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Tuesday 20 June 2006

Mardi 20 juin 2006

Speaker
Honourable Michael A. Brown

Président
L'honorable Michael A. Brown

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LEGISLATIVE ASSEMBLY
OF ONTARIO

Tuesday 20 June 2006

ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO

Mardi 20 juin 2006

The House met at 1845.

ROYAL ASSENT
SANCTION ROYALE

The Acting Speaker (Mr. Ted Arnott): I beg to inform the House that in the name of Her Majesty the Queen, His Honour the Lieutenant Governor has been pleased to assent to certain bills in his office.

The Deputy Clerk (Ms. Deborah Deller): The following are the titles of the bills to which His Honour did assent:

Bill 11, An Act to enact the Provincial Parks and Conservation Reserves Act, 2005, repeal the Provincial Parks Act and the Wilderness Areas Act and make complementary amendments to other Acts / *Projet de loi 11, Loi édictant la Loi de 2005 sur les parcs provinciaux et les réserves de conservation, abrogeant la Loi sur les parcs provinciaux et la Loi sur la protection des régions sauvages et apportant des modifications complémentaires à d'autres lois.*

Bill 56, An Act to amend the Emergency Management Act, the Employment Standards Act, 2000 and the Workplace Safety and Insurance Act, 1997 / *Projet de loi 56, Loi modifiant la Loi sur la gestion des situations d'urgence, la Loi de 2000 sur les normes d'emploi et la Loi de 1997 sur la sécurité professionnelle et l'assurance contre les accidents du travail.*

Bill 102, An Act to amend the Drug Interchangeability and Dispensing Fee Act and the Ontario Drug Benefit Act / *Projet de loi 102, Loi modifiant la Loi sur l'interchangeabilité des médicaments et les honoraires de préparation et la Loi sur le régime de médicaments de l'Ontario.*

Bill 129, An Act to amend the Auditor General Act / *Projet de loi 129, Loi modifiant la Loi sur le vérificateur général.*

ORDERS OF THE DAY

INCOME TAX AMENDMENT ACT
(ONTARIO HOME ELECTRICITY
RELIEF), 2006

LOI DE 2006 MODIFIANT LA LOI DE
L'IMPÔT SUR LE REVENU (AIDE AU
TITRE DES FACTURES D'ÉLECTRICITÉ
RÉSIDENTIELLE DE L'ONTARIO)

Mr. Sorbara moved third reading of the following bill:

Bill 117, An Act to amend the Income Tax Act to provide for an Ontario home electricity payment / *Projet de loi 117, Loi modifiant la Loi de l'impôt sur le revenu pour prévoir un paiement au titre des factures d'électricité résidentielle de l'Ontario.*

The Acting Speaker (Mr. Ted Arnott): Mr. Sorbara has moved third reading of Bill 117. I recognize the Minister of Finance for his leadoff speech.

Hon. Greg Sorbara (Minister of Finance, Chair of the Management Board of Cabinet): On this absolutely magnificent, gorgeous eve of the summer solstice, it gives me great pleasure just to put a few comments on the record as we consider this bill and third reading of it as it approaches proclamation.

I just want to point out that I will be sharing my time with my parliamentary assistant, the member from Pickering–Ajax–Uxbridge. I am going to leave to him all of the really salient parts of the bill and, as usual, as he knows and some of the members of this House know, I'll just sort of go over the bill in its broad strokes.

Might I begin by suggesting that this bill represents another step—small, perhaps, but important—in our approach to investing in the people of Ontario. What we're doing here is investing in those who are of the most meagre means in the province by way of assistance with the costs of home electricity. I suggest to you and to my colleagues in this House that it builds on our achievements in previous years and positions us for, in a sense, really a brighter tomorrow.

As I said, the bill is designed to help those of more meagre means in the province; as some would refer, the most vulnerable in the province. We are helping low-income Ontarians who will need assistance with their electricity bills. We propose to provide this assistance by means of a one-time payment of up to \$120 for families with a net income of less than \$35,000, and \$60 for individuals with a net income of less than \$20,000. Research has shown that people with the lowest incomes spend more than three times as much of their income on energy costs and electricity as does the average Ontarian. Often they rely twice as much on electric heating equipment for the majority of their heat. So we have proposed the Ontario home electricity relief program to help mitigate some of these costs.

