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Assemblée législative  
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## **Official Report of Debates (Hansard)**

Thursday 4 May 2006

## **Journal des débats (Hansard)**

Jeudi 4 mai 2006

**Standing committee on  
finance and economic affairs**

Budget Measures Act, 2006

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

Loi de 2006  
sur les mesures budgétaires

Chair: Pat Hoy  
Clerk: Douglas Arnott

Président : Pat Hoy  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Thursday 4 May 2006

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 4 mai 2006

*The committee met at 1001 in committee room 151.*

## COMMITTEE BUSINESS

**The Chair (Mr. Pat Hoy):** The standing committee on finance and economic affairs will now come to order. Before we begin this morning's presentations, we have some housekeeping. We would need a motion on the committee procedures.

**Mr. Wayne Arthurs (Pickering–Ajax–Uxbridge):** I move that the standing committee on finance and economic affairs proceed as follows with respect to Bill 81, An Act to implement 2006 Budget measures and to enact, amend or repeal various Acts:

(1) That the clerk of the committee, in consultation with the Chair, be authorized to post notice of the committee's public hearings on the Ontario parliamentary channel and on the Internet prior to the adoption of this motion.

(2) That the deadline for receipt of requests to appear before the committee be 12 noon on Wednesday, May 3, 2006.

(3) That the clerk of the committee distribute to each of the three parties a list of those who have requested to appear by the deadline for receipt of requests.

(4) That each of the three parties supply the clerk of the committee with a prioritized list of the witnesses they would like to hear from by 1:30 p.m. on Wednesday, May 3, 2006. These witnesses must be selected from the original list distributed by the committee clerk.

(5) That the clerk of the committee, in consultation with the Chair, be authorized to schedule the witnesses.

(6) That the time allowed for presentations by witnesses be up to 10 minutes for groups and individuals, followed by up to five minutes for questioning by committee members.

(7) That the deadline for receipt of written submissions be 10 a.m. on Thursday, May 4, 2006.

(8) That the clerk of the committee, in consultation with the Chair, be authorized to commence making any preliminary arrangements to facilitate the committee's proceedings prior to the adoption of this motion.

**The Chair:** All in favour—

**Mr. Michael Prue (Beaches–East York):** I have something to say about it.

**The Chair:** A comment?

**Mr. Prue:** Just a comment, yes. I do not blame the committee, the subcommittee or anyone else that this is

the procedure. As everyone knows, this was a guillotine motion by the government to force committee hearings in giving us 24 hours' notice and allowing us only two hours to hear public deputations. Even in one day, far more people have applied to be heard on this issue than we can possibly hear. Although I am bound by the will of the Legislature, it needs to be said that what is happening here today is not fair.

**The Chair:** Thank you. Further comment? Hearing none, all in favour? Opposed? Carried.

Now we need the appointment of a subcommittee member to replace Mr. O'Toole. Do we have someone to make that motion?

**Mr. Toby Barrett (Haldimand–Norfolk–Brant):** I don't feel comfortable nominating myself. I don't know whether—

*Interjection.*

**The Chair:** We're seeking a motion to appoint a subcommittee member.

**Mr. Prue:** I will nominate Mr. Barrett.

**The Chair:** Mr Barrett has been nominated. All in favour? Carried.

**Mr. Barrett:** I wish to thank my nominator.

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

## BUDGET MEASURES ACT, 2006

## LOI DE 2006

## SUR LES MESURES BUDGÉTAIRES

Consideration of Bill 81, An Act to implement 2006 Budget measures and to enact, amend or repeal various Acts / Projet de loi 81, Loi mettant en oeuvre certaines mesures énoncées dans le Budget de 2006 et édictant, modifiant ou abrogeant diverses lois.

ASSOCIATION OF MUNICIPALITIES  
OF ONTARIO

**The Chair:** Now we will begin this morning's presentations on Bill 81. The first presentation will come from the Association of Municipalities of Ontario. Thank you for your patience this morning. You have 10 minutes for your presentation. There may be up to five minutes of questions following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

**Ms. Ann Mulvale:** Good morning, ladies and gentlemen. I am Ann Mulvale. I'm the mayor of the town of

Oakville and the past president of the Association of Municipalities of Ontario. Roger Anderson, our president, sends you his regrets. With the short notice, it was impossible to change his schedule. He is actually at the OSUM conference in Leamington.

AMO, as I believe you know, represents Ontario's municipal governments and advocates on behalf of those governments and the property taxpayers and the residents they represent. AMO's member municipal governments govern and provide key services to approximately 10 million Ontarians; approximately one in three Canadians. While each of Ontario's municipal governments is unique, the interests we share in common are greater than the differences that separate us.

I am pleased to be here on their behalf this morning to discuss Bill 81. I plan to comment, however, on only one aspect of the bill, focusing on Schedule H and proposed amendments to the Municipal Elections Act because of the importance of this matter to Ontario communities. AMO believes strongly that our association is very well-positioned to comment on terms of municipal councils, given both the nature of our membership and the outreach work we conducted in 2005 on this issue. Given this, we are thankful for the opportunity to share our perspective on Bill 81 with you.

AMO has advocated for the need to move from a three-year to a four-year municipal term of office out of principle. Our interest in this issue was sparked by the province's move to a fixed, four-year term under Bill 86, the Election Statute Law Amendment Act. AMO believed that by fixing the date of the elections, the province was moving to depoliticize the setting of election dates and to provide more certainty regarding the term of office.

AMO noted at that time that five of the 10 provinces currently have a four-year term for municipal councils. Indeed, in the province that most recently lengthened the term from three to four years—New Brunswick—the decision coincided with an inquiry into a fixed date for the provincial election. Nova Scotia lengthened the term of its municipal councils at the request of the Union of Nova Scotia Municipalities in 2000 because of projected cost savings and the enhanced ability of municipalities to plan for the future. Manitoba lengthened its municipal term of office from three to four years in 1998. Quebec and Newfoundland and Labrador also have four-year terms of office for municipal government.

In developing a formal position on this matter, the AMO board decided that it must consult each and every municipal government on such an important issue. In addition, an AMO advisory committee was created with the mandate to develop a survey, undertake its analysis, and provide the board with its best advice. The advisory committee drafted a survey with this and related questions which was sent to each and every member council in February 2005. The survey generated a strong response from the members and fairly consistent positions on most issues.

#### 1010

The following are the specific results of the survey:

Lengthening the term of municipal council from three to four years was supported by 61% of respondents. The vast majority, 91%, of proponents believed this change should be implemented across the province.

Almost all respondents, 98%, preferred that school board elections continue to take place at the same time as municipal council elections.

The majority, 59%, preferred to maintain the election in November.

Oakville was one of the 47% who responded, and they had a survey to each member of council, which the clerk dealt with. It was formed into a report that went to standing committee and council, all of which of course are conducted in public, and the majority favoured a four-year term.

There was no noticeable split in the AMO survey between urban and rural or lower- and upper-tier municipal governments on any of the questions.

The advisory committee also consulted with the two main school board associations in the province as part of its deliberations. The Ontario Catholic School Trustees' Association stated, "A change to a four-year term is supported by the majority of the trustees who responded to our survey, including those on our association's board of directors." The Ontario Public School Boards' Association declined to comment at the time.

The AMO board endorsed the recommendations of the advisory committee in March 2005, and AMO's position was conveyed to the Minister of Municipal Affairs and Housing. AMO was very pleased with Premier McGuinty's announcement at the 2006 ROMA/OGRA conference that his government was committed to introducing a four-year term for municipal governments in Ontario, beginning with the next municipal election in 2006. Premier McGuinty said, "This is something AMO has asked the province to do—and we agree." He said, "As I see it, it's a matter of respect." He said, "We have fixed four-year terms at the provincial level—and federal terms can run a maximum of five years. Why should you"—municipal government—"be any different?"

Premier McGuinty also recognized that a four-year term simply made practical, good sense. He said, "A four-year term is the ideal period of time for a council to forge an agenda, implement it and then seek the people's judgement." I agree with Premier McGuinty in this matter. Municipal governments need the time to undertake long-term planning to build strong, vibrant, competitive and livable communities.

This government's respect for municipal government as an order of government puts Ontario in a position of leadership in this country. It may be useful to remember that it was a Progressive Conservative government that changed the two-year term to a three-year term, commencing in December 1982. The then Minister of Municipal Affairs indicated that the complexity of responsibilities faced by municipal governments had changed significantly, making the longer term appropriate.

Since 1982, many additional services have been downloaded—ambulance, provincial offences, a number of major roads and bridges etc.—from the province to municipalities. I know you're aware of those matters.

By renewing and building on the memorandum of understanding, first signed by the Progressive Conservative government in 2001, this government has demonstrated that it too understands that municipal governments are able, accountable and mature partners in building a strong and prosperous Ontario.

I have been in municipal government for many years, and I have had the opportunity to serve as president of AMO on two occasions. Much has changed in municipal government since I was first elected. The relationship of municipal governments to the province has seen some setbacks and many advances.

I was the president of AMO in 2001, when the Legislature passed a new Municipal Act for Ontario. It was a proud moment for the municipal sector, for AMO and for the government. It extended greater autonomy to municipal governments, including natural person powers. I probably do not need to remind many of you that there have been many detractors and a very lively debate in that process. Many feared that giving new powers to municipalities would result in a number of problems. But the legislation was passed, and none of those concerns ever materialized. The sky did not fall, and it is not falling today.

Municipal governments in the province have an important job to do. Large and small, urban and rural, north, south, east, and west—municipal governments fund and provide key services. Municipal governments ensure that our environment is protected, that our communities are safe from crime, that emergency services meet the challenges of a changing world, and that the sometimes-tattered social safety net saves the most vulnerable in our communities. We provide and fund municipal services, and we provide and fund over \$3 billion of provincial health and social services in our communities. The challenges faced by municipal governments are immense, complex and evolving.

However, by definition, municipal governments are the most open and accountable order of government in the country. Consequently, municipal governments are the most trusted order of government. I believe that a four-year term will allow municipal governments to better serve the people of our towns and cities; do a better job of building strong and sustainable communities; shore up the foundation of Ontario's and Canada's economy; and create opportunity for our youth and the new Canadians who, together with us, will continue to build our communities, this province and our nation.

I am not alone in my belief. It is shared by rural and urban municipal councils in all parts of this province. In fact, AMO's steering committee on this issue was led by representatives from Middlesex county, the town of Collingwood, the city of Sault Ste. Marie and the chair of ROMA, the Rural Ontario Municipal Association.

All municipal governments had an opportunity to participate in this important discussion. Many did, and

most said that Ontario's communities would be better served by four-year council terms. AMO strongly supports this position.

In conclusion, we want to see schedule H in force as soon as possible so Ontario's communities can begin to plan for the election and council term ahead. We believe it is imperative to move quickly to enact schedule H in order to provide certainty to the upcoming municipal election. Candidates and the voting public alike deserve to know what is involved in running for municipal office this fall.

Again, thank you very much for the opportunity to speak with you on this important issue. I wish you well with your deliberations today.

**The Chair:** Thank you for the presentation. This round of questioning will go to the official opposition.

**Mr. Tim Hudak (Erie-Lincoln):** Thank you, Your Worship, for the presentation. Chair, how much time do I have for questions, by the way?

**The Chair:** Five minutes.

**Mr. Hudak:** Just to the parliamentary assistant, I do want to note I'm a finance critic here for a finance bill, the budget bill, and what we have before us is something to do with municipal terms. It's definitely a democratic reform initiative. I find it rather strange—

**Mr. Prue:** Bizarre.

**Mr. Hudak:** It is bizarre, as my colleague says, to say the least, that this is buried deep inside a budget bill. Secondly, we didn't have a single member of the government come forward to describe why this is in the finance bill, to talk about why this was important, to defend the policy or to offer any comment whatsoever during the debate, in Hansard.

So the least I could do is ask the parliamentary assistant, who is parliamentary assistant for finance, ironically, to come back to committee with the government's justification for schedule H being part of the finance bill; indicate to us who they consulted with, aside from the AMO survey—and I appreciate your points about AMO's survey—when this move was made; and also, a survey of other jurisdictions in terms of how they approach a four-year term versus a three-year term. Do some provinces have a mixed model, for example? And I'd appreciate the American jurisdictional analysis too.

I think a fair time frame would be noon today. We've been forced to bring our amendments forward by noon today by a very strict time allocation motion. There's very little time for debate. So since the government has imposed this upon us, I'd also ask the committee to impose upon the parliamentary assistant to respond to my questions by noon today.

Again, thanks for the presentation. On the AMO survey, a couple of quick questions. How many municipalities responded to this survey?

**Ms. Mulvale:** It was 47%.

**Mr. Hudak:** And was it a council resolution or—

**Ms. Mulvale:** In Oakville's case, it was clearly a council resolution, because there was a report to a standing committee that went to council. It was a matter

of public record. So certainly there was a council confirming resolution on the response to the AMO survey. I cannot speak to the practices, you'll appreciate, for all municipalities. It depends on the cycle of meetings. There's a Municipal Act, as you know, and there are procedural bylaws.

**Mr. Hudak:** Sure.

**Ms. Mulvale:** Most procedural bylaws are very specific in how things are conveyed. Some clerks are given some empowerment to survey council. There may have been circulations. So other than Oakville's experience, I can't speak specifically.

1020

**Mr. Hudak:** I apologize if I missed this. Did AMO analyze in any sense a regional response? Was there a difference between small towns versus large cities versus—

**Ms. Mulvale:** I did allude to that in my presentation, that there was no perceivable conflict between—I read that into the record earlier. So they did look at it. Really, we look at the fact of the vastness of this province, just as within your caucus, with the people you represent within your constituency who may or may not have supported your particular party philosophy, there's always a range of opinion. I've certainly observed on the table—there were some municipalities that said they didn't support it. They're not disagreeing that they were given the survey opportunity, they're not disputing the figures from AMO.

**Mr. Hudak:** If councils are looking at similar issues, like changing ward boundaries and at-large elections versus ward elections, changes in pay or benefits of councillors, what's the typical process in terms of public consultation, or can you directly pass a bylaw?

**Ms. Mulvale:** Again, they can if they wish. My community tends to be very engaged on those issues. Because we have very active associations—residents, particular arts or environmental interests—we post our agendas on our website, and we know that people go to that website to review the agendas. So in terms of the individual councillor practices on that, they would be within the Municipal Act.

**The Chair:** Thank you for your presentation.

### THREYEARS.CA

**The Chair:** I call on ThreeYears.ca to come forward, please.

**Mr. Hudak:** On a point of order, Chair: I'd just welcome the gentlemen from ThreeYears.ca., and welcome our colleague Mr. Gilchrist; it's always good to see him here as well. I know Guy Giorno was originally scheduled to be here, and he did send a letter for the committee. Did the clerk receive that letter?

**The Chair:** Yes.

**Mr. Hudak:** And it has been distributed to all members of the committee?

**The Chair:** Yes, it has been.

**Mr. Hudak:** Perfect. Thank you very much.

**The Chair:** Good morning, gentlemen. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the—

**Mr. Arthurs:** Mr Chair, on a point of order: Can I just have clarity on the deputants this morning, as to who is making the presentation from ThreeYears.ca, based on the submissions that we had in the selection of names?

**The Chair:** The question is?

**Mr. Arthurs:** We have Guy Giorno, Josh Matlow, Dave Meslin. Are they going to be with us this morning?

**The Chair:** We are to find that out. Gentlemen, you have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard.

**Mr. Josh Matlow:** Thank you very much, Chair and committee, for allowing us to speak with you today. Obviously this seems to be an unlikely trio who would come together on a common issue. As you know, I'm a former Ontario Liberal candidate who ran against Premier Eves a few years back; Dave Meslin is a former NDP organizer and staffer; and, of course, Steve Gilchrist is a former Progressive Conservative minister.

The reason we're here today is because we have great concern over a number of issues with respect to putting an item that has such great import to the people of Ontario regarding our electoral process within a large, budget omnibus bill.

I recall, as a Liberal, that we used to rail against the Progressive Conservative government when they pulled stunts like this. I'd like to remind you that Dalton McGuinty, in 1999, said, "Ramming through bills without proper debate weakens our system of democracy." Dalton McGuinty also said, "'Public hearings'; those two words go together nicely if you believe in true democracy, if you recognize that public input is one of the tools that makes for good legislation and if you really believe in tools instead of the same old-fashioned Tory sledgehammer approach," with all due respect, "to legislation in Ontario."

The bottom line is that I'm also an elected school board trustee here in Toronto, and I believe that the voters are essentially our employers and we're their employees at the municipal, provincial and federal levels. If we want to change the terms of the contract they've given us, I believe that it's incumbent upon us as politicians to go back to the public and ask for their opinion: "Do you want us to meddle with the tools of democracy, with the electoral system?" If government is able to meddle with these tools, is able to change the very electoral system that we use without going to the public for consultation, without putting it as an item—its own legislation—so that there can be true and genuine debate on the floor of the House, then I believe it's the top of a slippery slope. That's why you're seeing members of three parties—activists—coming together on a common issue. We believe in local democracy, we believe in transparency and accountability, and we strongly urge the government to take this issue seriously.

As I conclude, I'd just like to remind this committee that Mayor Mulvale very clearly and very articulately said that this issue is of great importance to the people of Ontario. We agree with Mayor Mulvale. Therefore, this issue should go to public consultation and, at the very most, be a binding plebiscite at the next municipal ballot.

I'd like to allow Mr. Gilchrist to continue.

**Mr. Steve Gilchrist:** Thank you very much. There are myriad issues on which the three people sitting at this table would be quite vociferous opponents, I'm sure. But on the issue of accountability, we're reading from the same page.

