I thought this was a very effective presentation at the Niagara Falls hearings of the standing committee. It was presented by the Ontario Association of Residences Treating Youth, or OARTY. They informed committee members—I’m sure many committee members are well aware of their work. Many of these homes would be in our own ridings here at the committee. I know that some in fact are in Wellandport, my hometown.

I have high regard for the work that OARTY does. About 4,000 vulnerable children and youth have benefited from services provided by the agencies belonging to OARTY, and the group presented some data indicating that there would be substantial efficiencies gained by using what they called a levels-of-care funding model. There are two streams of services, if I understand correctly: Those that are transfer payment agencies of the ministry and those that belong to OARTY or a similar organization, where they get a per diem as opposed to a larger block sum through a transfer payment.

What I am putting on the floor is that “The standing committee on finance and economic affairs recommends that the Minister of Finance investigate a levels-of-care funding model as presented by OARTY to target funds at services to children and adult residences and encourage administrative efficiencies.”

**The Chair:** Comment?

**Mr. Hudak:** If nobody else wants to, I did want to say, too, that this motion is not necessarily calling for a change in the way the funding envelope works; it is

simply asking the minister to investigate whether it would be a better funding model or not. If the minister investigates and finds that the existing model is better, that's his or her right to decide, but I think we could put forward to the minister at least this basic recommendation that he investigate OARTY's suggestion.

**The Chair:** Comment? Recorded vote.

#### Ayes

Barrett, Hudak, Prue.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Motion number 10, in the name of Mr. Prue.

**Mr. Prue:** This is a motion that, again, I've tried every which way—Legislature, speeches, questions to the minister—and now I'll try it in committee. The one single thing that this government can do to end child poverty, the biggest thing you can do, is to get rid of the national child benefit clawback. This is asking that you do so, and, at the same time, that you not again leave out those people on general welfare or on ODSP and that you have an increase of 3%. If you do that, it will put them back in the same position that they inherited at the time your government got to power. They'll be no better off, but they won't be any worse off than they were under the Conservatives. Both of those in total would cost you \$300 million, and I can't think of any money that you could possibly spend better than that.

**The Chair:** Comments?

**Mr. Barrett:** Just a comment on part of this motion. I know this has come up in previous years with respect to the finance committee and the situation of people who are on ODSP. I think Mr. O'Toole, who also sits on this committee, would concur. In the past, we have favoured an increase in the payment to those people who are receiving ODSP, but I can't really comment on the several other factors that are tied in with this.

**The Chair:** Comments? Hearing none, a recorded vote.

#### Ayes

Prue.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Motion number 11 is in Mr. Hudak's name.

**Mr. Hudak:** This again stems from the Niagara Falls hearings, if I recall. The previous Minister of Finance, Mr. Sorbara, the member for Vaughan–King–Aurora, had brought forward in Bill 197, the Budget Measures

Act, an attractive measure that we've commented on favourably that would allow members of certain health professions to allow family members to become non-voting shareholders in the professional's corporation, be that a spouse or child of a certain age. I think at its core, this was to encourage doctors and other health care professionals to stay in the province by giving them this tax advantage. Publicly, Minister Sorbara had indicated that this would be available to doctors or dentists, but I believe through the bill we would be able to expand that to other health care professions, such as chiropractors, physiotherapists etc.

One important group that was left out of that act, because they fall under a different act than the Regulated Health Professions Act, was veterinarians. I think we should try to level the playing field here. I don't expect that the impact on the budget would be that large. I don't think there are too many other health care professionals beyond doctors and dentists who would have the impact level or the circumstances in their family to allow them to benefit from this to a great extent, but I think they want that opportunity in case it does exist.

What I'm suggesting via this motion is that "The standing committee on finance and economic affairs recommends that the Minister of Finance make the necessary legislative or regulatory changes to allow veterinarians, chiropractors and other regulated health professionals to similarly qualify for the health professionals' tax advantage as outlined in Bill 197, and that any cost implications be incorporated within total planned program spending."

**The Chair:** Comment?

1630

**Mr. Prue:** This is a question of equity. If you're going to give it to one group, I think you need to give it to all of them. The finance minister, I believe, did make a statement one day that he just was not aware that veterinarians were not covered. It seems to me that they should be covered and that if the tax advantage can go to one group of health care professionals, it should go to all of them, or it should go to none of them. But the decision has already been made for doctors and dentists. It was part of that package with the OMA to have labour peace; after all, they do have the best union in the province. I think it's only fair to extend it to the others. That's why we'll be supporting the motion.

**The Chair:** Comment? Recorded vote.

#### Ayes

Hudak, Prue.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Motion number 12.



**Mr. Hudak:** Maybe through you, Chair, or through the clerk, I know that sometimes we use some strong language in the “whereas” sections that members may or may not agree with from time to time. I’ve been putting motions on the floor by simply reading the last paragraph, which is, “The standing committee on finance and economic affairs recommends” etc. So when a vote is called, it’s simply on that paragraph as opposed to the whereases?

**The Clerk of the Committee (Mr. Trevor Day):** That’s correct.

**Mr. Hudak:** Okay. The Ontario SPCA was quite attentive—if I’m using the right adjective—and attended every one of our hearings, and I think made a very good central point. They had worked with the McGuinty government to create a review of the Ontario SPCA entitled the Grant Thornton report. My understanding is that the government received that report in February 2005.

Each of the presenters from the SPCA related increased costs of business, including those that were queried about this—no, I think it was the written presentation, actually, about the pit bull euthanasia legislation, which puts pressure on their costs as well. It seems sensible that if the ministry had worked with the Ontario SPCA to commission this report, and the report has been returned to the minister, it makes sense to actually act on that report.

I put on the floor that “The standing committee on finance and economic affairs recommends that the Minister of Finance act upon the Grant Thornton report, from within total planned program spending, and clearly indicate the amount of funding available and timelines for action.”

**The Chair:** Comment? Recorded vote.

**Ayes**

Barrett, Hudak, Prue.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** That motion is lost.

We’re now at motion number 13, in Mr. Prue’s name. Comment?

**Mr. Prue:** Lucky 13, here we go. This is simply to ask the Liberals to do even a better job with education. I’ve stood up in the House many times and commended you for two things: One is health care, for which I know you’re struggling, but you’re at least heading in the right direction, and the other one is in terms of education. The Rozanski report has not been fully implemented. This \$824 million in new funding would bring you in line with Rozanski and, I think, offer you an opportunity to say that you have succeeded in your goal of getting education back on track. I don’t want to leave it where it’s only partway done, and I will support you if you want to go the entire distance.

**The Chair:** Comment? Hearing none, recorded vote.

**Ayes**

Prue.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Motion number 14, in Mr. Hudak’s name.

**Mr. Hudak:** We heard extensive comment from a variety of groups on what I would call the government’s misguided plan to close down the coal-fired plants in 2007 and Nanticoke in 2009. As a matter of fact, I believe it’s a commitment that Dalton McGuinty made knowing full well that he could not achieve it, and he continues to stick to it even though I believe that in his heart he knows it’s not achievable or wise. We already talked about the impact of the hydro policy on manufacturing job loss in the province of Ontario.

