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Thursday 25 February 2010

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(Hansard)**

Jeudi 25 février 2010

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
Greffier : William Short

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Thursday 25 February 2010

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 25 février 2010

The committee met at 0900 in room 151.

APPOINTMENT OF SUBCOMMITTEE

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. The first order of business this morning is the appointment of the subcommittee. Mr. Arthurs.

Mr. Wayne Arthurs: Chair, I move that the membership in the subcommittee on committee business be amended by Mr. Tabuns replacing Mr. Prue, and Mr. Miller of Parry Sound–Muskoka replacing Mr. Barrett.

The Chair (Mr. Pat Hoy): All in favour? Carried.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Pat Hoy): I would ask the committee to just listen here for my opening remarks. We are meeting today for report writing. I propose that the first order of business would be to ask if there is a general satisfaction with the wording in the pre-budget consultation draft report. At the second stage of report writing, there will be motions and recommendations to be moved, which we will go to shortly.

Is there general satisfaction with the report?

Mr. Wayne Arthurs: Agreed.

The Chair (Mr. Pat Hoy): Mr. Miller.

Mr. Norm Miller: If I may, I just compliment Mr. Larry Johnston for the fine job and the hard work he put in on the actual pre-budget consultations—as always, doing an excellent job.

Mr. Dave Levac: Hear, hear. I second that.

The Chair (Mr. Pat Hoy): Thank you. Any other comment? Okay, I will move on.

The first stage on the draft report: Just on the draft report itself that is being prepared for us, is there any concern about the wording in any particular section? And is there agreement that we adopt the draft report as written, if there is no concern about the wording in the draft report? It's agreed.

Now I'll move to the motions. I've asked the clerk to compile a numbered package of all the motions and recommendations submitted by all the parties. Each person should have those in front of you. The motions are all numbered and appear in the order that the ministries are dealt with in the report.

In the past, we have agreed, as a committee, to refer to the motions as motions 1, 2, 3 etc., but I will try to indicate, as we move through them, whose name they stand in. If that's agreeable, we can do that. Do we agree? Agreed.

Interjection.

The Chair (Mr. Pat Hoy): Yes, and I would say which party is presenting them.

I would remind the committee members that according to the standing orders, preambles are not allowed as part of the motion. Any “whereas” clauses will therefore not form part of the motion recorded in the official minutes.

We'll turn to the first motion, on page 1, to be moved by the PC party.

Mr. Norm Miller: Excuse me, Chair, can you clarify that? So is the motion, as written—for example, the first motion starts out with a “whereas.” Is that the way it will be—

The Chair (Mr. Pat Hoy): No. The only part that would appear would be the final statement, not the “whereas.”

Mr. Norm Miller: So just the line “The Standing Committee”—

The Chair (Mr. Pat Hoy): But you can read the “whereas.”

Mr. Norm Miller: Okay. So both “whereases” don't appear in the final—

The Chair (Mr. Pat Hoy): No, they don't.

Mr. Norm Miller: Just “The Standing Committee”—

The Chair (Mr. Pat Hoy): They never have.

Mr. Norm Miller: Okay. Thank you.

The Chair (Mr. Pat Hoy): Is everyone clear on that? So then we'll start with the first one, which is a PC motion. Mr. Barrett will read it.

Mr. Toby Barrett: I've put forward several motions under the title “Agribusiness.”

Whereas the Ontario government has completed a successful three-year risk management program for the grain and oilseeds sector; and

Whereas farm organizations have now created a next-generation risk management program in collaboration with pork, beef, veal, sheep and horticultural producers as well as the grain and oilseeds sector;

Therefore the Standing Committee on Finance and Economic Affairs recommends the Ontario government move forward with a voluntary, premium-based risk

management program based on cost of production, to be made available to non-supply managed agriculture.

The Chair (Mr. Pat Hoy): Comment?

Mr. Toby Barrett: The committee will understand from the two “whereases” the background and the reasons for this. I’m not sure how many committee members attend farm meetings this time of year, but this has come up at meetings I’ve attended. Whether it’s hort or beef or pork or, as I recall, the Ontario Federation of Agriculture meetings, the number one issue is the need for a risk management program, a program that this government has proven was a successful pilot in the last three years for grain and oilseeds. That’s cash crop. That’s corn, soybeans and primarily winter wheat in Ontario.