1850

The mechanism by which we would deliver this assistance is really quite simple: Anyone who claims the Ontario property tax credit—in other words, anyone who owns or rents their own home and falls into the income

parameters I mentioned—would be eligible for the assistance. I want to point out that to qualify for relief under this legislation, people would have to file their 2005 personal income tax returns on or before December 31 of this year; that is, 2006. Might I point out as well that we are in the midst of discussions with the Canada Revenue Agency for delivery of these payments. There is really no doubt in my mind that ultimately those negotiations will be successfully completed and those receiving assistance will do so by way of a payment made directly from the Canada Revenue Agency. That means that delivery of the first cheques could begin as soon as the fall of 2006.

In addition, I would like to point out that along with this initiative, we have also determined to double the amount of funding for the provincial emergency energy fund, bringing it to a total of \$4.2 million. This fund is designed to help social assistance recipients and other low-income households pay for utility arrears, security deposits and connection costs for electricity, hydro, natural gas, oil and other forms of energy. Of this new funding, \$500,000 will be specifically targeted for First Nations people living on reserve.

I do look forward to the debate on third reading and the passage of this bill. It is of significant assistance to families with lower incomes—as I said, \$35,000 income or less for families and \$20,000 for individuals—and as soon as we can pass this bill, we can put into place the mechanism so that these payments can go out as soon as possible. I thank you, sir, for your time in this third reading debate.

Mr. Wayne Arthurs (Pickering–Ajax–Uxbridge): I'm pleased to follow Minister Sorbara and his comments succinctly laying out the key elements of the legislation and its purpose. The minister was clear in saying that this is significant legislation because of the purpose it's intended for. Most particularly, the bill is intended to help those in Ontario who find themselves in the greatest amount of need. These are those in our community who often might be considered vulnerable, to some extent, or those who are living on more meagre incomes and more meagre lifestyles than some of the rest of us might be accustomed to. We think it's important for government, in a variety of ways, to support and provide some assistance to those who find themselves in those kinds of needs. That's why we're here tonight.

Effectively, the legislation really does build on a number of forms of assistance that the government has been undertaking to support those in the community who find themselves in those needs: everything from eliminating a variety of rules that discourage people from working, to increasing the minimum wage some three times so far during the mandate, to extending health benefits to those who are leaving the social assistance system for employment so that they have a transitional period whereby they can get well-established and not put at risk things like health benefits, and increasing social assistance where required or permanently stopping the flow-through for the national child benefit for 2004, 2005 and 2006 so some additional monies were left with those families. This

is another element, another means by which we can provide a degree of support.

There's no question that electricity prices, energy prices, are going to climb. They have over a period of time, and they likely will continue to do that as we work toward full cost recovery for hydro from ratepayers at the end of the day. Obviously, those who are on lower incomes are most impacted by those kinds of changes. This is not unique to Ontario; it's certainly a factor throughout North America, if not a worldwide phenomenon when it comes to energy costs. In addition to providing direct support, modest on an individual basis, but a quantum—as large as \$100 million in this one year—this is a significant amount of money.

We also have obviously a number of conservation initiatives that are under way to assist people in using less energy and thus managing their energy costs a little more effectively. It has been pointed out on occasion in this Legislature that often those who find themselves in situations of less income and are more vulnerable that way maybe aren't as well positioned sometimes to take advantage of conservation initiatives; they don't have the capacity to do that. This might assist in offsetting some of those matters as well.

We're certainly not immune to changes in energy costs here in Ontario, whether it's oil or gas or electricity. But we do want to ensure as best we can that those who have the greatest need have some degree of support from the government. One hundred million dollars certainly is a lot of money. The minister referenced that. He referenced the doubling of the emergency relief fund for those who find themselves in crisis mode as one means by which we can be there for people at the point where they find they have the greatest need.

Using the Canada Revenue Agency as a vehicle for moving these monies into the hands of those who need them is about as efficient a way as we could find to do that. The dollars can start to flow very effectively by the middle part of this year, and by the time we get to October, it's hoped that CRA will be putting those dollars into people's hands as they reach the higher energy season.

This is a finance bill that targets those of low income or low resources, so that ideally they will be able to use those additional dollars to offset some of the costs related to energy. I'm looking forward to seeing the completion of this so that CRA can do its work and those in the community who are eligible for this funding will have those monies flow to them before we reach yet another cold winter season.

The Acting Speaker: Questions and comments? Further debate?

Mr. Tim Hudak (Erie–Lincoln): I'm pleased to rise on third reading debate of Bill 117 and to hear the minister's comments, as well as those of the parliamentary assistant.

Interjection.

Mr. Hudak: I got what I wanted, eh? I got the full hour. There you go.