Just as a bit of background, I was privileged to serve eight years as an MPP, to sit on well over 500 days of committee hearings and serve two and a half years as the parliamentary assistant and the Minister of Municipal Affairs and Housing. In all of those years, with all those meetings, face to face in this building and across the province of Ontario, not one councillor ever expressed an interest in expanding to four years. In fact, the only time the subject of term limits came up, and it didn't come up often, was from those who thought the province had made a mistake going to three years from two many years ago.

Perhaps it's no coincidence that with the increasing apathy and declining interest in municipal elections that have seen the voter turnout drop to below 30%, the trend started that same year that municipal councils were changed from two years to three. The voting turnout in 1982 was 54% across Ontario.

Perhaps the most damning statistic I can offer you here today comes, somewhat ironically, right from AMO's own website. In the last municipal election, fully 574 of the 2,268 council positions were acclaimed: 25%. In fact, there were 28 municipal councils where every single member was acclaimed. Not one voter had one choice on even one position. So I guess the suggestion is, we now want to make sure that acclamations run for four years instead of three years in that many cases.

The bottom line here is that the government itself has stated that there's a democratic deficit, that there needs to be democratic renewal. We couldn't agree more. It seems to us that finding ways to inspire increased voter attention, finding technologies that will encourage them to turn out and vote, finding issues that will challenge them and make sure they understand the significance of all levels of government is precisely what this government should be doing. I want to believe the Premier when he says he's serious about democratic renewal, but this is not the right way to do it.

The Toronto Star and the Toronto Sun agree—another remarkable occurrence—that the change to four years does nothing but restrict voter connection to their councillors. It further limits their ability to change when politicians do things that are unpopular or inappropriate.

Quite frankly, nothing short of putting this question before the voters of Ontario is an appropriate means of determining whether or not this passes the test of approval with the citizenry. Thank you. David?

**Mr. Dave Meslin:** Thank you very much. This week, I worked closely with Josh Matlow and Guy Giorno to draft an op-ed, build a website and launch a campaign. I can't think of many issues that would bring the three of us together, at least not on the same team. As a former NDP staffer at both city hall and Queen's Park, I found myself on the opposite side of many debates from Mr. Giorno. We disagree on just about everything. But one thing we have in common right now is a respect for the political process and an understanding that debate, dialogue and opportunities for civic engagement are what makes our system work.

When are these three experiences most likely to take place? At election time. For example, local debates between candidates provide an opportunity for citizens to hear what the issues are and to hold elected officials accountable to their record. Dialogue happens during an election. From the dinner table to the water cooler, people are talking politics. Levels of civic engagement are also highest during an election. From volunteers knocking on doors to talk to their neighbours about the issues to the act of voting itself, elections create an opportunity for everyone to take an active role in their community.

As a grassroots activist, I know the importance of having a community that is engaged in politics and engaged in the issues. This is the driving force behind all social change. It is what makes our democracy function, and elections are the catalyst that bring that to life. It's a rare sight to see a Tory, a Liberal and an NDPer working together on an op-ed. We are collaborating because we want to protect the institution that brings us together. Like hockey players from three teams coming together to prevent the season from being cut short, we too find that although we have strong allegiances to our teams, our real allegiance is to the game. If you're going to change the rules of the game, you need to talk to the fans first. That would require full public consultations on Bill 81. Thank you.

1030

**The Chair:** Thank you. That concludes your presentation?

**Mr. Gilchrist:** Yes, Mr. Chair.

**The Chair:** This round of questioning will go to the NDP and Mr. Prue.

**Mr. Prue:** Thank you very much and welcome, gentlemen. It's good to have all three of you here, three different views all combined and actually one view coming out.

I found out that this provision was hidden in the budget bill—and I'm the finance critic for the NDP—in preparing for my speech. I went through the bill and found it in schedule H. It was the first time I was aware that it was there. There was nothing in the ministerial announcement. There was nothing when the Liberals stood up to talk about the bill and why it needed to be passed. It was only in preparing my own speech that I found out. When did you find out that it was hidden there?

**Mr. Meslin:** Tuesday night?

**Mr. Matlow:** Something like that, yes.

**Mr. Meslin:** And it was an absolute fluke. It was stumbled upon, which really shocked me, because I'm not a big fan of the Liberal Party, but I was impressed when Dalton McGuinty introduced the fixed terms right after the election and I thought, "Wow, there's a real commitment to democracy here." Now I see the complete opposite direction, and I feel let down.

**Mr. Matlow:** I too was shocked. I remember as a candidate, and as a Liberal activist before, we used to always speak out so strongly when the Tories used to behave this way, but now with kind of slipping this secretly into an omnibus bill and also with the time allocation, it is very disappointing and very surprising that this government is doing this.

**Mr. Gilchrist:** I guess I'm struck by the inconsistency. Again, Ms. Mulvale today—and I respect her very much, a long-serving mayor. If in fact she has her finger on the pulse of her community, then maybe we can take her at her word that this is a serious issue. If it is, then that would suggest, first off, that it should have been introduced as part of changes to the Municipal Elections Act, something the government has gone through, but in any event, even in an omnibus bill, it should have been mentioned as part of the compendium at the outset.

While, Mr. Prue, you and I had many heated discussions about omnibus bills and their content—

**Mr. Prue:** More than a few.

**Mr. Gilchrist:** —I can remember that the introductory notes would always touch on every single section. By reading the first two pages you at least knew every topic that was covered in that bill. I think this really does go against the Premier's own stated goal of improving accountability in this building and externally in the entities that the province oversees and controls.

**Mr. Prue:** Okay. Now, there are two things that I guess this committee might be able to do, although I wouldn't hold my breath. The first one is to ask that a ministerial question be put on the ballot in this upcoming election. The second one is simply to withdraw schedule H and just leave things the way they are. Which of those two would you prefer, or do you have a third option?

**Mr. Matlow:** I personally can say that I'm very happy to have this issue debated and discussed. Any issue that this government intends on articulating and believing in and wanting to push, they're welcome to do so. That's what governments are there to do. However, either it needs to be on the ballots or there needs to be genuine public consultation, and the government needs to be able to say why they're doing it. I haven't heard once why this government is actually moving in this direction. There hasn't been justification. However, I'm hearing from many people out there that they don't want this done. We just received a letter from the town of Hanover here in Ontario opposing this as well, so we're actually hearing from more and more municipalities that they are opposed to this. The bottom line is, we do need a discussion; we do need a debate. Most people haven't had the opportunity to really understand what this government intends to do.

**Mr. Gilchrist:** To suggest, Mr. Prue, that even the councillors and school board trustees across this province are even aware of the content of this bill or the timing or the fact that they have no opportunity to give input I think is proof enough that we are not going down the right road with the strategy the government has chosen here.

Personally, I could live with either alternative, but I think amending schedule H to adopt a position pending the results of a binding minister's question on the ballots is precisely what this committee should do. It is here. I believe in the committee system. I know of countless times we accepted amendments even from Mr. Kormos here.

**Mr. Peter Kormos (Niagara Centre):** As you should.

**Mr. Gilchrist:** Not every day, but often. I really think this is a time that the committee could go back to the minister and to the Premier and say, "There's a better way to do this that's more consistent with the strategy that the Premier has laid out for improved democracy and accountability within government."

**Mr. Matlow:** I might add, Mr. Prue, that I think this is actually a very good step forward for my party. I want our party to be consistent. I want us to stand behind what we said in opposition. I think that the people of Ontario will tell us, either way, if they want the change to be made or not. The bottom line is, we need to stand up with the integrity that we espouse.

**The Chair:** Thank you for your presentation.

**Mr. Hudak:** On a point of order, Chair: I just wanted to add one more part to my request to my friend the parliamentary assistant. I'll repeat and perhaps when he has an opportunity to speak he could reply. I'd like him to report back to the committee on behalf of the Ministry of Finance what kind of consultations took place and the results of those consultations, aside from what we heard from the past chair of AMO, and secondly, how other Canadian and American jurisdictions approach municipal terms. The third thing I wanted to ask for—and I appreciate the indulgence of my colleagues—is the process used. Were there public consultations? Typically when these changes were made, were referenda issued, or what kind of process was used when these changes were brought forward?

The last thing I'd like my colleague the parliamentary assistant to respond is why neither he nor the Minister of Finance addressed schedule H in the introductory comments or during debate at second reading. I know it would not be an attempt to hide the fact that this was in the bill. I'm just curious why there was no discussion about schedule H.

Thank you, Chair.

JOHN SEWELL

**The Chair:** Now I call on John Sewell to come forward, please. Good morning. You have 10 minutes for your presentation, and there may be up to two five minutes



of questions following that. Please identify yourself for the purposes of Hansard.

**Mr. John Sewell:** Thank you very much, Mr. Chairman. This brief requests that you delete section H regarding municipal elections.

I believe that governments have an obligation to consult with those affected before legislative proposals are close to being put into law. I agree very much with the provision in the Planning Act that requires municipalities to hold public hearings, to provide proper notification and to listen to any member of the public—any member of the public—who wishes to talk about a proposed land use change. I wish the province abided by the same principle of public hearings in regard to its own legislative proposals. At the municipalities, I think it works well that municipalities are required to listen to people. I think the same would work very well here. Schedule H, proposing to extend the municipal term from three to four years, has had no such public hearing, and all of you know that is not good enough.

After the Premier first suggested he was extending the municipal term from three to four years, I contacted a member of the government to ask where the idea came from. I was told that AMO and the city of Toronto had both asked for it. You've heard something about how AMO came to its position; let me tell you how the city of Toronto came to its position.

On November 22 of last year, the report of the governance panel was released. It made about three dozen recommendations about how Toronto should be governed. Various local residents, myself included, asked for public hearings. But city council wanted to proceed as quickly as it could in looking at these recommendations so that it could make its decision before the government released its position in Bill 53, which was slated to happen in early December. Accordingly, city council had no public hearings. I think David Crombie, also a former mayor, had a chance to appear at a committee, where he was treated very badly. In any case, there were no public hearings and city council quickly made a decision on December 6. There was no opportunity for public debate and, as I recall, there wasn't any attention given to the panel's recommendation of a four-year term. All of the attention was focused on the extraordinary powers that were being recommended for the mayor. So the mayor and council may have thought that a four-year term was in their own personal interest, but they made sure the public was excluded from voicing its own opinion.

I might say that the city then, in early April, convened four discussions on the panel's report. At those discussions, people were overwhelmingly opposed to the four-year term and to many other of the panel's recommendations. So there was a bit of consultation after city council had taken its decision, which did not confirm what the city had said. I believe that if you surveyed residents in Toronto or in other municipalities, you would find that people generally do not support the four-year term.

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I believe the province should show municipalities some respect. The heavy hand of unexpected legislation

is not the way to do that. The province should back off in this case and allow the three-year status quo to remain. Perhaps some municipalities will want to put it on the ballot this November, and that might provide the government with some direction. But now, today, I urge you to delete section H from the bill.

**The Chair:** This round of questioning will go to the government. Mr. Arthurs.

**Mr. Arthurs:** Mr. Sewell, thank you very much for your presentation. Your experience on Toronto council: I believe at that time it was a two-year term.

**Mr. Sewell:** Two-year terms for the 14 years I was on council.

**Mr. Arthurs:** Do you have any preference, any sense regarding the two- to three-year terms, of which worked more effectively—given the complexities, as we would see them, of today's environment, at least probably more so in the jurisdictions outside of Toronto, the smaller cities, where there have been a number of new responsibilities that municipalities now have and the capacity of councillors to accommodate those and those kinds of time frames.

**Mr. Sewell:** I personally would urge a two-year term. I think that's adequate to get the job done and to ensure there's reasonable accountability. I think that it serves people well. I believe the three-year term allows people to do a lot of things and there is a sense that the council gets out of touch.

You must remember that the key to municipal government is that it's making decisions, particularly about development applications, and once that decision is made, it's extraordinarily difficult to undo it, because the development gets built.

So the decisions of council have an enormous impact locally on people. They can feel it right away. If in fact there's a long time between elections, the opportunity for people to actually make sure that their politicians are accountable is lost.

I think it means that a shorter term is not a problem; it's a good thing. We used to have one-year terms in Toronto. My impression is they probably worked okay as well. Municipal elections are not expensive. I think the more elections one has, the more opportunity there is for change.

**Mr. Arthurs:** The issue of planning and planning decision-making: Coming from my experience, the complexities of the planning and approval processes are ones that engage the political body and community, often over a reasonably extended period of time. Not necessarily five years—although official plan reviews are supposed to happen every five years, and it takes five years to get through the process it seems these days, let alone any appeals that might occur in that process.

My angst is that by having shorter terms, even three years as you suggest, or two in your particular position, really puts much of the decision-making in the hands of the bureaucracy, the municipal staff, because they're the only consistency then in the process.

**Mr. Sewell:** I beg to disagree. I believe our planning process in Ontario is very badly broken; it doesn't work.

The official plan process does not work. Most municipal councils of any size amend their official plan at least once every meeting. Toronto amends its official plan 10 times every meeting, so there are 100 official plan amendments a year, which is totally ridiculous. But even if there's one amendment a meeting it's ridiculous. It means it's no plan at all. I believe that that idea of having a plan that makes no sense is very, very useful for somebody who's got three years to make decisions. I think that if we shorten the term, we'd start to get some serious planning happening.

The planning is never done by the bureaucracy; they can provide professional help. You need political direction and that comes when politicians are closely allied with the people who are electing them. The more distance you put between the people and those politicians, the less chance you have of actually making sure that we get politicians who want to do political things. I think things are broken and to try and suggest that a longer term is going to fix the planning process is going in exactly the wrong direction.

**The Chair:** Thank you for your presentation.

**Mr. Hudak:** Mr. Chairman, on a point of order: I know my friend and colleague, the parliamentary assistant, was asking questions. He didn't have a chance to respond to my requests about the background information and why he nor the minister spoke to schedule H during introduction or second reading debate. Perhaps the parliamentary assistant wanted to use some time to reply to those requests.

**The Chair:** I will now call on the next presenter.

**Mr. Hudak:** On a point of order, Chair: In the absence of the parliamentary assistant just responding to a routine request for some information behind schedule H, I'll now direct my request to the committee clerk. Could the committee clerk get back to the committee by noon today, which was the time we were told to have amendments filed, on what kind of consultations the McGuinty government undertook and the results of those consultations, aside from AMO, on schedule H specifically; how other Canadian and American jurisdictions treat the issue of three-year terms versus four-year terms versus two-year terms; third, the process used—were there public hearings, were there referenda or, similar to Ontario, was there a bill passed without debate and given two hours of hearings maximum?—and my fourth question is, could the research assistant find out why neither the parliamentary assistant nor the Minister of Finance addressed this issue during second reading debate nor during introduction of the bill.

**The Chair:** On some of the points you raise, legislative research will try to find the answers, such as other jurisdictions, etc. Thank you.

GLORIA LINDSAY LUBY  
GIORGIO MAMMOLITI

**The Chair:** Now I would call on Gloria Lindsay Luby and Giorgio Mammoliti to come forward, please. Good morning. You have 10 minutes for your presentation.

There may be up to five minutes of questioning following that. I would ask you to identify yourselves for the purposes of our recording Hansard. You may begin.

**Ms Gloria Lindsay Luby:** Thank you. I'm Councillor Gloria Lindsay Luby, Etobicoke Centre, ward 4, city of Toronto.

**Mr Giorgio Mammoliti:** Giorgio Mammoliti, York West, ward 7, city of Toronto and chair of the affordable housing committee.

**Ms Luby:** I'm also vice-chair of the governance review committee at the city of Toronto.

Let me tell you a little bit about my background in municipal government. I hate to admit it, but it stretches back to the mid-1970s when I started as the first executive assistant to a mayor in Toronto. So I learned what it was like to be on the staff side. Later, I worked with the bureau of municipal research and conducted research throughout Ontario on various issues, one of them being the teaching of civics in our schools, and that was adopted as a module. I also was a school trustee in a two-year term. Then I went on to be an Etobicoke councillor, experiencing a three-year term.

I am obviously presently a city of Toronto councillor. I have never been acclaimed. I have had to fight hard in each election, and I run for re-election the day I'm elected. As well, my mother-in-law is a three-term councillor in Ridgetown. Some of you are from Chatham-Kent, so you probably know where that is. I am also a municipal consultant. I have travelled extensively throughout Ontario, teaching new councillors the job of being a councillor. I have worked with municipalities in strategic planning, helping them deal with issues and looking ahead for their futures. As well, I'm the past chair of the large urban section of AMO and presently sit on the board of the Ontario Good Roads Association. So as you can see, I have a very fulsome background in municipal government.

The issue of a four-year term was brought before the OGRA/ROMA conference by the Premier in February. He received an extremely positive response from those who attended.

As a consultant, I have seen municipalities change and evolve over the years. Where at first the small municipalities had maybe a clerk-treasurer and three or four staff people to run the show, things have changed dramatically. The staff have become far more educated and sophisticated. The councillors have had to work a lot harder to keep up with the changes in legislation. Let's not kid ourselves; we've got big issues like Walkerton that put everybody on the alert. You've got to pay attention to this. This is important. It's not like, "Oh, well, we're going to pave the back 40 now." It's not that way any more. Certainly, in the city of Toronto—we are the sixth largest government in Canada—we are dealing with huge and complex issues continuously.

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I seldom find myself agreeing with Mr. Sewell. Through all these years, I don't think I've ever agreed with him, actually, now I think about it, but we have to

realize that these issues are really important. You can't roll back the time to say, "Oh, it's more democratic." That's not true. It is simply not true. What we need to do is have constant elections throughout Ontario. The only thing I'd like you to change would be to roll back the election date for municipalities. I hate going through Halloween; it's awful. And by the time you get into the middle of November, the weather is horrible. So, if anything, that would lower the turnout at municipal elections.