This was a focus in Sarnia and Atikokan. We heard about it in Timmins and other areas as well. It seems sensible that we should take up the advice we heard at the committee and investigate the opportunities of clean coal technology. When the OPA is doing its review, I think, as mandated under Bill 100—it’s mandated to do a review this fall of future energy supply—at the very least, it should investigate what opportunities there are for clean coal technology. My colleague Mr. Barrett has been a very strong proponent in this respect.

I’ll put the motion on the floor, which is that “The committee recommends that the Minister of Finance and the Ontario government and the Ontario Power Authority conduct a thorough and complete analysis of the feasibility of the use of clean coal technology for electricity production as is done in many provinces in Canada and many countries around the world.”

**The Chair:** Comment?

**Mr. Prue:** This is a hard one. I generally believe, almost universally, that coal as we use it is outdated. You cannot burn it without releasing huge amounts of carbon and other NOx and SOx into the environment—mercury too. But what intrigues me is that there is a process which I’ve only started to investigate called reverse osmosis, where the coal is heated and the gas is given off. It is the gas that is burnt and, through the reverse osmosis process—I’ve been told, anyway—it burns cleaner than natural gas. I would very much like to have the government look at that. If that’s what’s meant by clean coal technology, fine. If it means that you put some scrubbers on the top, I’m not going to vote for that because you’re still going to let too many NOx and SOx, mercury, dioxins and everything else into the atmosphere. So it’s a tough one.

**Mr. Barrett:** There’s no question the issue of coal plants predominated in many of the deputations. In a sense, it’s not so much the issue of the particular fuel that is being used to produce electricity; the importance is

what's coming out the top of the stack with respect to emissions. For that reason, some of the testimony did direct us to consider clean technology or clean air technology, regardless of the type of fuel. We certainly heard that if we take it beyond emissions or beyond pollution and just look at carbon dioxide content and its relationship to climate change, natural gas itself has carbon dioxide production equivalent to about half of what you would get from burning coal.

The focus, I feel, in any decisions on this is not so much the fuel but the emissions. The technology is there. There was mention made of the scrubbers, which are at the existing Lambton plant, a plant that rates fourth or fifth cleanest out of hundreds of plants in North America. As far as sulphur is concerned, there is low-sulphur coal available from Powder River basin in the west. With respect to NOx, or nitrogen oxide, the selective catalytic reduction units eliminate that product. And the combination of both scrubbers and SCRs virtually eliminate mercury.

**The Chair:** Comment? Hearing none, a recorded vote.

#### Ayes

Barrett, Hudak.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Motion 15, in the name of Mr. Prue, I believe. No? Mr. Barrett.

**Mr. Barrett:** The motion is with respect to Atikokan OPG. We'll recall that this finance committee rolled into Atikokan for pre-budget hearings. Many deputants and people in the hall itself, people actually standing outside the building, made it clear to us that the last thing northwestern Ontario needed was the closure of one of their few remaining economic drivers, specifically that Atikokan OPG plant. The slated 2007 closure of Atikokan will further exacerbate the area's economic crisis. We certainly heard about the tough times in the forestry industry, particularly the pulp and paper industry, in that part of northern Ontario. Again, it would compound the tough economic times by eliminating a cost-effective source of energy. Certainly, in the northwest, pulp and paper in particular has been devastated. We were also told that closing the plant would cut Atikokan's population by 20%, and we were told that closing the plant would cut the tax base by 50%.

1640

**The Chair:** Comment? Hearing none, a recorded vote.

#### Ayes

Barrett, Prue.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

I believe number 16 is also in Mr. Barrett's name.

**Mr. Barrett:** This motion is with respect to Thunder Bay OPG. We were given information on the situation with respect to the Thunder Bay plant, in part in the context of the increasingly high electricity prices in the north and the devastating impact that has on industrial production, and the holding back of new investment in mining and smelting. We certainly heard good news with respect to the mining industry in the north, in contrast to the forestry industry.

Again, the resultant higher costs by switching that plant to using natural gas, probably from the TransAlta pipeline, and the impact on new investment coupled with higher prices would have a resultant impact on municipal property taxes—the same as in Atikokan—employment and, by extension, community services. Specifically, we were told that by switching Thunder Bay to natural gas, the station would no longer be able to fill its current role in setting the electricity price for the region and offsetting operating costs for the CN main line and the Thunder Bay coal terminal. Again, jobs hang in the balance.

**The Chair:** Comment?

**Mr. Prue:** I supported the last motion, and I will support this one as well. I will not support the ones that follow. The rationale is quite simple: What's happening in northwestern Ontario should be of concern to everyone in the Legislature—the number of jobs that are being lost in pulp and paper, the number of jobs that are being lost in manufacturing, the towns that are being shut down. I was at the ROMA conference yesterday talking to some of the mayors from northern Ontario. They are extremely upset and depressed at what is happening in their rural and northern municipalities. The only thing that is going to keep some of those towns alive is the hope that there can be some cheaper form of energy and/or huge subsidies from the Ontario government. I don't think you want to go to the huge subsidies, so the only thing that is left is to try to provide some forms of cheaper energy. I wouldn't say this for southern Ontario, but I will say it for the north, that it needs to be done in the short term. So I would keep the coal-fired generating plants open.

I say that as well because the airshed from both of these plants does not blow onto any of the populated areas of Ontario. We're not looking at smog or NOx or SOx in any of the populated areas of Ontario, Quebec or even anywhere in the Maritimes. I know it's all one world and I know that it will eventually blow somewhere, but it will be dissipated at some point. Certainly, what is being produced there absolutely pales in comparison to what is being produced in probably just one coal-fired generating plant in the Midwest. So we have to put it into some kind of perspective.

I do not want to see Thunder Bay, Atikokan and all the towns in northwestern Ontario literally become ghost towns. So I'm going to support this motion, as I did the last one. I will not be supporting or giving the same rationale when it comes to the plants in southern Ontario.

**The Chair:** Comment? A recorded vote.

**Ayes**

Barrett, Hudak, Prue.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Motion 17, I believe, is also Mr. Barrett's.

**Mr. Barrett:** Yes. It relates to the Nanticoke coal-fired plant. This issue was raised by some of the Sarnia deputants. Clearly, Nanticoke is Ontario's largest-capacity plant. It's one of the largest coal-fuelled plants in North America and it's our third-largest energy producer. Last year, it covered 80% of the increase in demand across this province. We know it was slated to be closed next year. That target has been moved to 2009 by this government.

I think Mr. Prue made reference to the northern plants and the smaller size. We might not have this situation in Ontario if, for example, four plants had been built rather than one very large one in the Nanticoke area. The fact remains that it is the largest one. It is a sitting duck for scapegoating.