I'd like to bring up some points, as I did on second reading. Actually, the committee on finance and economic affairs considered this bill after second reading and even more questions came forward from the official opposition and from the third party that I know my colleague from Beaches–East York will address as well—concerns around the mechanism. Certainly nobody begrudges—in fact, we're please to see, finally, in the third year of the Dalton McGuinty government, some form of relief for hard-pressed Ontario taxpayers, albeit extremely modest.

I think we all know that the average working family in Ontario is now forking out some additional \$2,000 per year from their wallets than before Dalton McGuinty was elected. We all know about the infamous so-called health tax. That's a bit of a misnomer, because it doesn't actually flow to health care; it flows into the treasury pot at the Ministry of Finance, the same place that revenue from the slots at Casino Niagara goes, or cigarette taxes or sales tax. It all goes into the big pot.

1900

We all know about the income tax increase that Dalton McGuinty brought forward. We know about the significant hikes in hydro rates. I think it's approximately a 55% increase in the price of power, despite campaign promises to the contrary. We have seen home heating fuels increase in cost. We've seen gas prices go up. We've seen new user fees as a result of Dalton McGuinty's actions. In fact, many health care services once covered by OHIP have now been effectively privatized. Chiropractic care, physiotherapy care and optician care that before had been covered through OHIP are now on the backs of working families. If you add all of that up, for the average, typical working family in Ontario, some \$2,000 more is coming out of their pockets. So when you see extremely modest levels coming back into their pockets, at least it's a start, but it's certainly not going to redress the massive tax grab that Dalton McGuinty has made a hallmark of his administration as we head into the third year.

Let me correct a few things right off the top. This bill actually has nothing to do with electricity. In fact, one of the amendments I moved would change the title of the act to make it much more reflective of the true contents of the bill. Maybe I'll get to that a bit later. The reality is this has not a scintilla to do with electricity. It's simply a rebate. It's a rebate based on income. It's about as parsimonious as you can get. For example, if you're working hard, a tough job, not making a great wage, hoping to climb up the ladder, and you're making the massive sum of \$19,000 per year, an extremely modest income level, do you know how much Dalton McGuinty is going to give you back in this so-called rebate? Ten dollars. A shiny purple bill is coming in the mail down the road for \$10, which works out to less than a buck a month, less than a coffee a month. I guess that's Dalton McGuinty's view of generosity to Ontario taxpayers, but that's the level of rebate.

Let me make this clear: This is based on income level. It has nothing to do with electricity consumption. So some-

body making \$19,000 a year as a single individual would receive the same rebate as an individual making \$19,000 who has three or four dependants, for example. The rebate would not go up based on electricity usage; it's based on the income of the individual. So let's be clear: This has nothing whatsoever to do with usage of electricity; it's simply a rebate. It's also conceivable that somebody could benefit from this act—albeit very modest benefits, let me stress—and actually not use any electricity whatsoever. It is conceivable that somebody who was not on the grid, who had their own system and did not use electricity—hypothetically, it's possible—or somebody who is a renter who does not pay the electricity bills still would receive the rebate. So it really has nothing to do with electricity usage whatsoever, and we should be very clear about that from the beginning. It is a rebate based on income, but extremely modest levels of rebates.

Let me give you some more examples. As soon as you hit, as an individual earner, \$20,000 and up, you get zero rebate. Despite the fact that you're paying the new health tax, new user fees, higher gas prices, higher hydro rates, despite campaign promises to the contrary, you get nada, nil, goose eggs, zip in return under Bill 117. It becomes extremely generous—and I'm being a bit facetious—at \$19,000: You get 10 bucks back in the mail. Families, no matter how many children in the family, as soon as they hit the level of \$35,000, get zero. If you make it to \$31,000, that's 40 bucks you get a year. So it's an extremely modest sum. You would get approximately \$3.50 per month as a rebate from Dalton McGuinty. Despite the hyperbole of their press releases around this issue, the rhetoric here in the Legislature, it's an extremely modest sum.

I heard my colleagues in the Legislature tonight and at committee talk about how they're trying to help out low-income and disadvantaged individuals. Well, we put that to the test. We brought forward a series of amendments that actually would increase the rebate. By way of example, if somebody were classified as a senior in Ontario or had a disability in Ontario, the Progressive Conservative Party brought forward an amendment to this bill to increase the size of the rebate. So if it's true, if the members are putting their money where their mouths are, so to speak, you'd think they would vote in favour of that amendment. Well, I'll tell you who did. I voted for it. I brought the amendment forward as the PC finance critic. My colleague Mr. Barrett, from Haldimand–Norfolk–Brant, supported the amendment, and my colleague the finance critic for the NDP, Mr. Prue, the member for Beaches–East York, voted in favour of it. But each and every one of the Liberal members voted it down. So much for trying to help the disabled or seniors with their electricity bills. A relatively modest enrichment, but an enrichment nonetheless, was voted down by the Ontario Liberal members.