I do like the fact that you're allowing a lot more advance voting, those kinds of opportunities for people to get out. That's important. Get the vote out in those ways. Make it convenient for people. That's important. But I support totally a four-year term. I think it's something you need to do. Dealing with a budget of almost \$8 billion now at the city of Toronto, you have to understand what is going on. Even the smaller municipalities are dealing with issues constantly. I read the Chatham-Kent newspaper all the time. It keeps me in touch with what's going on there, and I see what's happening. The issues they are dealing with there may be smaller-scale, but they're identical to what we're dealing with in Toronto, and they are having as much work to do in that sense as we do.

I would urge this committee to support the four-year term. I think the vehicle in which it's being done is awkward, being stuck in the budget, and that's something for you folks to figure out, but I do not support the idea of a plebiscite. It comes too late. You have to make the decision now in order to be ready for that election in November.

I want to just end with the meeting that my MPP, Donna Cansfield, held two nights ago. It was a town hall meeting. All the Etobicoke Centre people were there, from federal to school trustees, and the issue of terms came up. The last speaker was a very elderly gentleman. Knowing how conservative Etobicoke tends to be—we're real penny-pinchers and that sort of thing—I expected him fully to agree with Councillor Holyday and say, "Oh, yes, keep the three-year terms." Instead, he surprised me by saying, "Yes, I like four-year terms. It'll save money on elections."

**Mr. Prue:** Rob Ford likes them too.

**Ms. Lindsay Luby:** Don't mention his name.

**Mr. Mammoliti:** Mr. Chairman, you'll have to forgive me. I'm a bit nervous coming back into the Legislative building and this committee room. I understand that you go on to clause-by-clause very soon and I understand how exciting that can be.

I have heard the discussions and the comments made about a three-year versus four-year term, and I can only tell you that being what I would consider a career politician, now heading into my 17th year, I appreciate the tools that Bill 53 would bring to municipalities and I appreciate the extra year as a councillor. And we're speaking here on behalf of the city of Toronto, because we've actually adopted this particular policy. I appreciate the fact that you're listening to many of us and many of

our citizens and increasing the terms of office, because work needs to be done. Many of us like to start jobs and we want to finish those particular jobs.

You mentioned planning. Planning is becoming a nightmare and you need to spend the time understanding communities, what they want around their communities and how they want their communities built and rebuilt. With respect to the city of Toronto, it is about rebuilding and it's about revitalizing. I can speak directly to you with respect to the ward I represent in saying that finally, after an eight-year process, we're anticipating the first shovel going into the ground on a \$10-billion project to revitalize ward 7. We've got a number of developers on board finally. And finally, the city of Toronto had approved the rezoning and the process. It took eight years.

I think a four-year term is fair for anyone who takes their job seriously and wants to rebuild their particular communities. Councillors who take their positions seriously really do need the time to do it. I think that those who are coming forward—I respect Mr. Sewell, but with all due respect to Mr. Sewell, he was a mayor a long time ago, and things have changed. Populations have changed. In fact, they anticipate the population of the city of Toronto being in and around 3.5 million in just a few short years. If that's the case, I think the sixth-largest government in the country should deserve a bit of change. They certainly need the tools to be able to do it, and that includes the increase from three to four years.

**The Chair:** You have about a minute left.

**Mr. Mammoliti:** I chair the affordable housing committee. Without getting into the need for affordable housing and the politics around the waiting list that's around—I appreciate the government's support, by the way, with respect to this. We're going to do our best to try and build affordable housing, but you need the time to do it and you need individuals who understand the issues. So a four-year term could help me in this particular position make sure that some of that affordable housing starts and finishes.

Thank you for your time.

**The Chair:** Thank you. This round of questioning goes to the official opposition. Mr. Hudak.

**Mr. Hudak:** Thank you, Councillor Lindsay Luby and Councillor Mammoliti, for your presentation. I appreciate your views and respect them.

I did notice that Councillor Walker is with us here today and that Councillor Walker is not sitting with you at the table, which signals to me that there must be a difference of opinion between councillors of the city of Toronto.

**Mr. Mammoliti:** Yes.

**Mr. Hudak:** Unfortunately, the government has said that we only have two hours on a schedule that's buried in a budget bill that no government member spoke about in the House. This affects thousands of races across the province, whether for municipal office or for school board trustee, but only two hours of public hearings. Unfortunately, Councillor Walker was not allotted time. So if Councillor Walker were at the table today with you, what would he say?

**Mr. Mammoliti:** Councillor Walker would be against the city of Toronto's position. He's made that very clear, and I'm sure he'll continue making that very clear. Councillor Lindsay Luby and myself are here on behalf of the city of Toronto and the policy that we've adopted, and to give you that particular message.

**Ms. Luby:** Councillor Walker also will be urging you to have a plebiscite. The last time a plebiscite was held in the city of Toronto was over amalgamation. I did not support that, because I recognize that the provincial government is the determiner of the municipal governments. We still are the creatures of the province. I knew darn well that the only people who would turn out to that plebiscite would be those people who didn't want amalgamation to occur. So in my opinion, we spent a lot of money and got a lot of people upset voting on something they knew they could not affect because it was not within their power; it was within the province's.

**Mr. Hudak:** I do understand Councillor Walker. I'm sorry that there's not enough time for him to speak. But I understand he has 12 councillors who are supporting a plebiscite on this. Hopefully, he'll have time to at least make his comments in public, if not here at this committee.

The comparable here is that if you're looking at changing ward boundaries, for example, in the city of Toronto, or deciding to change the pay or benefits of city councillors, would you go about that process with some sort of public hearings, or would you just decide it at a council meeting?

**Mr. Mammoliti:** I was here for some of the discussion and some of the questions and your points of order. With all due respect, I think it's a part of your jobs to talk about process and how you feel about process. But in doing that, I'd ask you not to forget the fact that many of us believe that a four-year term will help communities.

1100

I can say that I wouldn't want to delay this any further, that I would want to see this go through as quickly as possible, because the city of Toronto has—

**Mr. Hudak:** With respect to the point I make back is—you can talk about paying benefits and boundaries—

**Mr. Mammoliti:** Just let me finish my—

**Mr. Hudak:** —but you generally check with the citizens—

*Interjections.*

**The Chair:** Order.

**Mr. Mammoliti:** Mr. Hudak, let me finish my response. The city of Toronto did do, and is continually doing, consultation on this. I chaired one of those committees. Councillor Lindsay Luby and myself sit on another. We have heard continually that this is a good idea.

**Mr. Hudak:** From citizens, who have said that a four-year term—

**Mr. Mammoliti:** From citizens in the city of Toronto, absolutely.

**The Chair:** Thank you for your presentation.

**Ms. Luby:** Could I just add that we shouldn't just focus on the four-year term when we're looking at the Toronto act. We have other pieces of governance that are really important to get through, and we'd appreciate your attention to all of that.

**The Chair:** Thank you.

KAREN McMILLAN AVER

**The Chair:** I would call on Karen McMillan Aver to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

**Ms. Karen McMillan Aver:** Good morning. My name is Karen McMillan Aver. I'm here to discuss the plan to reduce local elections from every three years to every four years. While I have concerns about the policy, I have greater concerns about the process.

Let me begin by reading the text of a petition that I signed the other day.

“Dear Premier McGuinty,

“We strongly urge you to reconsider your proposal to extend municipal council and school board terms from three years to four years. The longer the term, the less democratic our system becomes.

“With voter turnout under 40% in some places, our local democracy has become dysfunctional. Our communities are in desperate need of new mechanisms to increase civic participation. Your plan to lengthen terms will only disengage the public even further.

“We all want healthy Ontario municipalities with functioning and vibrant democracy. At a minimum, we urge you to hold extensive public consultation meetings on this issue. The voters of Ontario deserve nothing less.”

Let me repeat the last line: “The voters of Ontario deserve nothing less.” This legislation is about elections, and elections are about the voters. It sounds trite to say this, but elections are about the voters. You have already heard what municipal politicians think of this issue. I can't speak for them; they can speak for themselves. But who speaks for the voters? What about our rights? What about what's fair to us? I'm here this morning in my capacity as a voter—as an ordinary voter.

Actually, I'm not entirely ordinary. You see, I actually heard about this legislation, so that makes me rare. Someone sent me an e-mail, and that's the only reason I heard about this plan. Otherwise, I'd be in the dark like everyone else.

Most voters, most people in Ontario, don't know what this legislation proposes. They don't know that the government is trying to reduce the number of local elections. The reason voters don't know is that you never told us. You never held a press conference to announce the policy. You never said anything when the bill was introduced. Here we are at the committee hearing, and the government still has not said anything about why this section is in the bill. Maybe you have great reasons for

making this change. Maybe the voters will agree with you. No one knows, because there hasn't been any discussion and there wasn't any consultation.

What this legislation does is change our electoral process. It's wrong to change the electoral process without informing the public. It's wrong to change the electoral process without consulting with the public. Every other policy, the government makes an announcement. Every other bill, the government explains to the public what is going on. Every other time, there has been some kind of explanation. Why not? It's clear that you talked to municipal politicians. What about us?

Do you think the election process belongs to politicians? It's supposed to belong to the people. Do you think we don't understand? Did you think we don't need to know? It's bad enough when government feels you don't have to listen to the people; it's even worse when government feels you don't have to tell us what is going on.

My city councillor, Gloria Lindsay Luby, spoke ahead of me this morning. She is a good councillor and I respect her. But you know, the next election is not important just to Councillor Lindsay Luby; the next election is important to everyone in ward 4. It's important to hear what Councillor Lindsay Luby has to say about reducing the frequency of municipal elections, but it is just as important to hear what the voters in ward 4 think about reducing the frequency of municipal elections. The big difference is that Councillor Lindsay Luby knows about this legislation. Most voters in ward 4 don't even know about this plan because the government hasn't told them. That's not fair, that's not right and that's not democratic.

On an issue this important, you have to listen to the people, and before you listen to the people you actually have to tell people what you're doing. After all—I'm going to read you a quotation here—"Government is a privilege as well as a responsibility. Part of the responsibility includes listening to what people have to say." Who said that? Dalton McGuinty.

Here's another quotation. Do you know who said this?

"In addition to demanding that this government split this bill, I have an additional, outrageous request. We want just a few hours of public hearings. We know that involves a couple of things that you on the government side of the House don't understand, and that's the need to involve our public, that's the need to listen to the public. I want you all to say it with me slowly now: public hearings. Public hearings: those two words go together nicely if you believe in true democracy, if you recognize that public input is one of the tools that make for good legislation and if you really believe in tools, instead of the same old-fashioned, Tory sledgehammer approach to legislation in Ontario."

That was also Dalton McGuinty.

And so was this: "I just can't think of a more important bill, a bill which warrants as much scrutiny and debate, than the budget. The budget is the bill through which the government levies billions of dollars in taxes

and it's the bill through which the government breathes life into its priorities through its plan of expenditures. This kind of debate and scrutiny and question period is supposed to be how the system works. That's democracy at work. As I said, it's slow, it's messy, it is cumbersome, it can be tiresome, it can be inefficient, but there is no better system that has yet been devised by humanity. Ramming through bills without proper debate weakens our system of democracy."

He was talking about the budget bill, and that's ironic. Why? Because Bill 81 is the budget bill. Bill 81 is the budget bill and the government is ramming it through without proper debate. That's exactly what Premier McGuinty says "weakens our system of democracy."

Bill 81 is the budget bill, but this change related to municipal elections has nothing to do with the budget. The government put that change in this bill so no one would notice. Well, you almost got your way: 99.99% of the people never noticed. But those who did notice are angry that you would sneak this through without any discussion.

Here's something to bear in mind: The budget bill is big, but every single speaker today is here to talk about one issue only, and that is the plan to hold fewer local elections. That fact tells you why this proposal needs to be placed in a separate bill so there can be proper education of the public and dialogue and consultation. I urge you to take this section out of Bill 81 so it can be dealt with in a separate piece of legislation, with proper consultation and proper hearings.

1110

**The Chair:** Thank you. This round of questioning will go to the NDP.

**Mr. Prue:** Before my questions, I want to commend you. I think you have touched on every single point that needed to be touched on on behalf of the electors of this province. What you said—you should be in Parliament with this. Run in the next election, please, for any party. Just be there.

The petition you talked about. Whose petition is that?

**Ms. McMillan Aver:** It came to me by an e-mail.

**Mr. Prue:** Do you know who's organizing it? It has to go back to someone.

**Ms. McMillan Aver:** Yes, by the time it came through to me, I read it through and sent it back to a personal friend who had sent it through to me.

**Mr. Hudak:** I think it's ThreeYears.ca.

**Mr. Prue:** Okay, it's ThreeYears.ca. Now I understand who the petition is from.

You said the election belongs to the people. That's refreshing to hear; it's also true. Did Ms. Lindsay Luby or any other politician on the municipal level consult you or put anything in household flyers about the city's position on a four-year term?

**Ms. McMillan Aver:** I don't believe the timing of this allowed for the printing of even a householder for Lindsay Luby to be able to do that. I have heard nothing about this other than through an e-mail.

**Mr. Prue:** All right. And the e-mail was the first time you got this?

**Ms. McMillan Aver:** That's correct, sir.

**Mr. Prue:** I don't whether you were here earlier. The first time I saw it was in preparation for my response to the minister's and the parliamentary assistant's statements in the House. That was the first time I saw it. Literally, that was a day later. Since you've found out, how many other people have you spoken to about this?

**Ms. McMillan Aver:** I am the 401 of e-mails.

**Mr. Prue:** Have you found anyone who supports this?

**Ms. McMillan Aver:** Not in my group of 401 drivers.

**Mr. Prue:** There are two options. I've put this question before. One option is to withdraw that section, and the other one is to simply ask that the public decide, in terms of a binding referendum at the time of the municipal elections, whether it be a three- or four-year term. Which one do you prefer?

**Ms. McMillan Aver:** I prefer withdrawing the section and having proper debate over the section.

**Mr. Prue:** If that means it cannot be instituted for this round but does become law, it would become the law for the subsequent election. That's all that would change?

**Ms. McMillan Aver:** That's correct.

**Mr. Prue:** I think those would be my questions. Thank you.

**The Chair:** Thank you for your presentation before the committee.

#### DIRECT CITY ACTION

**The Chair:** I call on Direct City Action to come forward, please. Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

**Mr. David White:** My name is David White. I'm here as the co-chair of Direct City Action. Direct City Action is a citizens' organization that has been active in pressing for governance and financial reform for the city of Toronto. I'm also somebody who scrambled to try to get here today to make a presentation. I'm not going to have one as long or as eloquent as the previous speakers, but I do want to make a few points.

Our recommendation was that Bill 81 be amended to provide for the three-year term for municipal councils to continue. I've learned, from the previous speaker, that more correctly what you would need to do to accomplish that is to withdraw that section, so I'm learning just before I'm speaking here today what this is about.

Municipal politicians like to pride themselves on being closer to the people than their colleagues at the provincial and federal orders of government. I think that's actually true, and I'm going to give you some examples of how that manifests itself when citizens present themselves to a committee of the municipal government to make comments on what laws are being proposed for change. For example, citizens, at least at the city of Toronto—I believe this is true of many municipal gov-

ernments—don't have to make appointments in order to address a committee of municipal council. We can simply show up and just put our hand up at the end of the speakers' list of those people who have already registered. We'll be recognized and we can make our comments. Everybody who asks for an opportunity to speak gets to speak at a municipal committee. It isn't up to the chair or the committee to decide who gets to speak. Everybody just comes and if they want to speak, they speak.

Municipal councils conduct almost all their business in public except for issues when they're negotiating real estate matters and they need advice from the officials on what a piece of property is worth, or when they're dealing with specific personnel matters dealing with specific people, or when they're dealing with legal matters and the city solicitor wishes to give them advice on how good their case is in court. Those things are discussed in private; virtually everything else is in public. We don't know the cabinet system of government at the municipal level; we don't know cabinet secrecy at the municipal level of government. I think it's true: Municipal governments are closer to the people, and I'm going to return to that in a minute.

One of the arguments that is made is that municipal politicians require longer terms in order to engage in long-term or strategic planning. I don't think that's true. First of all, I believe that it's really the civil service who carries forward long-term plans and strategic planning; it's not the municipal politicians. Even if it were, most long-term plans last much longer than four years, so four years doesn't accomplish anything in terms of strategic or long-term planning.

Let me give you an example here: A strategic decision that has been made at the—well, it was initially made, I might add, at the municipal level, but now the provincial government has caught up with this idea, which is that smoking should be banned in indoor public spaces. That's a long-term strategic decision which will bear fruit in the long term with respect to people's health. Obviously, it's not something that has effect in four years, so that's just one example of long-term planning that has to be carried forward from government to government, and has to be carried forward by the civil service. I don't think it's arguable that a four-year term is necessary for municipal politicians to engage in long-term thinking.

I want to give you another example: When David Crombie was mayor, he was first elected for two years. In his first two years, he and his council made some very important strategic changes. For one thing, they set up a housing department and got the city back into the housing business. They reoriented city planning, especially for the downtown core, to get people living downtown. He set up a housing department. He also got a new neighbourhood started, and construction was actually under way within a couple of years. It was a real sea change and it was all accomplished in two years. Again, I think it shows that in fact city councils can accomplish a lot in two years when they're motivated and when there is the political will.

I just want to get back to the issue of municipal politicians being closer to the people. Municipal politicians really pride themselves on that. I'm sure many of you have been lectured by municipal politicians in that regard and I'm sure those of you who have been municipal politicians have made that point to other levels of government. The other side of that is that municipal politicians, if they're closer to the people, need to face the people more often. For that reason, I would urge you to strike out—I think that's the correct way to say it now—the section of Bill 81 that refers to the municipal term. It really has no place in this bill.

That, by the way, is another example of how this level of government differs from municipal government. A municipal government wouldn't dream of trying to attach something so unrelated to a budget because the people would be on to it in a flash and would be immediately able to come down and raise the issue vociferously. Thank you very much.