I think many will know that farmers, particularly beef and hog farmers, have been having a very tough time. They’ve been facing negative margins, as were the corn and soybean farmers a number of years ago. I’ll leave it at that, Chair.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Arthurs.

Mr. Wayne Arthurs: First, let me acknowledge the support for the risk management program that has been in place, and I think I would generalize support around the table for risk management strategies as a way to deal with the sector.

Having said that, we’re not in a position to be able to support this particular motion. It’s our understanding that the federal government has laid out the next steps for a national risk management review. We certainly look forward as a province to working with them, with the key stakeholders. We’re committed to working with those industry partners and the federal government to ensure that we get the right programs for Ontario, but we want to await that work to go forward first.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I’ll put the question. All in favour?

Mr. Toby Barrett: Recorded vote.

Ayes

Barrett, Norm Miller, Tabuns.

Nays

Albanese, Arthurs, Levac, Mauro, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Now we’ll move to number 2 in your package, which is also a PC motion.

Mr. Toby Barrett: Again, an agribusiness motion:

Whereas Agriculture and Agri-Food Canada’s total Ontario farm income forecast for 2009 was a \$143.5-million loss compared to a \$1.25-billion profit for all Canadian farms; and

Whereas Ontario’s local food supply is threatened, as farmers cannot stay in business with negative margins for long and many are idling their farms or leaving farming altogether;

Therefore the Standing Committee on Finance and Economic Affairs recommends the Ontario government correct the flaws with respect to reference margins contained in the current Growing Forward suite of joint federal-provincial agriculture programs, including AgriStability.

The Chair (Mr. Pat Hoy): Comment?

Mr. Toby Barrett: Again, this has certainly been alluded to by Ontario’s Minister of Agriculture. The programs that are in place now, and many of them originally driven by the federal government, are not working for farmers. They’re not flexible or bankable. As we know, the federal government indicated—this goes back probably at least three years—they were not in a position to fund companion programs in other provinces. So there’s some work that needs to be done here.

The Chair (Mr. Pat Hoy): Mr. Arthurs.

Mr. Wayne Arthurs: Again, I think it’s reflective of the first motion, in part. We certainly understand the importance of risk management for the industry in a broad way. This does refer to the sort of joint federal-provincial agriculture programs. The federal government has laid out some steps for a national review, which will include stakeholders. The province certainly looks forward to being an active participant in that as early as this spring, and we remain committed to working with those partners and the federal government to get it right for the industry here in Ontario. But unfortunately, we can’t support the motion as presented.

The Chair (Mr. Pat Hoy): Other comment? Hearing none, I’ll put the question—

Mr. Toby Barrett: Recorded vote.

Ayes

Barrett, Norm Miller, Tabuns.

Nays

Albanese, Arthurs, Levac, Mauro, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Now we’ll move to number 3 in your package, and that also is a PC motion. Mr. Miller.

0910

Mr. Norm Miller: I’ll read the motion to begin with. It was put together by Mr. Barrett who’s keenly interested in agriculture issues.

Whereas over the past five fiscal years, compensation paid to farmers for livestock and poultry damage, plus bear damage to bee hives, has increased dramatically from \$594,511 in fiscal 2004-05 to \$1,353,625 in fiscal 2008-09, more than doubling over five years; therefore

The Standing Committee on Finance and Economic Affairs recommends the Ontario government update the amounts of compensation payable for predator kills to reflect current market values for livestock, poultry and bee hives; that the Livestock, Poultry and Honey Bee Protection Act be modernized to address losses from a

broader range of predators as well as losses to a broader range of farmed livestock and poultry; and that the government of Ontario develop a program to compensate Ontario farmers for crop losses attributed to wildlife.

Mr. Chair, I believe it was the Ontario Federation of Agriculture that pointed out that predation has been an increasing problem for farmers across the province and that the act dealing with that hasn't been changed—the compensation hasn't been changed in 25 years. I know I attended the local Ontario Cattlemen's Association meeting in my riding of Parry Sound–Muskoka in Mag-netawan. To my surprise, the number one issue at that meeting was predation, in particular the effect of wolves around Algonquin park. You may recall that about seven years ago, I believe, the Ontario government banned hunting of wolves in all the counties around Algonquin park, so they're seeing a dramatic increase in predation. It's of concern to my local farmers, and obviously across the province it is too. That's the reason for this motion.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Arthurs.