Similarly, we said, and I think logically so, Mr. Speaker—certainly yourself, a proud father of three young children, will know—the more children in the household, all else constant, the likelihood of a higher

hydro bill, right? I think the Speaker has seen that in his own hydro bills. So we brought forward an enrichment that would say—

Mr. Dave Levac (Brant): Don't bother the Speaker.

Mr. Hudak: Pardon me?

Mr. Levac: The Speaker is neutral. Don't bug him with those kinds of questions.

Mr. Hudak: Well, he's very proud of his children—I think the Speaker cannot remain neutral on that topic—he should be. They're very cute kids and fortunately they look more like his wife. No, I kid, Mr. Speaker. It's a mixture of their finest qualities. I don't want to get the Speaker mad at me.

The reality is, though, we brought forward, I say to my colleague from Brant, what seemed like a very reasonable amendment. We said, "The more children a family would have, the greater the likelihood of electricity usage." So if this bill were a rebate for low-income families based on electricity usage, then it would stand to reason that the amendment would pass. If you were a family income earner of, say, \$29,000, and you had several children, you would earn more as part of this rebate than someone with \$29,000 with no children whatsoever. But unfortunately, while I voted for it, Mr. Barrett voted for it and Mr. Prue voted for the amendment, every Liberal member, one by one, put up their hand and voted it down. So much for the connection to electricity usage and so much for support for working families. They voted that down.

Similarly, we brought forward motions that would enrich the benefit. We raised the level so that middle-income families, who are having an awful time making ends meet in Dalton McGuinty's Ontario, would get some relief—albeit modest, but some relief—from Dalton McGuinty's consecutive hikes to hydro rates. But again, while the Progressive Conservatives and the New Democrats voted in favour of it, we saw the Liberals vote against enriching the benefit to middle-class families. We also saw them vote against doubling the benefit to low-income families.

Just to make it clear, we brought forward a motion that would have said that if you were a family making \$25,000 a year—again, a very modest sum; it's awfully difficult to make ends meet and make decisions when you have a total income of \$25,000 a year. The PC motion read that instead of receiving \$100, they would receive \$200. Yet again, the Progressive Conservative side supported that, the New Democrats supported that, but the Liberals voted it down as well.

Several times we put to the test the so-called government commitment to helping out low-income families, but when put to the test, when asked to put their money where their mouths are, they voted over and over again against our amendments, kept this level of support at a very parsimonious level and refused to support very reasonable suggestions to increase it for the disabled, for seniors, for working families with young children. The Dalton McGuinty Liberals voted all of those down.

Let me make a couple of final comments. At estimates committee we asked a series of questions to the minister and the civil service about what happens to the individuals who would qualify by income level who don't file income tax. It does look like a significant number of those individuals will not get this rebate promised by the Dalton McGuinty government. It should come as no surprise, but nonetheless they will not get that benefit.

There was an answer of sorts, but it seems like the expectation would be that the Canada Revenue Agency would administer a subsequent review to make sure that anyone who missed filing has a chance to re-file their tax return to qualify. Of course, this was back for 2005 income. I think we'll see, unfortunately, a significant number of individuals who will miss out on this rebate because of the mechanism that the government is using.

I also would like to ask—in fact, I have asked—how much will this initiative cost? The government had a number of options before it. It could have, for example, rebated on our hydro bills those who qualify. In fact, this was the mechanism the government chose only a year or so ago when they charged the higher price of power to the actual cost of power. We remember that. It took a long time to get that money back from the government and no interest was returned to ratepayers, I remind you. The rebate came on the bill, so if your bill was to be \$100 and your rebate was, for example, \$20, your bill ended up being \$80. That was connected to your usage, obviously.

1910

That was a mechanism the government could have used, and in fact used a year and a half or so ago, but chose not to. I suspect they chose not to for a couple of reasons. Other people didn't notice their rebates to the extent they wanted them to. Maybe they gave credit to their local distribution company. I think that in political quarters the government decided, "You know what? It wasn't in the red envelope. It didn't have the big 'L' on it. It didn't go directly to credit the Liberal government," so they abandoned that.