**The Chair:** Thank you for your presentation. This round of questioning will go to the government.

**Mr. Arthurs:** David, thank you for your presentation. I want to talk a little bit with you about the issue of being closer to the people. Municipal politicians do take some pride in that. Many of us have been engaged in that process in one fashion or another, and we recognize the distance between local politics and provincial politics, let alone those who serve at the federal level. The real question I have thought is, whether it's a two-year term, as Mr. Sewell preferred, or a three-year term, as is being proposed to be retained by yourself, or a four-year term, as the past president of AMO and others in the municipal field have specified, how does the difference in length of service change that context of accessibility, i.e., being able to attend committee meetings, or the openness that comes with the structure that's in place for municipalities whereby they must be public except in those very specific circumstances? How will that change, in your view, if the term is four years rather than three years, or would it be better served if it was two years rather than three years, as Mr. Sewell was proposing?

1120

**Mr. White:** Direct City Action doesn't have a position on whether it would be better at two years. Our position is that we should simply maintain the status quo because it, in our view, works well. What makes politicians ultimately close to the people is the knowledge that they need to face the people on a regular basis. I would argue that since municipal politicians take such pride in being close to the people and since they press that point forward when they come and talk to politicians at other orders of government, they should accept the consequences of that, which is that they should face the people more often, and I think the three-year term is a satisfactory arrangement at this point. As I said, we haven't taken a position whether it should be a two-year term. Maybe it should, but that's not a position we're taking. We're simply saying that it should not go forward as a four-year term and there should especially not be a four-

year term implemented with so little notice to the public and so little publicity to the public that this matter is before the committee today.

**Mr. Arthurs:** So you would take the position that (1) in your view, there's a process deficit in the context of how we're proceeding and (2) on the issue of access, accountability and openness, that a three-year term as opposed to a four-year term will maintain a level of access and openness that might not otherwise occur if the term were other than—

**Mr. White:** Let me address that as well. There's a well-known phenomenon among politicians that they get a little bit arrogant and one of the ways that can manifest itself is that they—and by the way, I should tell you I have been a politician, so I'm not pointing a finger here. I'm talking about politicians generally. There is certainly a tendency for politicians to become arrogant when they feel that they're secure in office. One of the ways that can manifest itself at a committee hearing is that they can go through the motions of listening to the people when they come down to speak on a matter. But you can often tell that they're actually just going through the motions; they're not really engaging the public. I believe that if politicians face an election more often, they're going to engage the public—not just go through the motions of hearing the public but really engage the public. So I think that's one way our democracy can be diminished by a longer term at the municipal level.

**The Chair:** Thank you for your presentation.

**Mr. Hudak:** Point of order, Chair. I thank the gentleman for the presentation, by the way. I'm sorry, I did have a point for you. I just wanted to call members' attention and make a request to the parliamentary assistant. We have a letter submitted by Jane Pitfield, city councillor, city of Toronto, ward 26, who many members know is running for mayor of the city of Toronto. Unfortunately, Ms. Pitfield has been denied the opportunity to speak to this committee. In her letter she makes a number of points: her view that increasing the term from three years to four would make local councillors less accountable to the residents who elect them. She feels that when combined with the proposed new City of Toronto Act, extending terms of office makes local government less meaningful to residents.

The other point I wanted to cite in my request to the parliamentary assistant is that she says, "As a city councillor who believes in holding elected officials accountable, I am a little disappointed to see this change in legislation buried in a budget bill."

I might ask the parliamentary assistant, is the reason this is buried in a budget bill—Mr. Arthurs, just a quick question, I'm sorry. Ms. Pitfield is curious why this is buried in a budget bill. Is the reason schedule H is buried inside a budget bill because it's about reducing costs? Is that why it's part of a budget bill?

**Mr. Arthurs:** Just very quickly, I'm still relatively new here but I thought that we were having deputations and opportunities to question the deputants and not having a debate.

**The Chair:** I was waiting to hear a point of order and I have not heard one. All members have the letter submitted, by the way. All members of the committee have the written submission by the person in question.

**JOSHUA CREEK RATEPAYERS INC.**

**The Chair:** I call on Stella Ambler. No? Joshua Creek Ratepayers Inc. Would you please come forward?

**Mr. Hudak:** Point of order, Chair: Now that Ms. Ambler doesn't seem to be in the room—

**The Chair:** We have indications she's stuck in traffic.

**Mr. Hudak:** If she doesn't show up and the committee does have the time, then I might suggest that Councillor Walker, who has been very patient waiting here, would have the opportunity to come before the committee and make a presentation.

**The Chair:** Good morning. You have 10 minutes for your presentation. There may be up to five minutes of questioning following that. I would ask you to identify yourself for the purposes of our recording Hansard.

**Mr. Rob Burton:** Thank you very much. My name is Rob Burton. I'm the president of Joshua Creek residents association in Oakville. My residents association feels lucky to have this chance to speak, considering how quickly it came up and how few delegations could be allowed. We hope that we can be helpful this morning. Maybe we can be a barometer for what the public will think about the proposal to increase to four years the term of office for municipal politicians.

I want to tell you about my area. The 35-year-old association I have led for most of the last 10 years covers an area of 2,300 homes and 6,500 people on the eastern edge of Oakville. Our area borders industrial land on two sides. The beautiful but heavily polluted Joshua's Creek runs through our area. We have a diverse mix of ethnic groups, income classes and age levels, and politically we are evenly divided between the larger two parties represented in the Legislature. Many of us in the last provincial election were attracted to cross over party lines to support Kevin Flynn and send him as our MPP to the Legislature. I supported him even though I had to change parties to do it, and I still support him. Life's like that in our community. We want the best.

In the Joshua's Creek area, we get along too. We walk our dogs together. We keep an eye on each other's kids. We never let differences about party politics spoil our friendships and the satisfaction we feel in being good neighbours to each other. We talk to each other. The word on the street and the conversations in the grocery store about your decision to lengthen the term of municipal political office to four years is not favourable among those I engaged over the last 48 hours.

The first problem with your proposal is the failure to include measures to balance the harm this decision will cause. That's got to look hasty and irresponsible as more people become aware. The biggest challenge with municipal politics is accountability. It only occurs when politicians face the voters, currently every three years.

We have no other accountability measures at the local level to help us with problems in municipal government. What kinds of problems require improved accountability? Here are the top seven:

(1) Consider the problem of illegal secrecy in local government. The Municipal Act calls for open government. It allows the use of secrecy for only five reasonable purposes. But my town government conducted budget committee meetings, at least two of them, in secret, and a myriad of secret subcommittees of council meet without the benefit of public sunshine on their deliberations. My town's council and mayor recently voted a 30% pay rise for themselves. For public consultation, the mayor hand-picked a panel of five residents, who met in secret. None of these are permitted uses of secrecy under the Municipal Act, but there is no penalty in the Municipal Act for the misuse of secrecy in local government. There is only the judgment of the voters. By reducing the frequency of elections and doing nothing to strengthen open government rules, you will encourage even more illegal secrecy.

(2) Consider the problem of inadequate, too-short public notice and phony public consultation. It is a scandal in many towns. The only recourse for the public? Elections. But you're going to reduce the number of elections.

(3) Consider the problem of bringing local issues to the attention of some local politicians. By making it four years between elections, you reduce the amount of time that some local politicians will heed their constituents from only one year out of three to only one year out of four.

**1130**

(4) Consider the problem of the incumbents' advantage in local elections. If you increase the delay between elections, you increase that advantage. It will be harder and more expensive for challengers to compete with incumbents. Perhaps you should adjust campaign spending limits to balance that negative impact. Perhaps you should stop those who do business with town and city halls from being able to swing elections by making their candidates the best-funded and most likely to win, and end this blatant conflict of interest that taints municipal government. Perhaps we need an offsetting two-term limit to balance the loss you're giving us in election frequency.

(5) Consider the problem of election integrity in local elections. The fundamental guiding principle of the federal and provincial elections acts is integrity. The fundamental guiding principle of the Municipal Elections Act is the convenience of the local municipal clerks. In a provincial election, independence and balance are required in those who conduct the elections. In municipal elections, the incumbents run the elections because they appoint the clerks and all the other election workers. How will decreasing the number of times that incumbents have to face the voters do anything to increase public confidence in the municipal election process?

(6) Please consider the problem of voter turnout. Voter turnout in local municipal elections was higher when



terms of office were only two years. In my town, turnout fell by 25% after the change from two to three years. Will one of the unacceptable consequences of this change be to cause voter turnout in local elections to fall even lower? I think so.

(7) Please consider the problem of controlling the costs of municipal government. Most of these costs fall on the overworked back of the property tax and, increasingly, on local rates. In the last eight years, the provincial government has held the tax levy increase for schools to keep perfect pace with the population growth in my town. And we appreciate that. The upper tier of municipal government has kept the growth of its tax levy fairly close to the rate of population growth. And we appreciate that. Meanwhile, my town has increased its property tax levy four times faster than the rate of population growth because of a steady string of decisions to shift costs to property taxes that could be on development charges. By reducing the opportunities we have to bring our politicians to account, what are you going to be doing to our tax burden? Increasing it, I would predict.

The second reason your decision won't be popular, I fear, is that the government ran on a platform that asked for a mandate for democratic renewal and increasing participation in democracy. There was no disclosure that this would mean fewer municipal elections. Municipal elections are not a burden. They are our only chance to hold our local politicians to account. Elections are good. If you do make this change, I believe that voters will compare your having said you would increase democracy against your sudden reduction in democracy. This change will not increase the public's respect for politicians. This change will breed more cynicism where it needs to be reduced, for the sake of democracy and for the sake of strong and healthy communities.

The third reason this change is not good for Ontario is that frequent accountability before voters in local democracy is too important and too vital a part of having healthy communities. That is why it is wrong to so quickly adopt this measure to reduce accountability and to do so with no attempt to balance the negative impacts. You are cheating us voters out of our say on the length of municipal office terms.

But there is a democratic way to introduce this change. Why not use that? Let the voters decide, this fall, in the coming municipal election. Force local politicians who want longer terms in office to face their voters this fall and tell them upfront if they're for or against longer terms for municipal office. That would be the first opportunity the voters in my town or any other will have had to give their opinion about term lengths. None of the politicians in my town's last local election ever said to the voters that they wanted longer terms of office. But once elected, my town's council, like the others, was surveyed by AMO as to its preference for term lengths. My town's council did not consult with the residents and voters of my town, and they didn't tell us how they answered that survey. I think most of the voters in my town would appreciate an opportunity to have their say on this matter.

Then, after this fall's election and having faced the voters on it, AMO's members can report how many want longer terms of office. That answer would have a little more integrity than the one they're giving you now.

**The Chair:** You have about a minute left for your presentation.

**Mr. Burton:** As it stands now, they're using you. Only if you do it this way will anybody be able to respect the change you want to make and respect you when you speak about democratic renewal. Whatever way you decide to proceed, please understand that we in the Joshua Creek area will appreciate very much any consideration you may give to our attempt to help you here today on this issue. Please reconsider this hasty change. Please think about the consequences. Please do better.

**The Chair:** Thank you. This round of questioning will go to the official opposition.

**Mr. Hudak:** Mr. Burton, thank you very much for your presentation on behalf of Joshua Creek Ratepayers—very passionate and very well reasoned.

One of the curiosities that the government has failed to defend is the fact that this provision to reduce the frequency of elections is buried in unrelated budgeting matters. Why do you suspect that's the case?

**Mr. Burton:** I have a lifelong conviction that people only hide things that they're embarrassed by.

**Mr. Hudak:** What do you think about the notion—and I appreciate your points; I'm optimistic that my colleagues will agree with me, because I know they're each committed to local democracy and democracy in Ontario—of just severing out schedule H, removing it from the budget bill and having it go forward with public hearings as a stand-alone bill?

**Mr. Burton:** I would obviously prefer that to what appears to be going to happen. It pains me to see the government making this mistake. I worked very hard for my member's election. I live in what I think is well known to be a swing town. I don't think this is going to help the member, who I think contributes very valuably to the Legislature on behalf of Oakville. This is a mistake. Pull up before you hit the ground is my earnest advice to you.

**Mr. Hudak:** I know Mr. Flynn, your member for Oakville, had the courage to stand up against the Premier and support my bill, the Homestead Act, which would cap assessment increases at 5% a year, and I hope he would have the same courage to fight back against the antidemocratic measure of schedule H, particularly its being buried in a budget bill.

**Mr. Burton:** I hope he'll still talk to me after this.

**Mr. Hudak:** I'm sure he will. It was a well-reasoned presentation.

Chair, I'm going to stand down the rest of my time on the condition that, since Ms. Ambler has not yet arrived and we still have 20 minutes to go before recess, Councillor Walker would now have the opportunity to come forward and make a presentation to the committee.

**The Chair:** Thank you for your presentation.

**Mr. Arthurs:** On a point of order, Mr. Chair: I don't know who was on the list of requested deputants before

committee. Respectfully to Mr. Walker, if he wasn't, I'm certainly not prepared to entertain additional deputants who, at the very least, didn't have their names submitted as potential deputants.

**Mr. Hudak:** On a point of order, Mr. Chair: If there are other members here—I recognize a lot of staff from the Ministry of Municipal Affairs and Housing, my friends from the days of the greenbelt and such, other staff from the PC and NDP offices who have been here and members of the press—who have asked to come before the committee and were denied, I'd entertain them presenting as well. But I know Councillor Walker is an experienced city of Toronto councillor. He feels very strongly about this legislation, and he's been patient enough to be here. So in the absence of Ms. Ambler, I would strongly suggest that Councillor Walker be given that opportunity. If there are others on the list who are here right now, bring them forward as well.

**The Chair:** For the committee, the 11:30 presentation has not cancelled. They've indicated that they are trying to arrive here through traffic, so we will recess until five to 12.

*The committee recessed from 1135 to 1149.*

**The Chair:** The committee will now reconvene. The 11:30 deputant has not arrived. Mr. Hudak, do you want to make a suggestion before the committee?

**Mr. Hudak:** I recommend that Councillor Walker, who was on the list as an alternate, now proceed and make a presentation.

**The Chair:** We are under time constraints. First of all, some may want to vote before 12, should there be a vote. As well, we cannot go past 12. Do you have a recommended time that the person may speak? Three minutes?

**Mr. Hudak:** It was Mr. Prue's turn for questions.

**Mr. Prue:** I don't need to ask questions, but we can give him the seven minutes that I have until 12 o'clock. I don't know whether we need to do anything right at 12.

**Mr. Hudak:** The standing order goes until 12.

**Mr. Prue:** So we give him seven minutes.

**The Chair:** We can't anticipate that there would be a vote, but members should be allowed to vote, should that happen.

**Mr. Prue:** If there's a necessity for a vote, but failing that, that he go until one second to 12.

**Mr. Arthurs:** Fine.

**The Chair:** All right, then. That would mean that there may not be questions, then. Okay.

**Mr. Prue:** That's fine.

**The Chair:** Is the committee in favour? Agreed.

#### MICHAEL WALKER

**The Chair:** Our next deputant may come forward. Please identify yourself for the purposes of our recording Hansard. You have until approximately 12 o'clock.

**Mr. Michael Walker:** My name is Michael Walker. I'm a city councillor with nearly a quarter of a century of political experience at Toronto city hall.

I've come today to speak against really a basic denial of the democratic process in slipping this through omnibus legislation attached to a budget. Have we not learned from the previous government and the commitments that were made about democratic renewal and a more democratic and open government that the longer the term municipally, the less democracy you get, the less public participation you get? I think that's been proven.

If we're going to justify having three levels of government, we've got to make a distinction about what local government is over provincial and federal levels of government. It is the government that's closest to the people that represents basic democratic principles. You are the people's representative; you are the people's advocate. The way to ensure that is that you vote the way the people want on local issues, whether they're big development issues that might result in tens of millions of dollars of profit or local issues relative to a traffic plan or putting in parking. The way to ensure accountability and true democracy, in the Athenian style, is you go back to the people all the time. You make sure that that level of government is different than the others because the politicians are always looking over their shoulder. It does result in the much more bully-pit type of politics of the Athenian forum, where you went down and debated major public issues—the political representatives—before the citizens, the governed, of the day. That's the distinction, and the way to ensure that is greater accountability, and greater accountability is a greater renewing of a mandate with the people through the democratic process.

This proposal is generated by self-interest. It's politically corrupt in its very nature because it's generated by elected politicians who are promoting their own interests and not the public interest. How would this benefit the public interest? It doesn't, because it takes away from that accountability. The comfortableness that politicians get, and the arrogance: The longer they can be away from making decisions that aren't the will of the people that they represent or the people generally, the less there's going to be accountability when you go back to the next election, counting on the people's memories being short. We should be doing exactly the opposite. The greatest city-building in this city and, I believe, in this province, was done under two-year terms. Allan Lamport—he did a plebiscite. He did many plebiscites until he got the vote he looked for to build a subway. The issues of public housing, public health, the building of roads and other public infrastructure were done under two-year terms, whether it was David Crombie or John Sewell or Allan Lamport. That's when great city-building and great policy debates took place, because people were engaged. The issue of the Allen Expressway was one of those cases when public will came to the fore. Political representatives, both municipally and provincially, responded to that by stopping the Allen Expressway going down and desecrating neighbourhoods.

If we're to return to those principles that don't change because government gets bigger and budgets become

bigger—none of those principles do change. They pass on with time. The arguments that were made by some of my colleagues that they need more time to make decisions—and Councillor Lindsay Luby was saying that the day right after the last election, she's out campaigning for the next one. Well, I am too. How could you make those arguments and say you don't want to go back to the public earlier? I think, for most elected officials, it's in their self-interest to not go back to the public as often. It guarantees that they have tenure: "It's my right to hold office. I am the font of all wisdom." It's a lot of horsefeathers, as a president said.