Locally, the stakes are very high. I can speak to that. It's in my riding and 620 people work there on a permanent basis. Each year, \$4.1 million is spent in goods and services in the area, the Brantford-Haldimand-Norfolk-Brant area, and Haldimand county accrues \$2.8 million in tax payments each year. Again, much lies in the balance should this plant be closed in the year 2009. I'm sure there were some good reasons not to close it next year, and I just ask that some of those good reasons be kept in the decision-making mix. I decided on this one just to focus on the local impact on a rural area that has seen its farm economy pretty well hit bottom.

**The Chair:** Comment? Hearing none, recorded vote.

**Ayes**

Barrett, Hudak.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Wilkinson, Prue.

**The Chair:** The motion is lost.

We'll move to motion 18. It's also in the name of Mr. Barrett.

**Mr. Barrett:** It's with respect to the Sarnia-Lambton Ontario Power Generation station. We heard the environmental scan, if you will, the context; for example, reference made to the impact of the very recently passed spills bill that, coupled with high energy costs and high taxation costs, has meant very little new investment in Sarnia's Chemical Valley. We were told that the chemical industry along the St. Clair River is the second-highest manufacturing sector in Ontario's economy. I mention that in the context of the thousands of manu-

facturing jobs that we are presently losing in the province of Ontario.

A new natural gas is planned to replace Lambton's coal generator. The target is to shut it down next year and that sends up some red flags, given the evidence we received on this committee with respect to dwindling supplies of natural gas. Economics kicks in. As the supply goes down, the price goes up, even if demand were to remain constant.

We were told, I think by the CAE Alliance in Sarnia, Carol Chudy, who quoted a number of estimates of sustainable natural gas supply being available up to maybe the next eight or nine years. The CAE Alliance—that's Clean Affordable Energy Alliance—told us that coal plants can be retrofitted with existing technology to reduce emissions by an aggregate of 80% for about 20% of the cost of shutting down a plant. They present their options to running natural gas through that plant, leaving us with an environment where there are three or four Detroit Edison coal-burning plants right across the river and we remain in their airshed.

1650

**The Chair:** Comment? Hearing none, a recorded vote.

**Ayes**

Barrett.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Prue, Wilkinson.

**The Chair:** The motion is lost.

Motion 19 is in the name of Mr. Prue. Comment, Mr. Prue?

**Mr. Prue:** This is to bring back the Energy Star appliance rebate program, which would be the PST rebate. I'm not sure how much it would cost in terms of monies lost to the Treasury, but I will tell you that if people went out and bought Energy Star appliances in terms of freezers, refrigerators, air conditioners and the whole range, the demands on the electricity system would go down intensely.

In my own case, I just bought a dishwasher. Even though my old one was still working, I went out and bought a new one because the amount of electricity it uses is less than half what the old one used. We're all trying to do our bit. I paid the PST because that's the law, but it would have been an even bigger incentive for me and for people like me to see that PST rebate come back.

If you want to know, all the consternation, all the people upset about the coal-fired generation shutting down, nuclear being built and the gas-powered generator down on the Toronto harbour—a lot of this would not be necessary if we can get into a conservation mode. It seems to be that the 8% that would be rebated would, in the long run, be good for the province, for the environment and for our peaking electricity problems.

**Mr. Wayne Arthurs (Pickering-Ajax-Uxbridge):** I agree with the member's comments about finding a

means by which we can empower the consumer in some fashion to drive energy efficiency, drive the conservation agenda, whether at the end of the day the incentive becomes one of the PST or something else the minister might look at. Obviously, energy is fundamental to Ontario at this point. I am prepared to support the motion as put forward by the member.

**Mr. John Wilkinson (Perth–Middlesex):** Specifically to my friend's suggestion, it's very important that if we incent this behaviour without documented proof, as they do in many other jurisdictions, the old energy hog is taken off the grid—you have to have both sides. We need the incentive but we also need the proof that those things are being taken out. Just having an incentive for new appliances doesn't necessarily reduce the power demand, an example of that being the beer fridge. When the old fridge goes out of the house and into the garage, then you don't actually get any reduction in price. People use that for convenience. The state of Utah has done a presentation for us on the conservation action team, a wonderful plan, of being able to do that.

I commend my friend for bringing this forward.

**Mr. Barrett:** I certainly am in favour of bringing back the PST rebate for the purchase of Energy Star appliances. In making that motion, I think there was a concern about what it would cost, but in the big picture it does enable consumers like myself—I actually replaced the pop fridge in our garage; no, I guess we replaced a freezer, come to think of it, with a brand new freezer. The other one quit. I wasn't going to buy one until it quit and I wasn't going to keep the old one.

As far as what it costs is concerned, in the bigger picture, when people like myself get a tax break like this, it is that incentive to go out and purchase some of the big white goods. That's obviously good for that retail sector of our economy. More product is wholesaled and retailed. People who are in that business pay taxes. It's essentially all to the good, plus it enables us to keep our food frozen or wash our dishes or our clothes using less energy.

**The Chair:** Comment? Recorded vote.

#### Ayes

Arthurs, Barrett, Marsales, McNeely, Mitchell, Prue, Wilkinson.

**The Chair:** The motion is carried.

We'll move to number 20, Mr. Hudak's motion. Mr. Barrett?

**Mr. Barrett:** I'll read this just in part, on behalf of Mr. Hudak. He makes reference to antiquated and cumbersome Liquor Licence Act legislation. The motion is:

"The standing committee on finance and economic affairs recommends the Minister of Finance act on those favourable aspects of the BASRP report that will modernize the LLA and encourage growth in the tourism, hospitality and domestic wine, beer and spirits industries."

I'm in favour of this motion. I would ask that if this is implemented it be done in a responsible way that takes into consideration the existing control function of our—I shouldn't say "liquor"—alcohol licensing legislation.

**The Chair:** Further comment? Recorded vote.

#### Ayes

Barrett.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Motion number 21, I believe, is in Mr. Prue's name.

**Mr. Prue:** This is just trying to get some more nurses. This was part of the government's statement of objectives coming in from the last election, that we needed 8,000 new nurses. This is sufficient funds to hire 3,000 nurses in this fiscal year so that you can stay on track, or actually get close to being on track, to meet the commitment that you made to the people of Ontario. It will cost \$150 million. We just like to help you.

**The Chair:** Comment?

**Mr. Barrett:** There's no question we do have a nursing shortage and an ever-increasingly developing nursing shortage. According to the Registered Nurses Association of Ontario, the rate of new registered nurses working in Ontario is not keeping pace with the province's population growth, and as we know from demographics, that is a population that is also growing in age. This is also a concern in certain areas in northern Ontario and rural Ontario.

**The Chair:** Further comment? Hearing none, recorded vote.

#### Ayes

Barrett, Prue.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Number 22 is also in Mr. Prue's name.

**Mr. Prue:** The same thing again. This is a proposal which has come up in the Legislature before, one that I think the government would generally be favourable to. It's \$40 million for a new provincial public health laboratory and \$45 million for the establishment of a new public health agency, and for it to be done in this year's budget.

**The Chair:** Comment? Hearing none, recorded vote.

#### Ayes

Prue.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Number 23 is also in Mr. Prue's motion.