Secondly, you could have done the rebate through the tax system itself, just like the numerous rebates people can qualify for through the income tax system. That mechanism was also rejected.

Instead, they've created a brand new mechanism where envelopes will be sent out in the fall this year—that is their target—in co-operation with Canada Revenue Agency. The reality is that we don't know how much that's going to cost. You're inventing something brand new, purely—let's get this straight—for political purposes. It could have been rebated on the hydro bill. It could have been rebated through the Income Tax Act, through the regular income tax filings. But at the end of the day, they chose a new mechanism. Lord knows how much of that \$100 million that has been designated is simply going to go to administrative costs. I really wonder, if somebody is receiving a generous cheque from Dalton McGuinty for \$10, how much will it actually cost to mail out that \$10 cheque? I hope the government will be forthcoming with those figures, but I worry that a sig-

nificant amount of this money will be chewed up by the administrative costs of this new mechanism. Mailing out these new red envelopes with the cheques in them to give the government political credit, in reality will undermine this initiative by taking dollars out of people's pockets.

We had what I thought was a helpful suggestion, granted a bit tongue in cheek. If they're using these envelopes to begin with, why not insert in the envelope a helpful suggestion? So I moved an amendment as follows:

"Letter to be sent with payment

"(6.1) Every electricity bill on which a deduction is shown equal to an individual's Ontario home electricity payment shall be accompanied by a letter reading as follows:"

So if you're receiving this rebate for \$10 from the Dalton McGuinty government for the massive increase in your hydro rates, we suggested also the following letter would be included. The letter would read:

"Hello. During the election campaign, I promised to freeze your taxes and your hydro rates in order to get elected. I had no intention of keeping those promises, but really, really wanted to be Premier. There is an election next year and I still want to be Premier. The enclosed cheque is an attempt to make you forget about my broken promises and the fact that your hydro bill has gone up 55% since the election. When you use this little bit of money to pay a little part of your higher hydro bill, think fondly of me. Sincerely, Dalton McGuinty."

That was the letter we had suggested would be inserted in each envelope. Unfortunately, it's not going to be the case, but we thought it made an important point. In reality, this is about achieving political points for the Ontario Liberal Party. It has nothing to do with electricity usage. It's a very modest amount of money that's going to be mailed out at extensive expense to Ontario taxpayers.

Ms. Lisa MacLeod (Nepean-Carleton): Can I get a copy of the letter?

Mr. Hudak: I'll be glad to give my colleagues a copy of the letter, which they can insert into their householders or what have you when the envelopes start going out.

The Acting Speaker: Questions and comments? Further debate?

Mr. Michael Prue (Beaches-East York): Following the member from Erie-Lincoln, he said some of what I wanted to say, but I want to say some of these very things again.

This is Bill 117, the electricity rebate bill. It has absolutely 100% nothing to do with electricity or with rebates. It has everything to do with this government trying to tell people, "Here's a little cheque in the mail. Remember us come next year."

I asked the Minister of Finance point-blank during the time we had to question him on this bill, "Does it have anything to do with electricity?" He admitted it did not. I asked him if somebody had a cabin in the woods that had no electricity coming into the cabin, whether these people would be eligible for the rebate if their income was low

enough. He said they would be. So they have no electricity, and they would be.

What about a person who has been cut off his electricity for non-payment? We have lots of those people in Ontario, who cannot any longer afford to pay for the electricity, who have run up arrears, who have been cut off and haven't paid. Will they get an electricity rebate from this government? Yes, they will. If their income is that low, they will get one even though they cannot have electricity because they have not paid their bill.

What if they chose an alternate lifestyle and have, as some people have chosen to do, their own electricity systems either through wind or solar, which is a good thing, or through diesel power, if they've put in a little Honda—

Mr. Peter Kormos (Niagara Centre): If they have a grow-op with an illegal hookup, they still get the cheque.

Mr. Prue: Or a grow-op that's illegally hooked up: They still get the cheque.

This is what this bill does. It has not one iota, not one little tiny bit, to do with the usage of electricity—nothing. The name of the bill is a complete misnomer.

Back in the bad old days of Mike Harris—forgive me for this one, member from Erie-Lincoln—many of the bill names had nothing to do with what was actually in the bill, like the Tenant Protection Act, which didn't protect tenants. This is one called the electricity rebate that has nothing to do with electricity or with a rebate. It is completely, totally misnamed. There it is.