I urge you to abandon this, and most particularly, the way it has been done by stealth, under the radar, trying to sneak it in. One of the deputants said, quite frankly, that if this had merit, you'd hold your head high and wave it from the roof of this Legislative Assembly, and say, "Hear ye, hear ye: We're proposing these public policy changes on how we elect municipal politicians across this wonderful province of ours." We didn't do this. We snuck it in. I only found out because somebody called me, and then I got a copy of the bill and went to the appropriate page and there it was—that deadly poison pill, another anti-democratic move.

I urge you to do the right thing and abandon this or, if not, introduce it as stand-alone legislation and, as in days of old, have your MPPs take it out to their constituencies and ask the people what they want, because ultimately the government belongs to the people, whether it's you, whether it's in Ottawa, or certainly at city hall. Thank you.

**The Chair:** Thank you for your presentation.

That concludes this morning's business. I would remind persons that they do have a copy of our 11:30 presentation for all committee members.

**Mr. Hudak:** Excuse me, Chair. I know we're out of time. Ms. Ambler has arrived. I know we have a written presentation, but I want to thank her for coming forward. I know traffic is tough. I suspect we don't have time to hear from her, but I do want to thank her for making a presentation.

**The Chair:** Regrettably so. I appreciate her attempt to be here on time, traffic notwithstanding, and appreciate the timeliness of all other presenters this morning.

**Mr. Arnott:** Just to very briefly address that point, I've had a chance to review Stella Ambler's presentation and she is clearly opposed to section H of the bill.

**The Chair:** Thank you. The committee is recessed until following routine proceedings this afternoon.

*The committee recessed from 1159 to 1515.*

**The Chair:** The standing committee on finance and economic affairs will now come to order. I believe each member of the committee has a package of amendments numbered 1 through 15. We'll begin with those this afternoon.

They're numbered, and we'll begin with number 1. It's a PC motion. Any comment?

**Mr. Hudak:** Just before I discuss the motion, I would like to inquire if we've had any responses from the

parliamentary assistant to my earlier request for research information, or through legislative research?

**The Chair:** I'd ask you to repeat that. I was speaking with the clerk.

**Mr. Hudak:** No problem. I was just wondering if we've had any chance of legislative research responding to the questions I tabled earlier today. I know my colleague the parliamentary assistant has been very hard at work on behalf of the Ministry of Finance and may also have some information to table with the committee before we consider amendments to the bill.

**The Chair:** I'll ask the clerk first if we have anything from research.

**The Clerk of the Committee (Mr. Douglas Arnott):** I've not yet received anything from research. I do understand that the researcher was hoping to be here at about the start of the meeting to find out if any information had come in or to bring any information she had received, but I've not received any.

**Mr. Hudak:** Thank you. I know that the timelines were extremely tight. Unfortunately, they were the same timelines put upon us in the opposition to provide amendments to the bill due to the time allocation motion that the government brought forward the other night.

I would wonder, to the parliamentary assistant, if the staff of the Ministry of Finance has provided any answers to the information I requested.

**Mr. Arthurs:** I can provide a little bit of information for the benefit of Mr. Hudak, but I think I'd like to put it in the context of a couple of questions he asked. There are technical questions that research is doing work on, things around jurisdictions that have different structures and different terms, and I appreciate the fact that research will be doing that. On those technical matters that would be directed to the ministry, they were doing some work on that and I presume they'll provide us with something, and we'll get it to you from the ministry side at the earliest opportunity.

On some of the questions, though, that were directed to me, reference to issues such as the nature of the debate when both the minister and myself spoke to the matter, I can't speak specifically for the minister, but I think I can safely say that we were focusing our comments on those elements of the budget bill that were the focus of the bill: infrastructure investments, health investments, education investments, those that were having a direct impact in all of those contexts. It being a large bill—the budget being an intense amount of activity, and with limited time—there simply wasn't time to cover all of the matters that one might find in a budget bill.

**1520**

I can tell you, though, that as to your questions around the consultations and the information that was available for the purposes of moving forward in this matter, I think it's more than fair to say that the Premier, at ROMA, after some consideration, made an announcement around what our intent would be. This was the first real opportunity to bring the matter forward, to address the matter for this coming municipal election sequence. We have a

lot of trust and faith in our municipal partners, primarily, and we used that resource that they undertook, in effect, through AMO, and through the city of Toronto as Ontario's largest city and not currently a member of AMO; we used that partnership as the best outreach we could find that would be able to get to the core of the matter.

We've heard from the deputants this morning, all of those talking about local government being close to the people. It was our view that the best way to consult on this matter was to have those who are close to the people doing, effectively, the consultation through their processes. You know there were a number of resolutions that came back from municipalities, in addition to the response to the AMO circulation, and there were differences in those responses—you know the percentages—but the various resolutions that came back would have gone to committees and councils, but had to go through a formal public process that is, from that standpoint, available, publicly open, as the deputations talked about. That's the part of government that's most open to people, where you can go into committee and the like. We believed that the opportunity for getting the best advice we could was through those who are close to the people.

I have to say that it was in 1999 that the Fewer Politicians Act was introduced some time in December. Within about 20 days, with time allocation, without public hearings and just before Christmas, it was approved by the former government, certainly without the level of opportunity for municipalities, at that point, to be able to even explore their responses with their constituents.

Those are some of the activities that have been undertaken on the government side to take into account what we feel is good advice from those who are in the best position to be able to seek the inputs from those close to the people and from the standpoint of the ongoing debate around the matter. Our core focus during the budget debate was on those elements of the budget, infrastructure and others, that have the most direct impact on individuals on a day-to-day basis.

**Mr. Hudak:** I thank my colleague for responding to my earlier questions. A couple of things I just suggest in return: He said you're looking for input from those closest to the people, which you can use from time to time as a proxy, but if schedule H were taken outside, as a bill, it would give us an even better opportunity to take it directly to the people, as opposed to, as he described it, those closest to the people. In fact, of those who came forward and spoke in favour of the bill during our very limited public hearings today, there were a couple of municipal councillors and Ann Mulvale, in her capacity as past chair of AMO. So we heard from a couple of representatives from the municipal sector.

Aside from that, the people, if you will, those taxpayers who were not representing a municipal council per se, were universally opposed to schedule H being included, in fact buried, in a budget bill. While my colleague says that he and the minister spoke to the infrastructure and those types of issues that were part of the

finance portion of the bill, what the government chose to speak about is in complete disagreement, actually, with what we heard today. I note for the record that every individual or group that spoke today spoke about schedule H exclusively. We had a submission from the Ontario Federation of Agriculture that spoke about some larger picture issues from their perspective, but otherwise, everything else has concentrated on schedule H, including each of the deputants here today.

What I'm going to suggest, and I hope my colleagues will support me in this, and I remain optimistic, is that we take schedule H out of the bill, that we let the rest of the bill stand as a finance bill. Take schedule H out of the bill and have it stand alone as a bill in the Legislature and then open it up to public hearings. Then we can hear from those closest to the people, and we can hear from the people themselves directly how they feel about reducing the frequency of municipal and trustee elections.

My colleague and I have spoken about this, and I think my colleagues here on the Conservative side feel that that's the appropriate way to move forward and would reflect what we heard during the deputations today.

**The Chair:** That can come up under clause-by-clause.

**Mr. Hudak:** Sure, it can.

**The Chair:** And should.

**Mr. Hudak:** Hopefully, we'll have the opportunity in the Legislature as well to have a motion that would sever schedule H from the bill. We might defeat schedule H, I don't know, but if it fails in committee, we do have the opportunity in the House or through the Premier to sever off schedule H. I hope my colleagues will support us in that and reflect what we heard in the deputations.

Now I've spoken too long. If my friend and colleague Mr. Duguid, the parliamentary assistant to the Minister of Municipal Affairs and Housing, had been here, I was going to ask him why the Minister of Municipal Affairs and Housing or the parliamentary assistant to the Minister of Municipal Affairs and Housing did not take the opportunity to speak to schedule H, which is part of the finance bill, during second reading debate or during introduction of the bill. If he comes back, I'll return to that, Chair.

The last thing I wanted to do, just as introductory comments, is to read into the record—I know members have received these letters but I think it's important for those reading Hansard—that municipalities are not universal in this respect and there may be a different view between larger urban centres and some of the smaller communities. For example, the Corporation of the Town of Hanover has—

**The Chair:** Mr. Hudak, can we bring up these points under clause-by-clause?

**Mr. Hudak:** I am, Chair.

**The Chair:** Oh. In that case I would like to inform you that the clerk has informed me that I was one step ahead of myself, and I want to retract moving to the particular motion you were talking about. I'm advised that what we should do first of all is ask the question on sections of the bill and then move to the schedules.

For the committee's notice, the first amendment is schedule D, the one that I assume you're talking about now. We'll watch for that. In the meantime, we should begin at the beginning, which I was not doing, and start with the sections.

So I will ask if there are any comments, questions or amendments, of which we see none, to section 1. Are there any comments?

**Mr. Hudak:** Let me say clearly for the record that the Progressive Conservative caucus, the official opposition, rejects the government's budgeting strategy.

We feel that as a whole, this is a government that has increased spending far too much, with an accelerated spending rate of some 9.2% on program spending this past year. Despite that rapid increase in spending, which is far beyond the growth rate of the economy, there are key areas that are not receiving the investments they deserve.

Secondly, the plight of working families in Ontario is a serious one, with Dalton McGuinty's significant tax hikes despite promises to the contrary, with Dalton McGuinty's significant hydro hikes despite promises to the contrary, higher home heating costs, gasoline, higher assessments that often result in property tax increases, and increased borrowing rates are making it awfully difficult for working families and seniors to make ends meet. Therefore we reject the budget policy of the government and as such will be voting against the budget bill.

**The Chair:** Further comments?

**Mr. Prue:** For probably diametrically opposed reasons, we too will be rejecting the budget.

*Interjection.*

**Mr. Prue:** This is always the Liberal answer: If the opposition doesn't like it, it must be right. I don't know that that holds any credibility whatsoever. But in terms of this committee's work, I don't see any reason why we just can't—there being no amendments, I certainly don't want to waste the committee's time. I'd like to go straight to the schedules. That's a motion, so in order.

**The Chair:** Mr. Prue has asked that we just move through the schedule; correct?

**Mr. Prue:** Go for it and we'll vote no and that will be the end of it.

1530

**The Chair:** Sections 1, 2 and 3, all in one vote? Agreed? Agreed. Then I'll ask the question. Shall section 1, section 2 and section 3 carry? All in favour? Opposed? Carried.

Now we'll move to schedules. There are no amendments to schedule A. Are there any comments? Hearing none, shall section 1 carry? All in favour?

**Mr. Prue:** Schedule A.

**The Chair:** Schedule A.

**Mr. Hudak:** All of schedule A?

**The Chair:** You want to do it that way? Well, I have to have that indication.

Schedule A, sections 1 and 2: All in favour? Opposed? Carried.

Schedule B, sections 1 through 3: Shall they carry? All in favour? Opposed? Carried.

Schedule C, sections 1 through 16: All in favour? Opposed? Carried.

Now we are down to schedule D, and we do have an amendment: PC motion number 1. Any comment?

**Mr. Hudak:** Should I read the motion for the record, Chair?

**The Chair:** Yes. Now we are where we were about 10 minutes ago.

**Mr. Hudak:** Okay. I'll just go directly to this motion, and I'll save some more discussion for schedule H when we receive it. With respect to schedule D, I'll move the motion.

I move that clauses 43.10(4)(b) and (c) of the Corporations Tax Act, as set out in section 1 of schedule D to the bill, be struck out and the following substituted:

"(b) 18% of the portion of its qualifying Ontario labour expenditure in respect of the production for the taxation year that relates to expenditures incurred after December 31, 2004 and before January 1, 2010;

"(c) 11% of the portion of its qualifying Ontario labour expenditure in respect of the production for the taxation year that relates to expenditures incurred after December 31, 2009; and"

The reason for this is, of course, we in the PC caucus support these tax credits. In fact, it was the Mike Harris government that brought forward tax credits to support our cultural industries, with great success, and I'm pleased to see that the current government is continuing that process.

The amendment, as it stands under the bill, would create different time frames for the two tax credits to expire: the one for domestically owned producers versus those that are foreign-owned but domestically situated, if I'm correct. So the goal of my amendment is to make those time frames the same. I just think there's a simplicity to that approach for investors so they know that it's the same expiry time. I think that would be an important signal by the government to encourage further investment in job creation in the province in film production and in our cultural industries.

**The Chair:** Further comment?

**Mr. Prue:** I don't know whether it's a comment. I think I have to ask questions.

Unfortunately, the way that this has unfolded, all of these amendments were handed to me—and I'm sure all members—during the House. I mean, it was question period. I had a question to ask of the Premier. I went straight from there to a subcommittee meeting, and straight from the subcommittee to here. I have, quite honestly, no idea what this amendment will do. I've listened to my friend, and I still have no idea what this amendment is. I don't know whether to support it or not support it. I've not had a chance to talk to our staff or those who might be able to explain what will happen with it. I don't know whether the researcher or the legislative counsel can tell us what this means, but I certainly

have no intention to vote for it or against it if I have no idea what it is.

**The Chair:** Further comment?

**Mr. Hudak:** I understand my colleague's concerns and I, of course, share them, because under the time allocation motion we had extremely tight time frames to craft amendments and then share them with colleagues, who just received them about 2 p.m. or so during question period. Of course, our resources are always limited, so we do our best.

There are two tax credits that support the industry: the Ontario production services tax credit and the Ontario film and television tax credit.

**Mr. Prue:** Is this the film industry?

**Mr. Hudak:** Exactly. The film and television industry.

One is, if I recall correctly, for domestic production of foreign-owned companies; the other is for domestic production of domestically owned companies. I'll check with staff. Right? What I'm trying to do is harmonize the time frame in which those credits would expire so both would be December 31, 2009. Under the current bill, only one is extended to December 31, 2009.

**The Chair:** Further comment? Hearing none, I'll call the question.

**Mr. Hudak:** Recorded vote.

**The Chair:** Recorded vote. That will be deferred, as in the time allocation motion, until all remaining questions are put.

We have another amendment to section D, a PC motion. It's number 2 in your package.

**Mr. Hudak:** I will beg my colleagues' indulgence. It's a bit of a long motion. I'll read it in.

I move that subsection 2(1) of schedule D to the bill be struck out and the following substituted:

"(1) Subsection 66(1.1) of the act is repealed and the following substituted:

"Capital tax rate

"(1.1) The capital tax rate for a corporation for a taxation year is the total of,

"(a) 0.3 per cent multiplied by the ratio of the number of days in the taxation year that are before January 1, 2007 to the total number of days in the taxation year;

"(b) 0.285 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2006 and before January 1, 2009 to the total number of days in the taxation year;

"(c) 0.225 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2008 and before January 1, 2010 to the total number of days in the taxation year; and

"(d) 0.15 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2009 and before January 1, 2011 to the total number of days in the taxation year."

**The Chair:** Comment?

**Mr. Hudak:** I think everybody followed that one.

The goal here is to accelerate the elimination of the capital tax. The Progressive Conservative caucus

certainly believes that the capital tax punishes investment in the province and discourages job creation. Members of the committee will remember that, under the previous PC government, the capital tax was scheduled to be phased out. When the new government came in, Minister Sorbara, the then finance minister, eliminated that schedule. In his subsequent budget, he brought in a much more modest schedule that I believe had the goal of eliminating the capital tax by 2012.

This Bill 81, and the budget under Finance Minister Duncan, is the third position the government has taken on the capital tax by accelerating slightly the first year of the capital tax's elimination. We are pleased to see that to some extent, although relatively minor, the government is beginning to understand the importance of lowering the tax burden on businesses and, hopefully, on working families.

I will add as another note that we saw in the Conservative budget from Ottawa that Finance Minister Flaherty eliminated the capital tax retroactively at the federal level. I hope this will put pressure on provincial governments that still have a capital tax—Ontario is probably the worst sinner in that regard—to accelerate their plans. Therefore, we've brought forward this plan, which is more aggressive in capital tax elimination, basically meaning the capital tax rate is eliminated by January 1, 2011, rather than the current schedule, which would be 2012.

**The Chair:** Further comment?

**Mr. Arthurs:** I can appreciate where the member is coming from. We're taking action on the capital tax in a very deliberate way. We've identified our targets to be able to eliminate it, subject to our fiscal capacity to do that, and that's as reflected in the budget.

**The Chair:** Further comment?

**1540**

**Mr. Hudak:** I just wanted to stress again—as I said, I appreciate the third position that the Liberal Party has taken on the capital taxes better than the first two, which was a very modest schedule on capital tax reduction. I would point out the importance of sending a signal to industry of sticking to one plan and sticking to the schedule.

I hope my colleagues will support my position and keep that position; otherwise, if it fails, well—I encourage you to continue to cut taxes.

**The Chair:** Thank you.

**Mr. Hudak:** Recorded vote.

**The Chair:** A recorded vote's been requested.

**Mr. Hudak:** Through you to the clerk, do I need to request a recorded vote now or just do it when we are at the actual votes?

**The Chair:** Now is best as we move along. Then we can keep track of all of this.

**Mr. Hudak:** Okay.

**The Chair:** PC motion number 3 is also on schedule D.

**Mr. Hudak:** I move that section 2 of schedule D of the bill be amended by adding the following subsection:

“(1.2) Subsection 66(1.2) of the act is repealed and the following substituted:

“No tax payable after 2010

“(1.2) No tax is payable under this part by a corporation that is not a financial institution for a taxation year commencing after December 31, 2010.”

**The Chair:** Comment?

**Mr. Hudak:** This is a companion amendment to my previous one, which was to eliminate capital tax by 2012. Basically, it complements the previous amendment on having a more aggressive capital tax elimination schedule.

**The Chair:** Comment? Hearing none—

**Mr. Hudak:** A recorded vote, Chair.

**The Chair:** A recorded vote’s been requested.

Page 4, a PC motion also dealing with schedule D.