**Mr. Prue:** This is, again, trying to help the Liberals with their 2003 provincial election campaign promise of a \$6,000 increase in care for every resident of long-term care in Ontario. They are \$300 million short towards the goal; therefore, we were asking for a meaningful step in this direction, for the operating increase of \$200 million, which will again get them back on track.

**The Chair:** Comment?

**Mr. Barrett:** I'll just comment. I mentioned the aging population. We know that the population of those aged 65 and over is going to more than double, from 12.8% last year to 22.2% in the year 2031. Similarly, those aged 75 and over will also double, from 5.9% last year to over 10% in the year 2031. I don't have a lot of analysis on the details of this particular motion.

1700

**The Chair:** Further comment? Hearing none, recorded vote.

#### Ayes

Prue.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Number 24 is in the name of Mr. Hudak.

**Mr. Hudak:** My apologies. I had to step out. I was speaking in the House, so I'm sorry I didn't participate in the earlier motions, but I anticipate there was lively debate about them.

**Insulin pumps:** We had an excellent presentation by the Ontario Diabetes Action Partnership. In fact, I believe the presenter hailed from Burlington or that neighbourhood, and she made the trip all the way to Atikokan in order to meet with the committee and to make her case.

Some of the points that ODAP, the Ontario Diabetes Action Partnership, brought up were that there are 1,625 Ontario children with type 1 diabetes who could benefit from an insulin pump, but are unable to afford them out of their own pockets. It think it was in their backgrounder and also in response to questions from the committee that she indicated that other countries such as Sweden, Germany, Holland, France, the Czech Republic and Norway fully fund the insulin pump used for children, and some other countries such as the United States and United Kingdom provide at least some public funding for insulin pump use in adults and children.

I think if we do support this motion, particularly unanimously—I know that the current finance minister brought forward a similar private member's bill in 2003 as an opposition member, then called Bill 76, and our colleague from Thunder Bay–Superior North has Bill 15 of a similar nature before the Legislature. So we do have two very important members of the Liberal caucus, the

caucus chair and the finance minister, who have indicated support for this measure.

Therefore, I put on the floor that “The standing committee on finance and economic affairs recommends that the Minister of Finance provide funding for the use of insulin pumps for the people of Ontario who need them.”

**The Chair:** Comment?

**Ms. Judy Marsales (Hamilton West):** I'd like to speak in favour of this motion. We've heard a lot of dissertations on this particular issue, and I think there's good evidence to suggest that it would be in the best interests of Ontario citizens.

**The Chair:** Comment? Hearing none, recorded vote.

#### Ayes

Arthurs, Barrett, Hudak, Marsales, McNeely, Mitchell, Prue, Wilkinson.

**The Chair:** Carried.

Now before us is motion number 25, Mr. Prue.

**Mr. Prue:** If there was one recurrent theme we heard from every single municipal politician or any of those who were involved in municipal life, it was to upload the download, and that's what this is. This is a request to upload the download and to have at least \$300 million as the first step. That's about one eleventh of those matters which are downloaded. There's about \$3.3 billion. This is about 9%. If it was done in the first year, that would, I guess, help some of the municipalities somewhat.

It is estimated that to take, as an example, welfare or housing off of the municipal load, would literally for the city of Toronto solve the problem alone. The mayor and the budget chief are going to come, walk up the street tomorrow to meet with the Premier and staff. This action alone, getting rid of welfare payments and the responsibility of the municipalities to pay them, would get rid of the city of Toronto's budget woes, as well as Mississauga, Hamilton, Ottawa and all the municipalities across Ontario. We heard it from AMO and Roger Andersen, we heard it from mayors and reeves and every single person who talked to us, that if there was one thing that we could do to help municipalities, it would be to upload the download. This is very doable at 9% of the download in this coming budget.

**Mr. Arthurs:** I'm not sure whether the numbers are right or wrong, but certainly the government is taking some actions. Uploading public health is one of those initiatives. We clearly heard from the municipalities about all of the downloads, quite frankly. They particularly ended up focusing some attention at the end of day on the download of land ambulances. There was a clear agreement at that point to have a particular percentage direct sharing. I think every municipality in AMO expressed the desire to see this rectified, among other things, but this was one that they would put a number on more readily in clear agreement. Although I'm not convinced that the number is right or wrong, I think providing some recommendation to the minister on the uploading needs, in light of current government action as

well, would not be inappropriate, and I support the motion accordingly.

**Mr. Barrett:** We would agree that a review of fair funding for provincially mandated services is certainly overdue. Municipalities must be able to depend on the provincial government to pay its fair share. In northern and rural Ontario, a one-size-fits-all formula with respect to these kinds of transfer payments really fails those areas and does not take into consideration extraordinary expenses, especially, for example, if a municipality is trying to catch up with respect to ambulance service.

We know this government replaced the original CRF, the community reinvestment fund, with the Ontario municipal partnership fund, the OMPF, in March 2005. AMO did note that the OMPF allocation is an arbitrary amount determined by provincial funding priorities, rather than an amount based on municipal need or the ability of municipalities to foot the bill. They did point out that the OMPF funding model at present distributes less funding than the previous one would have been distributing if it had continued.

**The Chair:** Comment? Recorded vote.

#### Ayes

Arthurs, Marsales, Mitchell, Prue, Wilkinson.

**The Chair:** Carried.

Number 25, also in Mr. Prue's name.

**Mr. Prue:** That was 25.

**The Chair:** Oh, 26.

**Mr. Prue:** Okay, sorry. I just thought something happened there.

**The Chair:** It carried.

**Mr. Prue:** It's 26, if you want to carry that one right away, too.

This has to do with the gas tax, which I think is on track. I'm not sure whether it's going to be totally resolved this year, but we're asking for that, that it go right to the two cents. It will cost \$160 million. It would honour the 2003 election commitment for badly needed public transit. We know that, speaking of the city of Toronto—and I know that it's not the centre of the universe or the only place—the city of Toronto this year is receiving approximately \$180 million less from the province of Ontario than it did in the mid-1990s. The money that is received needs to go for capital works. Buses, streetcars, subways and other modes of transportation are getting in old and sometimes decrepit shape. This is just an opportunity to get the funding back up to more normal levels after they were drastically cut.

**Mr. Arthurs:** Certainly moving goods and people is fundamental to the economy of the province, particularly in those municipalities that have transit. If you can get people on buses, it frees up the road capacity as well to move goods more efficiently. I believe the government is on track, with a one-cent announcement in 2004-05; I think there was a further half-cent. To reinforce the need to get this completed I think would be appropriate, and I'm prepared to support the motion.

**Mr. Phil McNeely (Ottawa–Orléans):** I'd just like to say as well that it's nice to have the member jump on our policy, which is to have us go up to two cents in I believe it's October 2006. That's the direction we're going. It's an excellent program that is supporting public transit and making our cities sustainable. So it's a motion I will vote against, because I think it's already in other budgets and other programs and the two cents will be there in October 2006.