We started to look at the contents of the bill. If you are that poor, if you are at the bottom of the range, if you earn very little money in Ontario, you will be eligible for a \$60 rebate. For all of the people out there who think, "Well, \$60 is a good thing"—and I guess it is if you're really that poor and you need the 60 bucks—that works out to 16.4 cents a day. How many kilowatt hours of electricity will that buy, I ask the members opposite? The way you have structured this, it will buy two kilowatt hours of electricity a day. Even at the cheapest rate, for those people who only use 600 kilowatts, and there are very few of those people in this province, they would use 20 kilowatts a day. This would represent only one tenth of their electricity use: 16 cents. And that's only for the cost of the electricity. That's not for bringing it in; that's not for the wires; that's not for the debt repayment or the other eight charges you charge them. That's all this is going to pay for. It is, in reality, a pittance.

The real issue is one of poverty, which this government has refused over and over and over to address. This government has allowed people in poverty to actually be worse off than they were on the day they became the government of this province. Many, many people are worse off than they were on the day you became the government. That's the real issue here. Is the 60 bucks going to help those people in dire poverty? I suppose it is. I would rather give it to them than not. But are you really making a meaningful contribution to something that you, as Liberals, should care very deeply about? The answer quite clearly is no.

I looked at all the things that are affecting people in Ontario, particularly those who are marginal, particularly those who live on very low incomes. What is affecting them?

There's the escalating cost of fuel, and they don't even have to drive a car for that. Anything that's delivered costs them. If they're required to take a taxi or a bus to go to the hospital or to a doctor's appointment, it costs them.

The cost of electricity, which this is supposed to help, has gone way out of whack, when you promised it wouldn't.

The cost of municipal taxation: You promised to help the municipalities, and most of them have not received the support. So if they own a property or if they rent a property, the costs of that have gone up.

The costs of health: If not the people at the very lowest level, then most people living in poverty have to pay a health tax.

The cost of food, the cost of clothing, the cost of everyday living have all gone up a whole lot, such that this \$60 isn't really going to cut it.

This is a government that talks about poverty; this is a government that says it's going to do something. This is your answer: a maximum of \$60 a year for an individual, a maximum of \$120 for a family, and this is somehow supposed to alleviate the poverty and the dire circumstances in which people live. It does not cut it.

1920

This government has made a very real decision in three budgets not to address the issue of poverty. In the first budget, I have to say that I was mildly—not even happy—relieved and disappointed at the same time that you gave a 3% increase to those on ODSP and those on welfare. I thought, well, that was about the inflation rate. That was at least something after all those years of getting nothing. I thought, well, that was something. But the next year was a disgrace. The next year was a total disgrace for this government, for the government of Ontario and for the members opposite who are sitting on the bench and could have and should have done something about it. There was zero in the second year, so that at the end of the second year, the people were actually worse off than they were under the previous government, because inflation had more than eaten up 3% over two years. The next year, I thought, well, maybe they're going to get back on track again, but all that came about was 2%, which was slightly under the rate of inflation. So the reality today is that people who are on ODSP or on welfare who do not have children are actually worse off under this government than they have ever been in the last 20 years. I don't know. So you give them 60 bucks, or a portion of 60 bucks, and we're all supposed to stand up and say that's a good thing.

I look at the cutbacks, the dietary allowance for people in poverty, the people who are on welfare, on ODSP who, up until this government came aboard, were eligible for a dietary allowance. The government changed all the rules. We have people phoning our office literally every

day, people in Beaches–East York and from around the province—because I am the poverty critic—who talk about what is happening to them. The money they used to get for a dietary allowance if they have diabetes—and one man from Lindsay, especially, has come and pled his case before the Ombudsman and had his money reinstated, but the government just cuts it off again. That's what you do: You cut it off again. So there's a man with diabetes, with holes in his feet, with bleeding ulcers, who requires a special dietary allowance, and you determine that he can't have it. You've cut him back, and you cut him back again and again. Even when the Ombudsman intervenes, you cut him back again. This is the reality of your government and what you do to people in poverty.

I look at the lack of social housing, what's not being built and the people in the lineups all across Ontario. The need is decent housing and housing they can afford so that the poverty would at least be bearable. It's not there.