**Mr. Hudak:** I move that subsection 2(2) of schedule D to the bill be struck out and the following substituted:

“(2) The definition of ‘G’ in subsection 66(4.1) of the act is repealed and the following substituted:

“‘G’ is the total of,

“(a) 0.6 per cent multiplied by the ratio of the number of days in the taxation year that are before January 1, 2007 to the total number of days in the taxation year,

“(b) 0.57 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2006 and before January 1, 2009 to the total number of days in the taxation year,

“(c) 0.45 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2008 and before January 1, 2010 to the total number of days in the taxation year, and

“(d) 0.3 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2009 and before January 1, 2011 to the total number of days in the taxation year.”

**The Chair:** Comment?

**Mr. Hudak:** Similarly, this is a compendium to the previous amendments that have been moved, quite frankly, as are the next four.

**The Chair:** Other comments?

**Mr. Arthurs:** I also don’t want to be repetitive in that sense to take up the additional time that might be available for other discussion, but the issue for us is the same. We think we have a fiscally prudent approach. We’re heading down that road. We do have a 2010 objective, subject to our fiscal capacity to do that, and it’s the government’s intent to achieve that end result.

**Mr. Barrett:** Just to comment on making mention of a fiscally prudent approach, we’re still absorbing and seeing the benefit from the federal budget that just came out really a matter of hours ago, and it includes 28 tax reductions, and with respect to capital tax, the federal capital tax will disappear this year. I think that’s a fiscal approach, and that sets the bar a little higher for this present government. I just wanted to mention that when we talk about the context of a fiscally prudent approach.

**The Chair:** Comment? Hearing none—

**Mr. Hudak:** Recorded vote.

**The Chair:** A recorded vote’s been requested,

Number 5 is also a PC motion to schedule D. Mr. Hudak.

**Mr. Hudak:** I move that subsection 2(3) of schedule D to the bill be struck out and the following substituted:

“(3) The definition of ‘J’ in subsection 66(4.2) of the Act is repealed and the following substituted:

“‘J’ is the total of,

“(a) 0.9 per cent multiplied by the ratio of the number of days in the taxation year that are before January 1, 2007 to the total number of days in the taxation year,

“(b) 0.855 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2006 and before January 1, 2009 to the total number of days in the taxation year,

“(c) 0.675 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2008 and before January 1, 2010 to the total number of days in the taxation year, and

“(d) 0.45 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2009 and before January 1, 2011 to the total number of days in the taxation year.”

**The Chair:** Comment?

**Mr. Hudak:** This is a compendium to the amendment to have the capital tax rate eliminated for a financial institution that is a deposit-taking institution by January 1, 2011, rather than 2012.

**The Chair:** Further comment? Hearing none—

**Mr. Hudak:** A recorded vote, Chair.

**The Chair:** A recorded vote’s been requested.

PC motion number 6, also to schedule D. Mr. Hudak.

**Mr. Hudak:** I move that subsection 2(4) of schedule D to the bill be struck out and the following substituted:

“(4) the definition of ‘L’ in subsection 66(4.3) of the act is repealed and the following substituted:

“‘L’ is a total of

“(a) 0.72 per cent multiplied by the ratio of the number of days in the taxation year that are before January 1, 2007 to the total number of days in the taxation year,

“(b) 0.684 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2006 and before January 1, 2009 to the total number of days in the taxation year,

“(c) 0.54 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2008 and before January 1, 2010 to the total number of days in the taxation year,

“(d) 0.36 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2009 and before January 1, 2011 to the total number of days in the taxation year.”

**The Chair:** Comment?

**Mr. Hudak:** Again, Chair, a compendium to the original amendment with respect to eliminating the capital tax for a financial institution that’s not a deposit-taking institution eliminated by January 1, 2011, rather than 2012.

**The Chair:** Further comment? Hearing none—oh, Mr. Barrett.

**Mr. Barrett:** Just a comment in support: When we talk about 2011 and 2012, our federal level of government has identified 2006 as the year to eliminate capital tax.

**The Chair:** Further comment?

**Mr. Hudak:** A recorded vote, Chair.

**The Chair:** A recorded vote has been requested.

Page 7, a PC motion to schedule D. Mr. Hudak.

**Mr. Hudak:** I move that section 2 of schedule D to the bill be amended by adding the following subsection:

“(5) Subsection 66(4.4) of the act is repealed and the following substituted:

“No tax payable after 2010

“(4.4) No tax is payable under this part by a financial institution for a taxation year commencing after December 31, 2010.”

**The Chair:** Comment?

**Mr. Hudak:** A companion piece, this one obviously with respect to financial institutions. It’s part of the package.

**The Chair:** Further comment?

**Mr. Barrett:** Again, I don’t feel that this particular amendment is asking for that much in the sense that the federal government is eliminating the corporate surtax for all corporations as of January 1, 2008. The previous Liberal government was also going to do that, but only for small companies and medium-sized companies. I feel that the bar has been set at an adequate level at the federal level, and I would hope that there would be some discussion on this in this committee because I don’t feel this kind of amendment is asking a lot of the Ontario government. Given the problems that we’re seeing in the manufacturing sector alone, I would think that it’s incumbent on this government to come forward with some tax breaks for companies.

1550

**The Chair:** Comment? Hearing none—

**Mr. Hudak:** Recorded vote.

**The Chair:** Recorded vote requested.

PC motion on page 8, also to schedule D. Mr. Hudak.

**Mr. Hudak:** This is section 3? Am I right?

**The Chair:** Yes.

**Mr. Hudak:** I move that section 3 of schedule D to the bill be struck out and the following substituted:

“3. The definition of ‘D’ in clause 66.1(3.2) (b) of the act is repealed and the following substituted:

“(a) 0.9 per cent multiplied by the ratio of the number of days in the taxation year that are before January 1, 2007 to the total number of days in the taxation year,

“(b) 0.855 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2006 and before January 1, 2009 to the total number of days in the taxation year,

“(c) 0.675 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2008 and before January 1, 2010 to the total number of days in the taxation year, and

“(d) 0.45 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2009 and before January 1, 2011 to the total number of days in the taxation year.”

**The Chair:** Comment?

**Mr. Hudak:** It’s a compendium to the amendment to have the capital tax rate eliminated for a financial institution other than a credit union by January 1, 2011, rather than 2012. I think that’s it for me.

**The Chair:** Further comment?

**Mr. Barrett:** That’s not asking a lot.

**The Chair:** Further comment?

**Mr. Arthurs:** I was rather anticipating a comment around the recent federal budget. Frankly, it’s probably a little easier to deal with some matters if one comes into government swimming in cash rather than drowning in debt.

**The Chair:** Further comment? Hearing none—

**Mr. Hudak:** Recorded vote, Chair.

**The Chair:** Recorded vote requested.

There are no amendments to section 4 and section 5. Can we call those together?

**Mr. Hudak:** Because they’re not amended, we’re voting now? Is that why?

**The Chair:** There are no amendments to either section. All in favour? Opposed? Carried.

Now we are looking at schedule E. There’s a PC motion on page 9. Mr. Hudak.

**Mr. Hudak:** I move that the definition of “gasoline” in subsection 1(1) of the Gasoline Tax Act, as set out in section 1 of schedule E to the bill, be struck out and the following substituted:

“‘gasoline’ means any gas or liquid, other than ethanol, methanol and natural gas, that may be used for the purpose of generating power by means of internal combustion and includes,

“(a) aviation fuel, but only when it is used or intended to be used to generate power by means of internal combustion in a vehicle other than an aircraft,

“(b) any of the products commonly known as diesel fuel, fuel oil, coal oil or kerosene, but only when the product is mixed or combined with a gas or liquid that is gasoline,

“(c) every product that is otherwise excluded from this act by the regulations, but only when the product is mixed or combined with a gas or liquid that is gasoline, and

“(d) any other substance except ethanol, methanol and natural gas that is mixed or combined with a gas or liquid that is gasoline; (‘essence’).”

**The Chair:** Comment?

**Mr. Prue:** I have a question. What has been changed here is (d), the ethanol portion. It has been removed. I need to understand why you want to remove it. I think I do understand because of number 10, because you don’t want to have it taxed. Is that the rationale?

**Mr. Hudak:** Yes. If I could respond, I think my colleague Mr. Barrett, who certainly knows a lot more about the issue as our agriculture critic—but Mr. Prue is



exactly right. The goal here is to ensure that ethanol is not taxed. I do appreciate all of the assistance and advice, and I should say this now, and I'll probably say it at the end, to legislative counsel to help us craft these. These are obviously very complex. I also appreciate the work of Bill Moore through our PC research services. Hopefully, we have it right. We have time constraints, but I trust that we made best efforts. Again, the goal, to be clear, is that ethanol would not be taxed. We don't want to see a tax increase on ethanol, and companion amendments would ensure that the ethanol growth fund were funded through the consolidated revenue fund as opposed to a new tax on ethanol.

**Mr. Prue:** Ethanol is a combination, and will be at the beginning, of 95% ordinary gasoline and 5% alcohol. So that would mean that the 95% that is gas that is mixed with 5% alcohol would no longer be taxed. Is that what that means? As soon as you mix any portion of gasoline with alcohol, that portion of gasoline, that literage, is not taxed. That's what I'm trying to understand that that's what it means, or is it only that you don't tax the 5% that is alcohol? That means a whole lot of difference. I can understand not taxing the alcohol portion, but I don't believe you can take off the whole gasoline—that the 95% that's gasoline suddenly becomes non-taxable. I don't want to vote for that if that's what this means. So you have to tell me: Is it the 5% that's alcohol, in which case I'll put my hand up, or is it the 95% that's gasoline, in which case I'll keep my hand down?

**The Chair:** Further comment?

**Mr. Hudak:** I think Mr. Prue and I are on the same page on this.

**Mr. Prue:** I've had no discussion with my staff. This is only my own head here trying to think of this.

**Mr. Hudak:** Similarly, we make our best efforts in the tight time frame to craft it appropriately. The goal here—I think we know that the new requirements from the Ministry of the Environment are for the addition of ethanol to gasoline. The current budget bill is adding ethanol to the definition of “gasoline” in order to remove its taxation. We're trying to bring an amendment forward to ensure that the ethanol portion would not be taxed. So the proposed amendment would add ethanol to the list of fuels that are exempt from taxation.

**Mr. Prue:** But this one here says that when it's mixed or combined with gas, it's taxable. Yours leaves it right out. So that's the problem I have. I don't necessarily disagree with this, because 95% of it is gasoline. I don't want to treat it any other way, but the ordinary alcohol portion, which hopefully our farmers will produce and that will be manufactured in Ontario and that will help the engines run cleaner and all those things, maybe should be tax-exempt.

**Mr. Ted Arnott (Waterloo–Wellington):** Mr. Hudak's made clear what his intent is. I was wondering if perhaps legislative counsel could assist us to clarify this matter.

**Ms. Catherine Macnaughton:** The 95% gasoline would still be taxable. What we normally think of as

gasoline would still be taxable. The ethanol added to it would be exempt.

**Mr. Prue:** That's what his means?

**Ms. Macnaughton:** Yes.

**Mr. Prue:** Okay. That's fine.

**The Chair:** Further comment?

**Mr. Barrett:** Again, I think, the big picture: For the last 20 years, ethanol itself has been exempt from the fuel tax. That has provided, over the last 20 years, for ethanol being competitive with regular fuel that does not contain ethanol. By eliminating this exemption of taxation on ethanol itself, it is no longer competitive. The intent is, by eliminating that tax break, to take that tax money and put it into a special fund to give to ethanol producers. We favour that special fund, but we don't favour eliminating the tax exemption on ethanol.

**The Chair:** Comment?

**Mr. Hudak:** Recorded vote.

**The Chair:** A recorded vote's requested.

Still with schedule A, PC motion, page 10. Mr. Hudak.  
**1600**

**Mr. Hudak:** I move that schedule E to the bill be amended by adding the following section:

“1.1 The act is amended by adding the following section:

““Ontario ethanol growth fund

“32.2 In fully funding the 12-year \$520-million Ontario ethanol growth fund, the minister shall not use any funds obtained by imposing tax under this act in respect of the consumption of ethanol.””

**The Chair:** Comment?

**Mr. Hudak:** Again, as my colleague from Haldimand–Norfolk–Brant indicated, we support the concept of an ethanol growth fund. We want to make sure that that funding comes through the consolidated revenue fund as opposed to actually taxing ethanol, as Bill 81 proposes to do.

**The Chair:** Further comment? Hearing none—

**Mr. Hudak:** Recorded vote, Chair.

**The Chair:** A recorded vote's requested.

That completes amendments to schedule E.

There are no amendments to section 2. Shall section 2 carry? All in favour? Opposed? Carried.

Now we move to schedule F, a PC motion on page 11. I've had the opportunity to review the proposed amendment and conclude that it is beyond the scope of schedule F and beyond the scope of Bill 81. I must therefore rule that the motion is out of order.

Mr. Hudak?

**Mr. Hudak:** I move an amendment to schedule F. Schedule F is on the table?

**The Chair:** I'm ruling that the motion to schedule F on page 11 is out of order.

**Mr. Hudak:** I understand. I propose to move an amendment to schedule F. I have a new amendment, a new motion to amend.

**The Chair:** The amendments had to be in by 12 o'clock. We cannot amend it now, under the motion from the House.

**Mr. Hudak:** Chair, on a point of order: The amendment brought forward by the PC caucus has been submitted to members. It reads as follows:

I move that schedule F to the bill be amended by adding the following section:

“0.1 The act is amended by adding the following section:

““No Ontario health premium after 2011

““2.3 Despite subsection 2.2(1), no Ontario health premium is payable by an individual for a taxation year ending after December 31, 2011.””

The goal of this amendment would be to limit the health tax, as the Progressive Conservative caucus said it would do if it were in government within the first year of a John Tory mandate. We all know that the health tax was—

**Mrs. Carol Mitchell (Huron–Bruce):** Oh, come on.

**The Chair:** Order.

**Mr. Hudak:** Mrs. Mitchell apparently hasn't heard that before. I guess I'll have to say it more often in the Legislature.

Dalton McGuinty, when he was in opposition, said he wouldn't raise taxes but then brought in, early in his mandate, a health tax that could impose up to \$900 per working person in the province of Ontario; a punishing new tax. Ironically, while the health tax money flowed into the consolidated revenue fund, we actually saw services delisted from OHIP simultaneous to the tax coming in.

That's why we've brought the amendment forward, Chair. I'd just like to inquire as to why the amendment was found to be out of order.

**The Chair:** You're asking why it is out of order?

**Mr. Hudak:** Yes.

**The Chair:** The amendment is beyond the scope of schedule F and beyond the scope of Bill 81. Therefore it's out of order.

There are no further amendments to schedule F, that one being out of order. Shall sections 1 and 2 carry? All in favour? Opposed? Carried.

Shall schedule F of the bill carry? Carried.

As we move through these, there are no amendments to schedule G, sections 1 and 2.

**Mr. Hudak:** Debate on schedule G: We tried to understand exactly what schedule G does, and I did bring this up in debate, requesting more information on schedule G. I haven't heard yet, so is it possible to hear from one of my colleagues opposite, whether it's the parliamentary assistant or otherwise, exactly what schedule G is supposed to do? If schedule G passes, what will this mean for the Ministry of Natural Resources?

**Mr. Arthurs:** I can't tell you right at this moment. We have some staff, and if they would take a moment or so to undertake, before we get to the balance, to provide some response—unless they're prepared to at this point.

**The Chair:** Is there anyone—a request was made for an explanation of schedule G.

**Mr. Arthurs:** Which is the MNR portion. If you have something for us right now, that's great. If not, if the

member would undertake to wait a bit, we'll certainly try to get back to him.

**The Chair:** Have a seat anywhere there, and please identify yourself for Hansard.

**Mr. Stuart Davidson:** Hello. My name is Stuart Davidson. I'm legal counsel with the Ministry of Natural Resources.

In terms of what schedule G will do, it will enable the Minister of Natural Resources to offer financial assistance in the form of grants for the development of natural resources or the management of natural resources. Right now, there is a technical legal issue about whether there's actual legal authority for the minister to issue grants. It's part of a legal debate. Some legal counsel take the view that you can only do what's specifically authorized by statute; others say that there may be some power as part of the crown's prerogative, if the crown is a natural person, to actually do that. In order to clean it up so that there would be no legal debate, my understanding is that the government of the day has decided that we'll just specifically set it out in statute so that there's no question.

**Mr. Hudak:** Thank you very much for the response and taking the time to be here today. Can you give me an example to help understand why this has been a problem?

**Mr. Davidson:** It hasn't as yet been a problem, but up to this point the ministry hasn't actually issued grants or financial assistance of this type. This is a new piece of business for the ministry, so we wanted to make sure that it was clear. We compared other statutes in other ministries where there was grant-making authority. There usually is specific grant-making authority. If you look at the acts relating to the Ministry of Economic Development and Trade, they have specific statutes. The same with OMAFRA legislation; it has specific grant-making authority to provide aid to farmers and other agricultural activities. So as we've moved into this area, we wanted to make sure that we had clear legislative authority.

**Mr. Hudak:** Just a last question: How is it related to the budget? I'm just curious why it's part of the budget bill if it's a clarification issue.

**Mr. Davidson:** My understanding is that, as part of the budget, the government was committed to helping to promote the forest sector. There's a forestry futures prosperity fund, and that's where this kind of fits in.

**Mr. Hudak:** Great. Thank you very much.

**The Chair:** Thank you. Further comments to schedule G? Hearing none, there are no amendments, as mentioned, to schedule G. Shall sections 1 and 2 carry? Opposed? Carried.

Shall schedule G of the bill carry? Carried.

Schedule H: There's a PC motion on the page numbered as 12. Mr. Hudak.