1710

**Mr. Barrett:** With respect to the allocation of the two-cent gas tax, in my meetings in much of rural Ontario I don't hear much about the need for public transit in the sense that there isn't any in so many of the areas. The bus service that did exist at one time on the provincial highways, much of that has gone by the way. In the last two and a half years, the average family in northern and rural Ontario paid an additional \$600 a year in gasoline costs. There really isn't much of an option in much of rural Ontario. OC Transpo does not go down to Winchester and the TTC doesn't go to Wingham. So it's a bit of a non-issue in much of rural and northern Ontario.

**Mr. Prue:** Just to answer that last part, the federal gas tax does give money that way and I don't think the province should be going in the same direction. Obviously, the smaller and rural communities are benefiting on a per capita basis, the same as large cities like Toronto, Hamilton and Ottawa, in terms of the five-cent federal gas tax.

Just on the comment about jumping on board a Liberal policy, I beg to differ. It was, first of all, put forward by the Federation of Canadian Municipalities. It was part of the plank of the NDP, although we said three cents. Not to outdo you, but one cent was to go for intermodal transportation, which has not been covered in this and which I think goes to what Mr. Barrett was saying. The one cent for intermodal transit was to be used for GO trains and buses, to interconnect communities, between one community and another. I would like to see—and I'm hoping to see at some time in the future—that money spent not only on transit but intermodal transportation as well, to get people between towns. As for the two cents, whether it was FCM or you or me, I'm just glad that it's happening.

**Mr. McNeely:** I'd like to correct the record. There is \$12 million going to rural municipalities in 2006, some of it connected with transportation for disabled communities. It is for transit, but it does apply to rural municipalities as well.

**The Chair:** Comment? Hearing none, a recorded vote.

#### Ayes

Arthurs, Marsales, Mitchell, Prue, Wilkinson.

#### Nays

McNeely.

**The Chair:** The motion is carried.

Motion 27 is in the name of Mr. Hudak. Mr. Barrett.

**Mr. Barrett:** It's a motion with respect to stopping out-of-control property assessment. As mentioned, many homeowners have experienced property assessment spikes in excess of 30%. Again, whether you're in a home or in a business, you need some degree of predictability. I'm not a municipal politician but so often the tax rate increase seems to be directly related to an assessment increase. It just raises the questions: Does our present system encourage the ability to create jobs and attract investment? Does it discourage the ability to create jobs and attract investment? Is it equitable? Is it as efficient as it should be, as well? This is one proposal to suggest a way to improve the system.

**The Chair:** Comment?

**Mr. Prue:** I think this is only asking the Minister of Finance to implement a plan. It doesn't tell him what the plan is; it only asks him to make a plan that makes it more transparent. There are several ways this can be done without limiting the options. We can go to a system that was never really implemented, with rolling five-year averages, and then you will not see the spikes that you saw in much of Ontario this past year, although I do not expect to see the same spike next year. Property values do not seem to be spiking to the same extent in many of the municipalities, especially on cottage properties.

The second thing that can be looked at is capping, which was done in many cities around commercial and industrial properties. They were capped. It's what's done in California and Florida, although I have to tell you, I would be wary about capping it too low, as California did, because they've created their own problems in terms of funding for education. They've gone from the top 10 down to the bottom two in terms of per capita funding because of the capped system. In any event, it is an option that needs to be looked at.

I will support the motion, because I think we need to make it more transparent for homeowners. We have to get away from the big spikes, year in, year out, because for every person who is finding their property going up 50% and 60% in one year, you would likewise have people seeing their properties go down in certain jurisdictions. You just can't plan, and I think that's why there's a lot of anger out there.

**The Chair:** Further comment? Hearing none, a recorded vote.

#### Ayes

Barrett, Prue.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Number 28 is Mr. Hudak's motion. Mr. Barrett.

**Mr. Barrett:** The motion on page 28, the property tax hikes by stealth: Again, making reference to 2006, property assessments in many communities spiked an average of 15% to 20%, or more. The gist of this motion essentially is to recommend that "the Minister of Finance immediately announce a reduction in the provincial education property tax rate...." It's something the province could do, bearing in mind that families across Ontario are subject to other tax increases: increases in user fees, new user fees, higher heating costs, increased electricity rates and other costs. The recommendation is a cut in the education property tax.

**The Chair:** Comment? Hearing none, a recorded vote.

#### Ayes

Barrett.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Number 29 is also in the name of Mr. Hudak. Mr. Barrett.

**Mr. Barrett:** This motion on page 29 is with reference to the Ontario municipal partnership fund. I won't repeat the comments I made previously. The recommendation proposed from this committee is that "the Minister of Finance act, within total planned program spending, to better support municipalities, with emphasis on rural and northern municipalities that have had their provincial funding cut under OMPF."

**The Chair:** Comment?

**Mr. Prue:** I just have a question. What troubles me a little here is "within the planned program spending." Whatever money was set aside, if you're going to give these municipalities more, then I would assume you're going to take it out of the municipalities that are already getting some money. They're going to get less. Is that what the intent is here?

**Mr. Barrett:** There's no question, when one sits on the finance committee—I could answer the question, if you wish.

**The Chair:** Yes, go ahead.

**Mr. Prue:** That's what I need to know before I can vote yes or no.

**Mr. Barrett:** Very clearly, we would have to make a decision with respect to the allocation of scarce resources. Oftentimes, it is a zero-sum game.

**The Chair:** Comment?

**Mr. Wilkinson:** Just for the record, there is no community in Ontario that is receiving less this year under OMPF than they received previously. So I can't support a motion that would solve a problem that doesn't exist.

**The Chair:** Comment? A recorded vote.

**Ayes**

Barrett.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Prue, Wilkinson.

**The Chair:** The motion is lost.

Number 30 is also in the name of Mr. Hudak.

**Mr. Barrett:** This motion is with respect to a report prepared by the Ministry of Finance in 2004 with respect to the provincial land tax, a concern in northern Ontario. That report is sitting on the shelf. The recommendation is how this will proceed and the request for time frames for reform in the upcoming budget. Again, the request is to adopt or implement anything that's worthwhile in this report.

1720

**The Chair:** Comment? Hearing none, recorded vote.

**Ayes**

Barrett, Prue.

**Nays**

Arthurs, Marsales, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Motion 31 is in the name of Mr. Prue. Comment?

**Mr. Prue:** This is just on housing. Today I asked a question in the House. It's about the number of people who are being evicted; I think the figure was 33,000 families. Primarily, those being evicted are those who cannot afford to pay the rent. They fall behind to such a point that they supplement from their food income. Then when there isn't enough with that, they finally find themselves one day unable to pay their rent. Not all of them are able to get a rent supplement, nor are they able to get the one-time loan to help them meet a one-time rent payment. We're seeing a lot of those families ending up on the street or finding themselves in really bad shape. This is to ask that there be 12,000 new rent supplements. This would cost \$53.4 million. This is hopeful that people who do not earn sufficient monies but who largely are employed would have an opportunity to not find themselves in this kind of travail.

The other one is 7,000 units of affordable housing at a cost of \$350 million. There has been virtually nothing spent in Ontario on affordable housing. All of the announcements to date have been federal dollars. The only thing that the province does, in a great many of the cases, is forego the PST on the building materials. That's it. Anything else that's done has been spread out over 20 years in which the province has to make the payments. That is encumbering not only this government but five future governments in a row to pay what I think should be done now. We are asking that there be \$350 million in this year's budget as the provincial portion to match in

part the federal dollars, and not to encumber five governments from now with that debt.