The most shameful of all is the clawback. The clawback, when the federal government gives \$1,500 or a portion of that per year, per poor child so that they can lift them out of poverty—\$1,500 that is supposed to go to those poor children that they never see. If they have the temerity, the unmitigated gall, if they are that unfortunate to have parents who live in poverty, parents who are on ODSP, parents who are on general welfare, then they're never going to see it, because this government chooses to claw that money back. Those kids have to go to school with not very good clothes. They have to go to school hungry. If there was one thing that you could do to alleviate poverty in children in this province, you should end the clawback. The Premier said, in opposition, that that was immoral, it was wrong and that he would end it. Here we are into the third year of your mandate, closing in on the fourth year of your mandate, and nothing has been done except that you allow them to keep the 2% increase that the federal government gives to all children. You say, "You can have the 2%, but you can't have the 98%. You can have the 3% this year, but you can't have the 97%." You give them little, tiny pittances of money and you ensure that every child who is unfortunate enough to be born into a family in poverty, a family that cannot work, a family of a single parent on welfare, a family who is disabled, a family who is on ODSP, that they can never have.

You wonder why I stand here and you wonder why we talk about 60 bucks. I want you to give the \$60 to these people, or the \$50, or the \$40, or the \$20, or the \$10. I want you to give them 10 cents if that's all you can give them, because they need it. But don't stand there—

Mr. Kormos: But \$1.2 billion for banks.

Mr. Prue: Yes, \$1.2 billion for banks is easy; that's real easy. My friend from Niagara Centre is right: It's real easy to give that kind of money, it's real easy to give all kinds of other money, but it's not easy to give it to the kids who need it.

So here you are giving \$60, or \$50, or \$40, or \$10, to people in poverty, and I'm not going to say you shouldn't. I'm not going to say you shouldn't, because

you should. But don't stand here and pretend that you're doing something for electricity rates, and don't stand here and pretend you're doing something for poverty, because what you're doing is a pittance, and you should be ashamed of yourself.

If you earn \$14,000 a year—think about this: This is anybody on ODSP; this is anybody on welfare; this is about what they get—you're going to get the whole 60 bucks, 5 bucks a month, 16.4 cents a day. Wow. But this reduces, on a sliding scale, down to nothing at \$20,000. The poverty rate for a single person in a city like Toronto, Ottawa, Hamilton or Mississauga—any of the big ones above 100,000 people—is \$21,000 a year. So when you live on \$20,000 a year and live in poverty in Ontario, you're going to get nothing. This government is going to give you nothing. There it is.

A person at \$20,000 a year, just so that we put this into perspective, would have a salary—not take-home, just a gross salary—of \$384.62 a week, or \$9.62 an hour. So if you make more than \$9.62 an hour in Ontario, this bill means nothing to you, absolutely nothing. What you're giving away to people who are marginal, to people who need the money, to families who aren't going to get it, is cut off at \$9.62 an hour, because after you meet that, there's nothing for you at all.

Are these people at \$9.63 an hour—one cent more—not suffering? Do they not have bills? Do they not have electricity that's climbing, or gas or transportation costs?

Mr. Kormos: “Let them eat cake,” McGuinty says.

Mr. Prue: Well, there it is: Let them eat cake. I don't know about Marie Antoinette, but we all know what happened to her in the end.

Interjection: That's harsh.

Mr. Prue: That's harsh, and she deserved it. I'm sure I'm going to get letters about that, but I think she deserved it.

Are these people not suffering? I think they are. Do they not deserve much more? Obviously, I think they do.

You heard what the Conservative amendments were from my colleague from Erie—Lincoln, and we were pleased to support all of those. The NDP made an amendment which I thought made huge sense and would have helped to alleviate the electricity costs across a much broader range of people in the province of Ontario. But again, just as all of the Conservative amendments were defeated, so was the one NDP amendment. I would like to read that one into the record and explain what it attempted to do.

Our amendment started with the premise that we had to double the payment from \$60 to \$120 a year. That's \$10 a month for an individual who earned less than \$20,000 a year. That is not a princely sum. Literally anyone who lives in poverty in Ontario would get \$10 a month. That's where we started from.

We recognized that there needed to be a sliding scale, so if you earned less than \$25,000, you'd only get \$90 a year. If you earned up to \$30,000, it would fall down to \$60 a year. If you earned up to \$35,000 per year, it would

go down to a \$30 payment. Finally, if you earned over \$40,000 a year, it would be at zero.