**Mr. Hudak:** I move that subsection 4(1) of the Municipal Elections Act, 1996, as set out in section 1 of schedule H to the bill, be struck out and the following substituted:

“Regular elections

“(1) A regular election to fill offices shall be held in 2006 and in every third year thereafter.”

1610

**The Chair:** Comment?

**Mr. Hudak:** I think my colleagues know the position that the Ontario PC caucus has taken: We consider that any change to the municipal election cycle to reduce the frequency of elections should have a full public consultation, whether that's municipal councillors or school board trustees as well.

We do find it a very unfortunate practice that the government included schedule H as part of the budget bill, effectively burying this initiative among financial schedules. We also found it passing strange that neither of my colleagues opposite, the parliamentary assistant for finance and the parliamentary assistant to the Minister of Municipal Affairs and Housing, nor their ministers, took the time to explain why this was part of the budget bill during debate in the House.

In a nutshell, the view is that schedule H should be severed out as a stand-alone bill. Let's take it directly to the people of Ontario through consultations to see what they have to say. During his campaign, Dalton McGuinty promised to taxpayers that they would determine how elections are executed in the province of Ontario. I think that when he was speaking to citizens of Ontario, he meant more than simply those who are part of his cabinet. I do hope I have my colleagues on side to separate schedule H and to have fulsome debate about it in the Legislature and public hearings.

It's always challenging to find an amendment that would do so. In reality, it'll probably have to take place in the Legislature itself, or a decision by the Premier, quite frankly. But what this does effectively is that it's a place-holder to have debate to ensure that if schedule H does pass, it's amended to maintain the status quo, I hope, and then gives the government the opportunity to bring forward another bill for public consultations to reduce the frequency of local elections, if they so choose.

The other thing I wanted to add to the debate—I was speaking to this earlier on—is, as we all noted, those few who were able to come before committee today who were not municipal councillors all spoke quite strongly against schedule H being included in the bill and sought some form of greater public consultation in changing the terms of office for municipal leaders and school board trustees. There is a difference of opinion as well among municipal councillors. I'm pleased that Councillor Walker of the city of Toronto had a chance to share his views. John Sewell, a former municipal politician as well, took a very contrary position to the other councillors who have come forward from the city of Toronto. I respect all of their views. They have a great deal of experience individually and certainly as a group. That having been said, I think consultation should go beyond politicians, directly to the people.

I did want to add, for the sake of the record, that members have received at least these letters. The Corporation of the town of Hanover has sent in a submission showing their opposition to the proposed changes to the Municipal Elections Act that would extend the term of

office to four years. To quote from Mayor Bob White's letter, "In smaller municipalities, a high percentage of councillors have full-time jobs. Asking them to commit to an additional year will likely result in a smaller number running for public office. This could result in only retired or self-employed citizens becoming candidates. Four-year terms are more appropriate for large urban centres."

Similarly, we have a letter from the warden for the county of Grey, Warden Pringle. Similarly, they bring forward the concerns on behalf of the council of the county of Grey on the terms, saying that they support the current three-year term of office for municipal councillors and school board trustees.

No doubt it would be an interesting debate on whether there is a difference between the larger urban centres and the smaller rural communities about the term of office. I know, in consulting with my local municipal leaders, that there has been a mixed reaction. Some favour the four-year terms; others prefer the status quo. We did hear from some politicians as well, specifically Mr. Sewell, who talked about a two-year term. Nonetheless, I think it would be an important debate to have and see if this question about urban versus rural is widespread or if it's simply contained in the letters and the debate that we had here today.

The last thing I'd like to add too is that we all have constituents who come to us all the time that we're in our ridings, whether in offices or at various events. From my recollection, in my 11 years in office I don't think I've had a single taxpayer come forward and say they wanted to see an extension of terms, for any public office, whether it's local, provincial or federal. In fact, if they say anything, it's the opposite. If they want to see changes, it tends to be fewer politicians and term limits. Maybe my reading is incorrect, and I would say again that I think we should have full and broad public consultations on this initiative.

That's why I brought forward this amendment; that's the intent of that amendment. I hope I'll have the support of all my colleagues so that we can have true consultations on this initiative proposed by Premier McGuinty.

**Mr. Arthurs:** I want to follow up on the earlier questions Mr. Hudak had during the morning session. There were some matters I mentioned at the beginning of the afternoon session, but there are some that ministry staff have reinforced or added to that I think might be helpful in the context of the discussion. I failed to pick up on them earlier. The budget document itself made reference to the extension from the three-year to the four-year term. It was in that document, as well as in the bill. So in a formal way, as early as the end of March, the middle of March, when we came back it was referenced in the document itself.

There are issues around ensuring that the municipal politicians and candidates have some certainty in their planning, as well as the capacity for them, for this coming term of office, to have this in place within an appropriate and effective time frame. This was the first

opportunity to introduce the matter. This was the first bill that was introduced upon the return for the spring session. It was as expeditious as one could be to provide an opportunity for us to engage in that process. The opposition has picked it up in the bill, and I think you probably picked it up in the budget document, I would suspect, as well as in the bill, in the section on building strong communities.

There were some questions about what the consultation was. I made reference to AMO and our municipal partners. I want to step back briefly. In December 2004, the municipality of Clarington, which happens to be in Durham region, Mr. O'Toole's riding, passed a resolution asking the province to amend the Municipal Act to four-year terms and circulated that. Since then, there have been, I believe, some 47 municipalities that have endorsed that resolution; six have opposed it. The Federation of Northern Ontario Municipalities has also written in support of the amendment. There's certainly been some outreach going on well over the past year. It's not brand new. It hasn't happened in the past few weeks or months.

Mr. Hudak also asked what jurisdictions in Canada and the US have changed municipal terms and what they might be. I expect leg research will be in a better position to provide a more fulsome response to that question, but MMAH staff did a survey of jurisdictions in Canada, the US, the United Kingdom and Australia, and they found four-year terms were reasonably common, including the provinces that were mentioned earlier today: Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia and Quebec. The United Kingdom uses four-year municipal council terms, as do some Australian states. In the US, it's not uncommon to find four-year terms in municipalities as diverse as New York, Detroit and Apple Valley, Minnesota. It's not a unique situation—

**Mr. Hudak:** Not Apple Valley.

**Mr. Arthurs:** Apple Valley, Minnesota, there you go. If you want the full scale, from New York to small, rural—I presume Apple Valley fits in the context of small or rural municipalities and not the big cities.

Nonetheless, some work has been undertaken in reviewing what other jurisdictions undertake to do in regard to municipal activity. So it hasn't been done in what one might say is a complete void of searching out and seeking out activities in other jurisdictions. I hope that's helpful in responding to some of those questions you had earlier. Ideally, with leg research on those matters that might better be suited to them to give a more fulsome response, you'll look forward to those responses as will members of committee.

**Mr. Arnott:** I'm proud to represent the people of Punkeydoodles Corners in the Ontario Legislature. They reside in the riding of Waterloo–Wellington. I haven't been able to consult with all of them on this particular issue.

**Mr. Barrett:** How many are there?

**Mr. Arnott:** There are about 6,000 in Punkeydoodles Corners. I've had a chance to consult with our municipal

colleagues in Waterloo–Wellington, and like Mr. Hudak, I sent out a letter to each of them asking the councils for their view on this issue, and if the councillors wished to respond independent of their council, I invited opinion from all of them. There was a mixed bag of responses. Quite a number of councils felt it should be left at three years and some favoured the extension.

**1620**

I was present in the room when the Premier dropped this bomb on February 21 at the ROMA-Good Roads conference. He started off his speech with the announcement. Of course, he didn't announce it in the Legislature; he announced it to the people at that conference before he brought it into the Legislature. There was a noticeable gasp in the room. People were quite surprised that he would announce this particular measure.

I believe that insufficient consultation has taken place on this issue. I also think that our party was quite right when we advocated for severing this schedule H out of the bill so that it would be a stand-alone bill so it could be further debated in the Legislature and further discussion would take place before members take a position on it. I think the presentations that were before the committee this morning were very interesting, and those who were favouring the maintenance of the status quo, in other words, a three-year municipal term, were quite effectively arguing in favour of the public interest and the need to ensure that democracy is enhanced. The idea of more municipal elections as opposed to fewer, in their view, would allow for greater participation by residents and ratepayers in the political process.

Again, I would hope that members, even though I'm not subbed into this committee—I'm here because I'm interested—will give consideration to supporting this amendment that's been brought forward by Mr. Hudak.

**Mr. Prue:** I'm going to support this amendment, the following amendment, my amendment, whichever one might be successful. They're all slightly different, but they're all for the same rationale. Throughout this committee's process, we have been referring to the parliamentary assistant, Mr. Arthurs, because this is the budget bill. But I do note that Brad Duguid is now the parliamentary assistant so designated when we got to this section, and it seems logical because this is not a budget measure, yet it is contained within the budget bill. I guess I have to direct it to him because this is, in fact, something that belongs before the Ministry of Municipal Affairs and Housing.

This was hidden. I listened to Mr. Arthurs and, with respect, if you search the bill hard enough, you could find the reference. I want to tell you that when the finance minister stood up and spoke about this bill as it was being introduced, there was no mention whatsoever that schedule H was contained within it. When he stood to speak to the issue, there was no mention. When you stood to speak to it, there was no mention. In fact, it wasn't until I started to do research in order to do the leadoff that it came to my attention, the schedules at the back and what they contain. Some of them are very

controversial, some are not, but this one certainly caught me right out and caught me completely by surprise. I had told people on the phone from the city of Toronto who had contacted me that there would be a full and fulsome debate, that it would be contained within a bill related to municipal elections and that I expected it in the House sometime in the spring or early fall. When I gave them that information, this had already been out and nobody knew. Quite frankly, no one knew.

In the Legislature, in a taunt, although I didn't see it recorded in Hansard—and you know how things fly back and forth every day in question period—when someone stood up to complain about this, the Minister of Health retorted, “We were so good at it, it took you two weeks to find it.” He was absolutely right. It was a perfect retort, and he was absolutely right in what he said. It was hidden so well it took the opposition and everyone else two weeks to find out that it was there. I don't think that's how public policy should be done, and certainly you heard people here today say that.

The rationale that's given is that AMO and Toronto supported this. I have to tell you, first of all, the AMO—I wondered how they did it, until finally, today, at the last moment, I was handed the AMO survey from the town of Collingwood, which they had sent to this committee. I'd not seen it before. They appended to their motion, saying that they agree, that the council supports a four-year council term. The actual AMO survey—it's the first time I'd ever seen this as well. I ask members to look at what this AMO survey is. It's on two pages, and it relates to the bill which was setting a firm date for the provincial election. It had to be returned more than a year ago, March 1, 2005, and was to do with the fixed term of office for a provincial election. That was the purpose. Six questions were asked, two in two parts. Should it be lengthened from three to four years, in which case this particular municipality voted yes. If you don't vote yes, then you have to skip down to question 3, because the second one is on the upper- and lower-tier municipalities and question 2(b) relates to the region or the county.

Question 3 was very interesting. The government didn't take any action on this. “Does council believe municipal elections should be planned to occur in the same year as provincial elections?” This particular municipality voted no, and I don't know what the results of anything else was, but certainly this government took no action on that.

Question 4: “Would council be in favour of changing the time of year when municipal elections occur?” Collingwood said yes, and they wanted September. I didn't see the government taking any action on this, nor do I know what other municipalities said.

Question 5: “Does council think school boards should be elected at the same time as municipal councils?” The answer here was yes, and I don't think that was changed.

Question 6: “Would council be in favour of lowering the voting age from 18 to 16?” The answer was no.

In all of this, there was no requirement for the council to have held a meeting. There was no requirement for the

council to have held a formal vote. This was a survey. This was not a vote of the council. It has no binding weight and effect. It is a survey. I don't know who filled it out. I don't know whether all members of council were consulted, whether the mayor did it, the clerk did it or some interested citizen did it, but it certainly should have no legal weight.

In terms of the city of Toronto, you heard what Mr. Sewell had to say, and I believe he is absolutely correct. There was no public consultation whatsoever, because there was a rush to get the information in prior to Bill 53 so that the city of Toronto could be said to have some kind of policy.

Throughout all of that, the people who were surveyed were elected representatives. Even then, only 47% of the municipalities responded. Those elected representatives, with the greatest of respect to them—and I was a municipal councillor as well as a mayor for a good long time, as were Mr. Arthurs and Mr. Duiguide. Ms. Sandals was on the school board and Carol was a reeve. Most of us have been there. Jim Brownell was the mayor.

Most of us have been there, and we know full well that in that kind of elected position, just like in this kind, you want to extend your term as long as possible for your own reasons. Elections are tough, they cost money, they're heart-wrenching and you could lose. It's not a surprising position to me at all that municipal politicians want a four-year term, but what has been left out in all of this are the citizens and the press. In the last couple of days, we've heard from the citizens, who are starting to mobilize, and certainly, if you read the Toronto papers—the Toronto Star, the Sun and the Globe and Mail; Mr. Barber has been savage on this—I wonder why the government wants to proceed. I wonder what mileage in terms of public policy is going to be served by this government hiding this and now rammig it through with closure and probably passing it here today in committee. It seems to me that is just not how public policy should be done.

We've also had, since they've arrived, Mr. Walker, who stated that he has sufficient councillors' votes to bring this up before the city of Toronto council and he is going to be requesting a referendum to enshrine this in Toronto. We also have a very detailed and good letter from Jane Pitfield, a councillor in the city of Toronto who is a candidate for mayor, outlining her concerns, which are very valid and spread out in three major sections. We have a potential candidate in Brampton giving her reasons. We have ratepayers' associations. We literally have everyone else in opposition.

I believe the government is doing the wrong thing if it passes schedule H. I don't know whether you can vote for 12, 13 or 14 or whether you will take it to the House or whether you will have it passed but not signed into law by the Lieutenant Governor, but you have to do something. You cannot get the public as angry as I believe they are going to get on this issue, because you have completely bypassed what citizens want. Citizens want more democracy, not less. They want something that you

ran on in the last election. I want to tell you, if you pass this, there is going to be no credibility whatsoever to the whole citizen process on how we vote in this province. There's going to be no credibility on your government renewal of democracy in this province. There is very little now because of the minister's statements, actions and lack of action over the binding referendum by which your party agreed to be bound in Kawartha Lakes. You tore that up and now you're doing this. Then you're going to ask all of us to support a government initiative to possibly change how we vote, and you won't even agree that that's going to be binding either. I don't know what the joke is here; I don't know what it is. All I can tell you is I'm getting angrier and angrier at this government's complete denial of democracy. This is probably one of the worst things that I have seen to date.

1630

I will be voting no. I think all of you have to search your hearts, even if you're going to vote yes today, to find a way before this goes to third reading to have the minister or the Premier or somebody else withdraw it.

**The Chair:** Further comment?

**Mrs. Liz Sandals (Guelph-Wellington):** I think maybe it's worthwhile to comment that on the AMO survey, if you read the covering memo, it does explain the process. The clerk says, on behalf of the council of the town of Collingwood, "After discussion at a regular meeting of council," which would imply one of which the public was duly notified, "held February 28th, council agreed and recommended the compiled results be submitted as attached." So what the memo says is that the survey was discussed and mutually agreed on by the members of council, who then said to submit the survey.

**Mr. Prue:** What does council say? They didn't say there was any meeting.

*Interjection.*

**Mr. Prue:** What did the other one say?

**Mrs. Sandals:** I think the implication in responding to the AMO survey that somehow people were sneaking around in secret meetings and one person followed it in—I pulled the Collingwood one because the member indicated that there's no indication of how that was arrived at. In fact, it's explained very clearly in the covering memo that this was done at a regular meeting of council and was approved by council. So I don't think we should automatically assume that all those municipalities out there are incapable of doing things in an appropriately democratic manner when reaching decisions on what their positions are.

However, what I really wanted to comment on was a number of the allegations, I guess you would say, that we heard this morning from people who said that going to a longer term, from two years to three years, had produced more acclamations and disinterest in elections. I can only go on the basis of school board elections, but this is something that I actually looked at quite carefully. The point at which the disinterest in school board elections occurred—the declining vote, the increased number of acclamations—was in fact the point at which the

previous government enforced school board amalgamations and decreased the number of trustees dramatically, which meant that there were more electors per trustee and therefore a larger area in which to run and, coincidentally, dramatically reduced the honorarium. When you look at the results in the following election, there was in fact a dramatic decrease in the number of people who wanted to run for public office. It had nothing to do with the length of the term and had everything to do with that fact. I talked to a lot of people who decided, as incumbents—which, as many people know, at a municipal level election, tends to put you in an advantageous position—not to run again, and one of the deciding factors was that they had simply done the math and decided that if you looked at the honorarium over three years, it actually wouldn't even pay for the cost of running the election, given the number of electors they had to reach.

If you look at the city of Toronto, for example, people needed to run an election campaign the size of something like in a provincial riding, but yet were expected to do that on a \$5,000 a year honorarium. I would submit that some of these allegations, at least in the school board sector, around length of term causing disinterest were just simply not true. When you looked at the data, it was that combination of more electors and lower honorariums that had a very large impact.

I would hope that this might increase interest, but I don't think the idea that if you have more elections, somehow that's going to increase interest—that wasn't in the school board sector. When you look at it, that wasn't what was going on at all. It was something quite different that led to the disinterest.

**The Chair:** Further comment?

**Mr. Hudak:** I would say to my friend Mr. Arthurs, thank you for getting a response back to me. It's always good to hear—I always enjoy your presentations. As part of the debate at second reading on schedule H and Bill 81, I think we would have felt much more at ease had at least some modicum of debate taken place from the government benches on schedule H, because as my colleague Mr. Prue said, it looks awfully sneaky the way this was buried in a finance bill without any genuine public consultations on an initiative that reduces the frequency of local elections and runs contrary to what Premier McGuinty promised when he was Leader of the Opposition. I know that's not surprising to my friends across the way, but it's always expected to keep at least one or two promises once in a while.