**The Chair:** Comment? Hearing none, recorded vote.

**Ayes**

Prue.

**Nays**

Arthurs, Marsales, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

I'd just take a moment to remind the committee that we are doing approximately 10 of these motions every half-hour. We are deemed to sit tomorrow if need be, but we could—I'm in the hands of the committee—complete this today, depending on the length of comments and the wishes of the committee. We cannot sit past 6 today. So I just put that there for the committee to note.

*Interjection.*

**The Chair:** I just remind you of that.

Number 32 is in the name of Mr. Hudak. Mr. Barrett?

**Mr. Barrett:** We're all aware, certainly after our day in Atikokan, of the devastation in the pulp and paper industry and the forestry industry in that part of Ontario. Weyerhaeuser indicated that 14 pulp and paper mills are closed, with 3,000 direct job losses and a prediction of another 12 mills closing. This obviously impacts sawmills and suppliers tied in with that value chain.

There is a report from the minister's council on forest industry competitiveness. The recommendation is that this government respond to the recommendations of the minister's council on forest industry competitiveness and, where warranted, provide adequate funding, again, from within total planned program spending.

**The Chair:** Comment?

**Mr. Prue:** Yes, it's the total program spending again. The forest industry talked primarily about two things that needed to be done. They couldn't do much about the high dollar, so they said we had to lower the energy cost—particularly in pulp production; not so much in plain board—and we had to help the forest industry with logging roads, paying the government's portion thereof. Both of those are going to cost money and cannot be done within the planned program spending.

I have some considerable difficulties. I want to support this motion, but to say you're not going to spend any money on it, or if you're going to spend the money you're going to take it out of something else within, I guess, natural resources' budget or wherever it would come from, I have a huge problem with that. I think the money needs to be spent. We need to protect the forest industry. If we can find millions upon millions of dollars for the auto industry in Ontario, we should be looking to find the same kinds of funds for the forest industry that impacts jobs throughout the north.

**The Chair:** Comment? Recorded vote.



**Ayes**

Barrett.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Prue, Wilkinson.

**The Chair:** The motion is lost.

Number 33 is in the name of Mr. Hudak.

**Mr. Barrett:** We heard good news with respect to the mining sector. Prospectors came forward and indicated their need for continued and improved geological mapping. They talk of the share program to support exploration. Again, this recommendation makes reference to “within total planned program spending,” not wanting to force this government to go over budget or to run a deficit this year.

**The Chair:** Comment?

**Mr. Arthurs:** It’s my understanding that there’s already been a commitment over three years to some \$15 million, particularly for this type of purpose. I think it’s just reinforced to ensure that side goes forward, and I’m here to support the motion accordingly.

**The Chair:** Comment? Hearing none, recorded vote.

**Ayes**

Arthurs, Barrett, Marsales, McNeely, Mitchell, Prue, Wilkinson.

**The Chair:** The motion has carried.

Number 34 is also in Mr. Hudak’s name.

**Mr. Barrett:** This motion addresses the issue of the danger with respect to abandoned mines. There is a recommendation under the abandoned mines rehabilitation program. I don’t have information on this legislation, but “work with concerned groups and individuals to develop supportive good Samaritan legislation, as recommended by” the Ontario Mining Association.

**The Chair:** Comment? Hearing none, recorded vote.

**Ayes**

Barrett, Prue.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Number 35 is also in the name of Mr. Hudak.

**Mr. Barrett:** Why am I not surprised that Mr. Hudak would be putting forward a motion with respect to communities, including Grimsby, Lincoln, Pelham, Niagara-on-the-Lake, that have had their provincial grants simultaneously reduced by the government’s new Ontario municipal partnership fund, while at the same time having their growth frozen by greenbelt legislation?

**The Chair:** Comment? Hearing none, recorded vote.

**Ayes**

Barrett.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The committee is staring at me. I’m just making sure the clerk is ready to write all this down in between and get the recorded votes the way they should be.

Number 36 is also in the name of Mr. Hudak.

**Mr. Barrett:** This is with respect to the VQA designation and the fact that, like so many other agricultural commodities, there is tremendous competitive pressure from offshore or out-of-province competition. A KPMG study indicated that every bottle of Ontario wine adds \$4.29 in economic value. The input of economic value is 56 cents from imported wine.

I’ll read the recommendation proposed for this committee to make to the Minister of Finance: “Add domestic economic benefits to its measures of success for the LCBO and incorporate growth in the Ontario VQA category as part of the LCBO business plan.”

1730

**The Chair:** Comment? Hearing none, recorded vote.

**Ayes**

Barrett, McNeely, Prue.

**Nays**

Arthurs, Marsales, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Number 37 is also in Mr. Hudak’s name.

**Mr. Barrett:** Mr. Hudak’s motion makes reference to the Ontario culinary tourism strategy. It indicates that this has been well received and has strong and broad support within the industry. Challenges: border issues, lower disposable income in Ontario and declining American traffic. It is a call for dedication of “sufficient funds from within total planned program spending, to execute the Ontario culinary tourism strategy.”

**The Chair:** Comment?

**Mr. Wilkinson:** I would be remiss if I didn’t put it on the record that we were the guests—I know the official opposition weren’t there, they were otherwise engaged, but when we were out on committee, we stopped in my hometown of Stratford and had dinner at the Stratford Chefs School, which is a great example in this province of the culinary arts and the training of our future five-star chefs, as they have been doing for almost 25 years now. I have a special part in my heart, and perhaps my stomach as well, to support this. Whether my other colleagues can I’m not too sure, but I know that I will.

**Mr. Barrett:** When I said execute the strategy, I certainly didn’t mean terminate the strategy. I meant to

move it forward. I want to be clear so we know how to vote.

**Mr. Arthurs:** I enjoyed it immensely, both the tourist part and the culinary part. Having said that, I have to say, in the context of this motion, that dedication of “sufficient funds” leaves me absolutely no idea what we might be talking about, and similarly as to “within ... planned program spending.” I just don’t see that at this point I could support the motion in the fashion before us.

**Mr. Prue:** I’m going to support this because I don’t think it’s a lot of money; I don’t think we’re going to be robbing Peter to pay Paul here. I don’t usually like flat-lining and just saying, “We’re going to add a new program, and everybody else is going to suffer as a result,” but I don’t imagine that this is going to cost a great deal of money in the overall scheme of the ministry or the budget. Notwithstanding “within total planned program spending,” I’m going to support it because it’s one of the most innovative programs we have here in Ontario. I would agree with Mr. Wilkinson that the culinary school in Stratford was first-rate.

**The Chair:** Comment? Hearing none, recorded vote.

#### Ayes

Barrett, Prue, Wilkinson.

#### Nays

Arthurs, Marsales, McNeely, Mitchell.

**The Chair:** The motion is lost.

Number 38 is also in Mr. Hudak’s name.