What we tried to say is that not only people who are living in poverty but those with relatively modest incomes in this province are starting to be hurt very much by the high cost of energy. The Liberal members, to a person, voted no. The Conservatives—Mr. Hudak, Mr. Toby Barrett—and myself supported the NDP motion, but the Liberals all voted no. We asked them, “Why are you voting no?” In vote after vote to try to extend the amount of money, in vote after vote to try to extend the time frame in which the money was given, the answer was always the same: “This is a one-year, one-off program. It is only for one year. It is not expected to go into the future,” although every single Liberal who spoke to it, both in committee and in this House, has talked about the long-range costs of energy. Every single Liberal who has voted has said this is not going away. But this is a one-time-only bill. It is for one year only.

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Mr. Kormos: Interesting.

Mr. Prue: It's very interesting.

The costs of energy, as I said, are there and are going to be there for a long time. We are not going to see energy costs go down.

Interjection: They'll go higher.

Mr. Prue: They're going higher, because there is a finite source of energy on the planet. We've already reached the peak at which oil production will take place, and although it's not simply going to dry up in one day, the actual usage of oil—and there are many statistics on this—has started to decline whereas we can no longer meet the expectations on oil. So the costs are invariably going up and they're going up substantially over the next number of years.

That's why it was ridiculous in the last election. I was there in the last election debating with members of the Liberal Party and members of the Conservative Party on television in Ontario about the energy platform of the Liberals, then in opposition, who said they were going to freeze the cost of electricity. It was untenable. It was totally, completely untenable. I said so, and I got pilloried for it: “Look at the NDP. They're going to raise your electricity rates.” It was untenable. It was not right. They said it, and they said it again. Now they're saying that their plan stank and here is this little bill, this little pittance, 16 cents a day, because they were wrong. That's what this is about. If they were wrong for those who live in poverty, they were equally wrong for everyone else.

The Ontario Energy Board is increasing, or did increase on May 1, the cost of electricity by 15%, and the 4.3 cents you promised to hold in place until 2006 is now 5.8 cents to 6.7 cents per kilowatt hour.

This is a one-year program—one year—and I have to question—

Mr. Kormos: It's not a program.

Mr. Prue: No. It's a one-cheque, vote-buying, election year program of this government.

Hon. James J. Bradley (Minister of Tourism, minister responsible for seniors, Government House Leader): So cynical.

Mr. Prue: I am absolutely cynical about this bill. I am one of the least cynical people in this House, but I am cynical about this bill. This bill should be seen for exactly what it is. This is a one-time-only cheque to come in an election year for people of modest income who will be very thankful to get the \$60 or the \$50 or the \$40 or even the \$10 you are going to send them. There it is: The cheque is in the mail a few months before the election.

This is not a bill you should be proud of. Am I going to vote against it? Am I going to tell somebody who is getting \$60 that I'm going to vote against them getting it? I don't think so. But in the end I want people to know what this is all about, and they need to know that this is not some magnanimous gesture of this government; this is something you are being forced to do because your policies have been so very, very wrong.

Mr. Kormos: Keep going, Prue. We got the brown envelope.

Mr. Prue: We got a brown envelope.

This is something you know you have really screwed up. This is a government policy that has been a complete shemuzzle from the beginning, not only the policy on energy but the policy on poverty. This is your answer in the dying days before we break for the summer.

One last aspect of the bill I want to talk about—I've been talking mostly about individuals and the \$60. Families who earn less than \$35,000 are also entitled to a rebate under this bill. But it's not really families. If you have one person in your family, a second person, that's the family rate. If you have a third, a fourth, a fifth, a

sixth, an eighth, if you have in-laws, if you have a son or daughter with special needs who is 35 years of age and still at home—we have lots of families like that across Ontario—you are capped at that second person. You are capped if there are two or five or seven. That's what this bill does, and I don't think it's entirely fair.

If this government were looking after the needs of our special people—if they were looking after the needs of our seniors, of our disabled, of our special-needs adults and special-needs children—if they were looking after the poverty of children in this province, then this bill would have been a whole lot better than it is.

All I can tell the government opposite is that this is far too little that you are doing. You could, as Liberals, be doing a whole lot more.

The Acting Speaker: Questions and comments? Further debate.

Hon. Mr. Bradley: I move adjournment of the debate.

The Acting Speaker: Mr. Bradley has moved the adjournment of the debate. Is it the pleasure of the House that the motion carry?

All those in favour of the motion will please say "aye."

All those opposed will please say "nay."

In my opinion, the ayes have it. The motion is carried.

Hon. Mr. Bradley: I move adjournment of the House.

The Acting Speaker: Mr. Bradley has moved the adjournment of the House. Is it the pleasure of the House that the motion carry? Carried.

This House stands adjourned until tomorrow at 1:30 p.m.

The House adjourned at 1936.

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