Maybe I'm wrong. I'd ask my friend, the parliamentary assistant, maybe he could point out in the Liberal platform where he indicated he would reduce the frequency of elections at the local level.

**Mr. Brad Duguid (Scarborough Centre):** Members opposite have been waiting for me to—

**Mr. Hudak:** In rapt anticipation.

**Mr. Duguid:** I don't know if it was rapt anticipation but anticipation nonetheless to hear a few comments from myself.

Michael Prue said that most of us had been there, and it's true, many of us have. I find it strange—I don't know whether it's something about Queen's Park—that members, when they've been here for a while, even though they've been in municipal office, seem to somehow develop views that municipal politicians aren't our equals, that somehow or other municipal representatives don't have the same level of credibility that we have, that somehow municipal politicians aren't quite as capable as we are of being accountable, or are not quite as capable as we are of making important decisions. It strikes me as odd because we also recognize that they're the closest to the people. I'd argue they're probably more accountable in many ways than we are, and that's not because of the three-year election terms, that's because they're dealing with day-to-day issues a lot more, I think, than other levels of government are and tend to be closer to their communities as a result.

It's almost condescending. We think we're quite capable of having four-year terms. We don't need the accountability of three-year terms. Why we would think that way, I don't know, but we just recently approved, and I think all parties supported it although I don't remember exactly, the standard four-year term for us with a set election date. If the members opposite felt that wasn't appropriate, why would they not have been up on their feet, suggesting it should be a two-year term or a three-year term for us?

I think municipal politicians are just as capable of making accountable and good decisions as we are here at Queen's Park as provincial politicians. I don't think we should be considering ourselves somehow superior to them and requiring less so-called accountability than they are.

This comes down to a good governance initiative. As somebody who has been there and experienced new regimes coming in and experienced new regimes being re-elected on local council, I can tell you that my experience is that the first 12 months, in particular of a new regime, is the orientation period. It takes that long for a new mayor and a new council to get to know the staff and develop a good working relationship with the staff and start developing good, solid, public policy.

**1640**

The next 12 months is when a lot of the decision-making can be made and the tough decisions can be taken and a lot of the good work can be done. At all levels of government, we all know that the last 12 months leading up to an election is what many call silly season. It's a difficult time to get work done. That's the practical synopsis of it. Good or bad, that's just the way it is. The last 12 months before an election, in an election year, it is difficult for a municipal council to take tough decisions or to get a lot done leading up to an election.

So with a three-year term you've got a 12-month period. It may be increased a little bit with a re-elected government where there hasn't been a lot of turnover, but not much. So what a four-year term will do is double that period of very effective governance and decision-making,

from that 12-month period sandwiched in between the election year and the orientation period, to 24 months, which I think will lead to better, more sensible, more rational, more accountable decision-making at the local level. I say that as somebody who has been through a number of different types of councils, both new and re-elected.

For the Conservatives to argue that somehow we should be holding more public hearings on this, Mr. Chair, I find hard to take. I know they remember the Fewer Municipal Politicians Act. I know they remember the number of public hearings they held on that. Actually, they probably don't remember because they held none. That act slashed the number of municipal politicians across this province. Good or bad, that would have had, if anything, an impact on local democracy. That would have had a bigger impact. I think the people of this province probably deserved to have a say in whether they wanted that act to take place or not. But that was the decision of the government of the day. For them to come here now, having held no public hearings at all on that particular bill, to suggest that on something like this, as my colleague the parliamentary assistant for the Minister of Finance has indicated, something that has had a tonne of discussion at AMO for many, many years, not just the last couple of years—this is something that municipal politicians have been talking about for a very long time, for the reasons I think I outlined earlier. To suggest that there hasn't been ample discussion on this I think is to be misinformed.

I can understand why my Conservative colleagues may not have wanted to go to AMO too often when they were elected, because whenever they went to AMO, they were getting hammered each and every time, at least for the last couple of years. We've had a different relationship with municipalities. When we go to AMO conferences, we have very good discussions with them and we have a very large turnout of government members at those conferences. I can tell you, the last two years you could not go to an AMO conference without a number of the municipal councillors not only passing resolutions to this extent, but talking about the need for a four-year term so that they have a little more time in between the election year and the orientation year to get work done.

I agree with them. I have full confidence in AMO and the members, the majority of members—not all. Nothing is ever unanimous, but the vast majority of municipal politicians in this province believe that a four-year term will serve them and the public well. This side has confidence in their judgment, and we're going to abide by their judgment. We look forward to moving forward with this legislation, which is in keeping with the requests that have come forward from AMO and of course the city of Toronto as well in the past.

Mr. Chair, I look forward to hearing further discussion on this, but certainly I can say from the government point of view that we feel very confident that we're moving forward with this bill. It's the right thing for the public, the right thing for municipalities and certainly something

that municipal politicians have been discussing and re-questing of us for many, many years.

**The Chair:** Thank you. Comment? Mr. Hudak.

**Mr. Hudak:** I thank my colleague for his comments. I spent a lot of time with the committee and outside the Legislature at different events too. It would have made one heck of a speech in the Legislature during second reading debate on schedule H. As I said to my colleague from Pickering–Ajax–Uxbridge, I wish that had taken place.

Maybe the Premier’s office and the whip locked you up and said, “We don’t want Duguid entering debate on this, because we’re going to try to sneak this through the Legislature.” But that would have made one heck of a speech in the chamber. It’s too bad you were prevented from doing so, or chose not to.

I appreciate my colleague’s comments and I don’t want to belabour this, because I know there are other amendments to bring forward. But if you follow the parliamentary assistant’s logic to its conclusion, if he believes that municipal politicians should exercise their best judgment on the length of terms—as they do for ward boundaries, for example, or paying benefits or the number of councillors that make these decisions—then why don’t you trust the judgment of Hanover or the county of Grey, who said that they want to stick with a three-year term? If you truly believe that municipal politicians can make this decision best, why not a local option?

**Mr. Duguid:** Do you want me to respond to that question, Mr. Chair?

**The Chair:** Mr. Duguid.

**Mr. Duguid:** There have been some who have suggested a local option. I think Toronto at one time wanted to go their own way in determining when their elections would be in terms of the time of year and those kinds of things. The difficulty we have with that kind of local option on something like this is that we’re all working very hard to try to increase participation in elections. Municipal elections in particular by and large have the lowest turnout in terms of voting. If we were to have one election in Toronto, which is the centre of media attention for the most part, and another election in Hanover or wherever else at different times, the province wouldn’t be in a mode where people know there’s a municipal election coming. I think what you’re going to have is even lower voter turnout, probably, as a result.

There are probably a number of other reasons, but to me that’s the most logical reason why any kind of disparate type of election system for municipalities, where one’s going at a time opposite to another, would lead to confusion. I don’t think it would be in the best interest of trying to acquire the best possible voter turnout.

**The Chair:** Comment?

**Mr. Hudak:** I’ll just sum up. Dalton McGuinty tries to hide behind this notion: He says, “The reason I’m doing this is because we have confidence in municipal judgment.” But when municipalities are given the option to choose three- or four-year terms or what have you,

they won’t give them that choice. So it is interesting that the McGuinty government believes in municipal judgment, except when they don’t. That seemed to be the position expressed by the parliamentary assistant.

Anyway, I won’t belabour the points. I’ll proceed with the vote.

**The Chair:** Further comment? Hearing none—

**Mr. Hudak:** Recorded vote.

**The Chair:** Remaining with schedule H, PC motion page 13, Mr. Hudak.

**Mr. Hudak:** I move that subsection 6(1) of the Municipal Elections Act, 1996, as set out in section 2 of schedule H to the bill, be struck out and the following substituted:

“Three-year term

“(1) The term of every office to which this act applies is three years, beginning on December 1 in the year of a regular election.”

Again, this is a companion piece; it’s a placeholder. Our preference is to sever out schedule H and make it a stand-alone bill for full public consultation. Failing that, this at least maintains the status quo until another bill of such nature would come forward.

**The Chair:** Thank you. Comment? Hearing none—

**Mr. Hudak:** Recorded vote

**The Chair:** Recorded vote requested.

There are no further amendments to schedule H.

**Mr. Prue:** There’s 14.

**The Chair:** Yes, there is; I’m sorry. NDP motion, page 14.

**Mr. Prue:** This is very simple. I move that schedule H of the bill be deleted in its entirety.

What this would do is maintain the status quo. Things would go on as they are. If the government wants to reintroduce the bill and have public discussion, we’ll see where the public wants to go with it. Or if the government wants to leave it alone, or hold it later and have it in line with the 2009 elections, that’s also a possibility. I just don’t believe that it was done properly by hiding it in a budget bill. It has nothing to do with the budget. The status quo should prevail until this is done correctly.

**The Chair:** Further comment? Hearing none, in order to register opposition to a section or a schedule standing as part of the bill, the procedurally correct course of action would be to vote in the negative when the questions is put to a vote. It is not in order to move a motion to delete an entire section or schedule. I must therefore rule the motion out of order.

We have completed schedule H. There are no amendments to section 3 or section 4. Shall those sections carry? Carried.

There are no amendments to schedule I. Shall sections 1 to 31 carry? Carried.

There are no amendments to schedule J. Shall sections 1 through 4—

**Mr. Hudak:** I’m sorry, Chair. On the last couple of votes, just to make sure I understand the procedure, there were some yeas and some nays, and then you ruled “carried.” There was not a vote.



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**The Chair:** That's correct.

**Mr. Hudak:** Is that how we're following procedure? The Chair asked for support. There were some yeas, there were some nays, but there was no vote per se to determine the number of individuals.

**The Chair:** There were more on this side than the other.

**Mr. Hudak:** I don't think all said yea. The procedure we've been following is that you ask individuals to indicate if they support or oppose that particular section and then count the hands.

**The Chair:** Well, we can vote en masse through sections 1 to 31. We can do each one. I'll begin again.

For schedule I, shall sections 1 to 31 carry? All in favour? All opposed? Carried.

*Interjection.*

**The Chair:** Well, the wording in front of me is otherwise.

Schedule J, sections 1 to 4: All in favour? Opposed?

*Interjection.*

**The Chair:** Shall schedule I of the bill carry? All in favour? Opposed? Carried.

Shall schedule J of the bill carry? All in favour? Opposed? Carried.

Schedule K, sections 1 through 6: All in favour?

**Mr. Prue:** Don't you want to know if there's discussion first?

**The Chair:** No, there are no amendments to it.

**Mr. Prue:** It's all right.

**The Chair:** Well, you're quite right.

**Mr. Prue:** I was just going to have some fun with it.

**The Chair:** Schedule K: All in favour of sections 1 through 6? Opposed? Carried.

Shall schedule K of the bill carry? All in favour? Opposed? Carried.

There are no amendments to schedule L. Shall sections 1 and 2 carry? All in favour? Opposed? Carried.

Shall schedule L of the bill carry? All in favour? Opposed? Carried.

Schedule M: There's a PC motion found on page 15 of your packet. Mr. Hudak.

**Mr. Hudak:** I move that section 1 of schedule M to the bill be amended by striking out "July 1, 2007" and substituting "January 1, 2010."

**The Chair:** Further comment?

**Mr. Hudak:** As members know, in the last couple of years the government has extended the destination marketing fee exemption to—I'm sorry, I don't know if it's December 31 but they've extended it the last couple of years. Destination marketing fees collected by hotels are used to promote tourism in the area. The government has exempted them from paying retail sales tax.

I would suggest to my colleagues across the way that instead of just doing it on these one-offs, why not extend it for a couple of years, until December 31, 2009? We are all concerned about the future of the tourism industry. We're facing potentially higher taxes through the City of Toronto Act on hospitality establishments and cultural

attractions; we're worried about the passport provisions at the border. It has been a difficult time for the tourism sector. This will at least give some certainty, for those who are involved in these destination marketing programs, that until December 31, 2009, they would not be paying retail sales tax, allowing for longer-term planning. I hope my colleagues will support this amendment to schedule M.

**Mr. Barrett:** Further to this amendment, I don't think we're asking a lot in this amendment to schedule M. It's part of the Retail Sales Tax Act. To just put that in the context of what federal Finance Minister Jim Flaherty has recently announced with respect to the GST in reducing it to 6%, a 1% drop—when I say he's just done this, it kicks in July 1. This is a schedule in the Retail Sales Tax Act. When you compare what the federal level of government has just done with respect to lowering GST and the impact that will have, we'll see how many low-income consumers of restaurant meals—I don't think we're asking for a lot here.

**Mr. Arthurs:** I'm certainly pleased that the opposition members tend to be in agreement that we are all focused on ensuring that the tourism industry is as strong as it can be. Clearly, our intent this year is to monitor and evaluate the effectiveness of this move and consult with the industry during the year to see if there's an opportunity, if it's appropriate, to extend it into further use. We just want to ensure that it's going to be effective in actually achieving what the goals would be.

**Mr. Hudak:** I guess they'll support it. My colleague Mr. Arnott is supportive and I think he's made some contact. I will take a chance and suggest that the tourist industry would favour the tax reduction.

**The Chair:** Further comment? Hearing none—

**Mr. Hudak:** Recorded vote.

**The Chair:** Schedule M: Sections 2, 3 and 4 have no amendments. Shall sections 2 through 4 carry? All in favour? Opposed? Carried.

Shall schedule M of the bill carry?

Schedule N has no amendments. Shall sections 1 through 8 carry? All in favour? Opposed? Carried.

Shall schedule N of the bill carry? All in favour? Opposed? Carried.

Schedule O has no amendments. Shall sections 1 and 2 carry? All in favour? Opposed? Carried.

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Shall schedule O of the bill carry? All in favour? Opposed? Carried.

Schedule P, sections 1 through 3. Hearing no amendments, shall sections 1 through 3 carry? All in favour? Opposed? Carried.

Shall schedule P of the bill carry? All in favour? Opposed? Carried.

Now, the amendments. What I'll do is call the amendment by the number on your sheets for the purpose of the recorded vote.

PC motion 1.

**Ayes**

Barrett, Hudak.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Prue, Sandals.

**The Chair:** The motion is lost.Shall section 1 carry? All in favour? Opposed?  
Carried.**The Chair:** Shall section 1 of schedule D carry? All in  
favour? Opposed? Carried.

PC motion number 2.

**Ayes**

Barrett, Hudak.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Prue, Sandals.

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

PC motion number 3.

**Ayes**

Barrett, Hudak.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Prue, Sandals.

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

PC motion number 4.

**Ayes**

Barrett, Hudak.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Prue, Sandals.

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

PC motion number 5.

**Ayes**

Barrett, Hudak.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Prue, Sandals.

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

PC motion number 6.

**Ayes**

Barrett, Hudak.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Prue, Sandals.

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

PC motion number 7.

**Ayes**

Barrett, Hudak.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Prue, Sandals.

**The Chair:** The motion is lost.Shall section 2 carry? All in favour? Opposed?  
Carried.

PC motion number 8.

**Ayes**

Barrett, Hudak.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Prue, Sandals.

**The Chair:** The motion is lost.Shall section 3 carry? All in favour? Opposed?  
Carried.Shall schedule D of the bill carry? All in favour?  
Opposed? Carried.

PC motion number 9.

**Ayes**

Barrett, Hudak, Prue.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Sandals.

**The Chair:** The motion is lost.Shall section 1 carry? All in favour? Opposed?  
Carried.

PC motion number 10.

**Ayes**

Barrett, Hudak, Prue.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Sandals.

**The Chair:** The motion is lost.Shall schedule E of the bill carry? All in favour?  
Opposed? Carried.

PC motion number 12.

**Ayes**

Barrett, Hudak, Prue.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Sandals.

**The Chair:** The motion is lost.Shall section 1 carry? All in favour? Opposed?  
Carried.

PC motion number 13.

**Ayes**

Barrett, Hudak, Prue.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Sandals.

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

Shall section 2 carry? All in favour? Opposed? Carried.

Shall section 5 carry? We can do three if you wish. Shall sections 5, 6 and 7 carry? All in favour? Opposed? Carried.

Shall schedule H of the bill carry? All in favour? Opposed? Carried.

PC motion 15.

**Ayes**

Barrett, Hudak, Prue.

**Nays**

Arthurs, Brownell, Marsales, Mitchell, Sandals.

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

Shall section 1 carry? All in favour? Opposed? Carried.

Shall schedule M of the bill carry? All in favour? Opposed? Carried.

Shall the title of the bill carry? All in favour? Opposed? Carried.

Shall Bill 81 carry? All in favour? Opposed? Carried.

Shall I report the bill to the House? All in favour? Carried.

We are after 5 o'clock. Do you want a recorded vote for—

**Mr. Hudak:** I didn't have a chance to vote on the whole bill. Maybe I'm wrong, but I didn't think that would come up earlier. I didn't have a chance to request a recorded vote.

**The Chair:** A recorded vote is requested on this question: Shall I report the bill to the House?

**Ayes**

Arthurs, Brownell, Marsales, Mitchell, Sandals.

**Nays**

Barrett, Hudak, Prue.

**The Chair:** The motion is carried. We are adjourned. *The committee adjourned at 1711.*







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Mr. Jim Brownell (Stormont–Dundas–Charlottenburgh L)

Mr. Tim Hudak (Erie–Lincoln PC)

Mr. Jeff Leal (Peterborough L)

### **Also taking part / Autres participants et participantes**

Mr. Ted Arnott (Waterloo–Wellington PC)

Mr. Peter Kormos (Niagara Centre / Niagara-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. John O’Toole (Durham PC)

### **Clerk / Greffier**

Mr. Douglas Arnott

### **Staff / Personnel**

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Research and Information Services

Ms. Catherine E. Macnaughton, legislative counsel,  
Ministry of the Attorney General

Mr. Stuart Davidson, legal counsel, Ministry of Natural Resources

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