**Mr. Barrett:** The motion addresses the proposal for a passport or border security card to enter the United States, with an estimated 12% reduction in tourism spending in Ontario. You wouldn’t know it yesterday in Niagara Falls. I guess today’s an American holiday, and there were certainly lots of US tourists yesterday in that part of the border. But the hospitality industry has been hard hit with higher utility bills and taxes and a reduction in disposable income of consumers.

The recommendation here—I would like to read it, Chair—is “the Minister of Finance and the McGuinty government work aggressively with the national and state governments of the USA and the Canadian federal government to eliminate this spending requirement or, failing that, implement measures to mitigate the negative impact this policy will have on the tourism and hospitality sectors.”

**The Chair:** Comment? Hearing none, recorded vote.

#### Ayes

Barrett, Prue.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost. Number 39 is in the name of Mr. Prue.

**Mr. Prue:** This again goes back to the Rae recommendations for 2006-07. We are asking that the government continue the freeze on all regulated and deregulated college and university programs, and to compensate. This would cost approximately \$635 million, and \$300 million in capital funding, for a total of \$935 million, and would be a very meaningful step in implementing the Rae report recommendations. I know that many college and university students are waiting on tenterhooks, wondering what is going to be contained within this budget and whether or not the freeze they’ve seen in the last couple of years will be maintained.

This is requesting that it is in fact maintained and that the Rae recommendations be implemented.

**The Chair:** Comment? Hearing none, a recorded vote.

#### Ayes

Prue.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost. Number 40 is in Mr. Hudak’s name.

**Mr. Hudak:** Thank you very much, Chair. I’m pleased to re-enter the debate. I apologize that I didn’t have the chance to introduce all my motions. Did we have a winner on the culinary tourism strategy? We had a supportive vote?

**Mr. Wilkinson:** I supported it.

**Mr. Hudak:** Excellent. I thank the member from Perth-Middlesex for the support. I know he’s a strong component of tourism and hospitality in his area. He has a lot to brag about.

**Mr. Prue:** It lost 4-3, though.

**Mr. Hudak:** We didn’t; really? Can we revote on that? Maybe I’ll alter that one slightly. Debbie and I always enjoy visiting Stratford. The Old Prune restaurant was one of our favourites that we visited before. There’s no doubt that Stratford would be a very worthy candidate for some funding from that program if it were to be funded by the Minister of Finance.

I’m sorry, Chair. I got away from number 40 for a second there.

The mid-peninsula corridor is a very important investment, not only in Niagara; it will benefit Haldimand county, Norfolk county, Hamilton and the western GTA. Basically it’s a new highway most likely through the south and the western part of Niagara that would be a major artery to pump investment, trade, tourism, and improve safe travel as well.

In 2001 the former Minister of Transportation, Brad Clark, had commissioned and received a study, a needs assessment, that clearly demonstrated that there was a need for the new highway. We had anticipated that the

next step would be to submit the environmental assessment and then the highway would move forward.

Unfortunately, the mid-peninsula corridor has moved backwards, with the current Minister of Transportation effectively scrapping the previous work that had been done. He has started from square one and is in fact studying whether a new highway is even needed. Mr. Chair, that had already been completed in 2001, and as a result we've effectively lost five years needed for this highway in our area.

What I'll put on the floor is that the standing committee on finance and economic affairs recommends that the Minister of Finance commit sufficient funding from ReNew Ontario to accelerate the mid-peninsula corridor process and see it completed within a defined and accelerated time frame.

**Mr. Barrett:** I wish to comment on this proposed corridor, again from Buffalo-Fort Erie up, skirting south of Hamilton. In retrospect, I suppose the construction of the QEW along the base of the escarpment, between the Niagara Escarpment and Lake Ontario, was a mistake. It is unfortunate that that highway has been located, and has been there for decades, on some of the best and specialized fruit lands, fruit and vegetable orchard lands and vineyards, very unique soil types and microclimate. It is regrettable when you see the industrial growth and population growth on that that farmland.

This proposal moves a major corridor away from the Niagara Peninsula, certainly that section from Hamilton down towards St. Catharines and beyond, and runs it, as the name suggests, mid-pen, roughly between Lake Erie and Lake Ontario, on farmland. A lot of it is very good farmland but it's not the kind of specialized orchard and vineyard fruit land that we have at the base of the escarpment.

**1740**

As with any four-lane highway, we certainly saw this with the 403 expansion from Hamilton across towards Woodstock. It became a tremendous boon for the city of Brantford, a city that really had been sleeping for 50 or 60 years. I certainly saw evidence of that in my area. As Mr. Hudak indicated, it does boost a county like Haldimand. One indication of the economic status of Haldimand county: The population five years ago was identical to what it was 100 years previously. There was obviously no economic growth based on population growth—not that I'm a big fan of population growth, but it would benefit that part of Haldimand county, and certainly that part of mid-Niagara that does not have the specialized agricultural land that has served this province so well.

If this proposal were to move forward a little more aggressively—in fact, I wrote a letter to Minister Takhar about this today—it's very important that, obviously, the environmental assessment and the planning is there, and the linkages. I can speak for my area: It is important for an adequate linkage from the Dunnville area to this particular corridor, and it can only benefit the Highway 6 corridor, which does need improvement. That's the route

that runs steel back and forth between Hamilton and Niagara.

**Ms. Marsales:** In theory, I would support the mid-peninsula corridor as well as the concept of a transportation plan for the Hamilton area. I think we've been talking about this for a while. However, I could not support the language of this particular amendment, so I will not be supporting the motion.

**The Chair:** Comment?

**Mr. Hudak:** Thanks, Chair. I'm willing to amend the language if the member so chose. I did leave it pretty general. I didn't give a particular year. Obviously, the sooner the better, from my perspective. I did want to give the Minister of Finance enough flexibility, but I did want to see at least some funding committed to accelerating the process. I used ReNew Ontario because I thought that was sort of the capital plan of government. That's why ReNew Ontario specifically is mentioned. But I'd be willing to change the amendment if it helps to get it passed as advice to the minister.

**Mr. Barrett:** Chair, I am also amenable to any amendments from this standing committee. I do have one particular amendment that I would like to make to this motion. It's merely one word that would be inserted after "Haldimand," and the word would be "Brant." There are identifiable benefits to Brant county, because the committee is—

**The Chair:** The committee is only considering the last paragraph.

**Mr. Barrett:** Oh, for amendments.

**The Chair:** No, for the report, for the recommendation to the minister. The "whereases" are not included. It's just the—

**Mr. Barrett:** Yes. I see. My purpose for that is because it skirts the northern boundary of Brant county and at some point would link up with or cross that new 403. It's a bit of an oversight. It would have significant benefits for the northern part of Brant county.

**Mr. Prue:** I must profess my ignorance on this, but has a full environmental assessment been done of this proposed highway?

**Mr. Hudak:** That would indeed be the next step of the process, but we're not even at that stage yet. There are still consultations on the terms of reference for the EA, and I believe I'm correct to say that there are no deadlines or clear targets as to when that process will be completed. We do believe that—and there is always the intent to have an environment assessment, but the problem is that it has been a very, very slow process to get to that place.

**Mr. Prue:** So what is taking place, then—the sufficient funding—would be to do an environmental process, not to build the highway.

**Mr. Hudak:** I appreciate the member's comments. I left it open. Obviously, I want to see the highway go ahead. You may remember that the previous government scoped environmental assessment to move this forward more quickly. The current government has said that they wanted to do what they call a full EA, as opposed to the

scoped process. What I wanted to do here was just to indicate that we want the process to be speeded up. Whatever process the government takes, let's get on with it.

**Mr. Arthurs:** I appreciate the words. The reality is—and I think Mr. Prue just addressed it—the absence of an EA. It won't be appropriate, from my perspective, to recommend to the minister the commitment of funds to a project that would effectively tie up monies that might be used elsewhere for other projects, in the absence of an EA on this particular project. I think the recommendation is not the right one, nor probably an appropriate one, for an EA to the Minister of Finance, so I won't be supporting it.

**Mr. McNeely:** I believe, just to support that, that it's an Ontario capital works project, and projects have to go through an environmental assessment and be approved by the Ministry of the Environment before any of the dollars are committed through ReNew Ontario, which has a one-year extension each year. The motion just doesn't make sense, in my opinion.

**The Chair:** Comment? Hearing none, recorded vote.

#### Ayes

Barrett, Hudak.

#### Nays

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

Motion number 41 is in the name of Mr. Hudak.

**Mr. Hudak:** I'm pleased to bring forward a very specific motion, but I think nonetheless an important motion, on behalf of the town of Fort Erie. Fort Erie, of course, is the municipality in which I was born and raised and called home most of my life. I do have to take a moment to give a great deal of credit to the town of Fort Erie, the Peace Bridge Authority and local businesses, including the truck and travel centre, that addressed a serious issue. For too long we've had backups along the QEW from trucks being processed on the American side; increased security on the American side post-911, which is no surprise, and we deal with it at all the borders. We had, sadly, a number of accidents, including a couple of fatalities, because of people coming around the bend on the Queen Elizabeth highway in Fort Erie and hitting the back end of some trucks that had been lined up.

For some time, the Ministry of Transportation has been looking at implementing a marshalling yard. Basically, the trucks would line up in this marshalling yard, they would queue and then be sent down the highway when the backlog had ended, therefore eradicating any concerns about lineups on the Queen Elizabeth Way. It was estimated at the time that the marshalling yard would probably cost in the neighbourhood of \$40 million to the Ministry of Transportation.

As I said, Fort Erie, the Peace Bridge Authority and local businesses, including the truck and travel centre, basically made up their own marshalling yard by doing pre-clearance of trucks off of the Gilmore Road exit. As a result, the Ministry of Transportation saved \$40 million. In return, the town of Fort Erie is asking the government to invest some of that money—not all of it, not even half of it, but roughly a quarter of it, in that neighbourhood—to improve the Gilmore Road overpass, the Bowen Road overpass nearby, and the road in between.

The increased truck traffic going into this marshalling yard, if you will, has created a safety hazard. Also, Fort Erie is looking at developing the land along that Bowen Road and Gilmore Road corridor. It has been cited in the Minister of Public Infrastructure Renewal's growth plans as a trade corridor, a place for growth. Therefore, I would put forward the following motion to help solve this issue:

"The standing committee on finance and economic affairs recommends that the Minister of Finance dedicate adequate funding from the ReNew Ontario program for the QEW, Gilmore Road improvements in 2006-07 and the QEW, Bowen Road interchange for 2009, as requested by the town of Fort Erie."

Again, that was at the Niagara Falls hearings.

1750

**The Chair:** Comment?

**Mr. Prue:** I'm going back to the same thing: Has an environmental assessment been done so that the ReNew Ontario program funding can be used?

**Mr. Hudak:** I appreciate the member's question. The reality is that the project has not moved forward at all because the town of Fort Erie simply cannot afford it. It does involve one of the Queen's highways.

I can't speak on behalf of the council of Fort Erie, but I do know them to be very responsible individuals. I would anticipate that they would fully participate in an environmental assessment if they were given the funds.

**Mr. Prue:** So that I can support this, with the concurrence of my friend, I wonder if I might delete the words "from the ReNew Ontario program," so that it would just say, "dedicate adequate funding for the QEW, Gilmore Road improvements...." If the intent is to start, I can see the merit in that. I just do not want to look at infrastructure funding when I know that there's going to have to be an environmental assessment first.

**Mr. Hudak:** If the member moves the amendment, I'm very pleased to support what I would consider a friendly amendment. I appreciate the member's caution. As I said, if an environmental assessment were deemed to be necessary by the MTO, I have no doubt that the town of Fort Erie would fully co-operate. They're responsible individuals on council; I think they just want to see these projects go forward. They do want to see some recognition of the work that they've already done to save the Ministry of Transportation some considerable funds and improve safety.

I do realize that this is a very local issue. It's important to us in the Niagara Peninsula. I can't expect members to know the details of this issue that I would as the local

member, but nonetheless, I'd be willing to amend to give that generality to make sure it was acceptable.

**The Chair:** Mr. Prue, have you amended the motion?

**Mr. Prue:** I did, provided it was concurred with, and he did. I didn't want to do something that was going to change the intent of his motion. I would simply delete, after "funding," the words "from the ReNew Ontario program" so that it will now read, "that the Minister of Finance dedicate adequate funding for the QEW, Gilmore Road improvements...." It could come from any line that is necessary, including environment.

**The Chair:** Comment on the amendment?

**Mr. McNeely:** I'd just like to suggest that this is the wrong place to be setting priorities for Ministry of Transportation projects and that what we're doing because of one project is jumping the queue. It's just strange that we're trying to set those priorities for transportation projects at this committee.

**Mr. Hudak:** I appreciate the parliamentary assistant to the Minister of Transportation's comments, but they did come forward to make this presentation as part of this process. I know they've similarly brought this forward to other interested ministries. I think they did make this proposal in good faith. I think it's a very sensible proposal and I do think that it's within our mandate to recommend these types of projects to the Minister of Finance for funding.

**The Chair:** Comment? Shall the amendment carry? Recorded vote.

**Ayes**

Barrett, Hudak, Prue.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The amendment is lost. Now we're back to the original motion. Recorded vote.

**Ayes**

Barrett, Hudak.

**Nays**

Arthurs, Marsales, McNeely, Mitchell, Wilkinson.

**The Chair:** The motion is lost.

I have some questions for the committee. Shall the report, including recommendations, carry? Carried.

Who shall sign off on the final copy of the draft? The Chair? Agreed? Carried.

Shall the report be translated? I think we have a House leader's—we're going to do that in two steps. Are we agreed to that? Agreed.

Shall the report be printed? Agreed.

Shall I present the report to the House and move the adoption of its recommendations? Agreed.

For the benefit of some committee members, a dissenting report needs to be in by Thursday at 4 p.m. We are adjourned.

*The committee adjourned at 1755.*





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