Mr. Wayne Arthurs: We appreciate the motions brought forward and the acknowledgement that the government has extended dramatic increases from 2004-05 from some \$594,000, as articulated in the motion, to some \$1,353,000 in the 2008-09 year. The commitment to this need that's out there is clear, but those are dramatic increases. The damage to crops is insured peril under the production insurance program, and certainly we would encourage producers to participate in production insurance as a crop strategy. Unfortunately, the government is not in the position to support this motion.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Toby Barrett: Just a further comment to Mr. Miller, and Mr. Miller would know this as well, with respect to bear damage and threat to livestock. I know at the London hearings, the Ontario Federation of Agriculture called for the Ontario government to implement a much better management system for the bear population in Ontario, additional hunting opportunities, for example. They called for an early-season bear hunt to help lower the level of crop damage on farms and we know that story also, to better enable people in Ontario to avoid unnecessary conflict with bear.

They also recommended a government study with respect to elk with the view of, down the road, looking toward a controlled hunt for the same reasons as bear. That was coming from the farm organization in London, as I recall.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I'll put the question.

Mr. Norm Miller: Recorded vote, please.

The Chair (Mr. Pat Hoy): A recorded vote is requested.

Ayes

Barrett, Norm Miller, Tabuns.

Nays

Albanese, Arthurs, Levac, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. Number 4 is also a PC motion, Mr. Barrett.

Mr. Toby Barrett: Yes, Chair, also an agri-business motion:

Whereas farmers provide benefits to the public in providing food safety systems, environmental stewardship initiatives and preservation of the rural landscape; and whereas Ontarians are demanding more of these public goods and the Ontario government is responding with regulations governing land use to preserve species and biodiversity, greenhouse gas mitigation and source water protection; therefore the Standing Committee on Finance and Economic Affairs recommends the Ontario government develop market mechanisms to allow farmers to be compensated for the public goods and services they provide to society.

One example of this is the ALUS program, which stands for alternate land use services. It's a program that was developed in the duck-hunting marshes in Manitoba. It has been adopted by many farm, agricultural and hunting organizations in Ontario—again, very simply a modicum of compensation for farmers and landowners perhaps to consider not putting in, say, an additional 16 rows of corn; to put in a windbreak rather than disking under cattails in the spring, for example; when you're working up ground, rather than working up every single corner of the field, to leave a corner for planting trees or tallgrass prairie or wildlife habitat.

Again, we in Ontario, as a society, wish to see wildlife and plant diversity. Farmers, certainly in southern Ontario, own most of the land, most of the acreage under this concept of some kind of conservation grant or conservation, and I know money has been flowing, but more can be done in this area to better bring back much of agricultural Ontario or parts of agricultural Ontario to its natural state.

The Chair (Mr. Pat Hoy): Thank you. Any other comment?

Mr. Wayne Arthurs: Again, I appreciate the motion that has been brought forward.

Certainly the government is committed to measures to protect endangered species, with legislation accordingly. We're committed, obviously, to source water protection and its importance.

I think, though, there is in effect a bit of a strategy already in place, and that's the dramatic reduction in assessment for land use for agricultural purposes from the 100% to one quarter of that. It broadly recognizes the goods and services provided to society at large that the industry provides, both from the production of foods in a variety of ways, but also through the protection of lands. So I suggest we already have, in part, a mechanism in place for that purpose, and the government will not be supporting the motion.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I'll put the question.

Mr. Toby Barrett: Recorded vote, please.

The Chair (Mr. Pat Hoy): A recorded vote has been requested.

Ayes

Barrett, Norm Miller.

Nays

Albanese, Arthurs, Levac, Mauro, Sousa, Tabuns.

The Chair (Mr. Pat Hoy): The motion is lost.

Number 5 is also a PC motion. Mr. Barrett.

Mr. Toby Barrett: Yes, an Ontario PC, opposition, agribusiness motion:

Whereas 2014 is the most recently proposed target for the shutdown of coal-based electricity generation, and there is doubt whether that date is even achievable or advisable; and whereas tens of thousands of non-food-producing acres have become available because of the destruction of Ontario's tobacco economy; therefore, the Standing Committee on Finance and Economic Affairs recommends the Ontario government provide comparable alternate fuel subsidies to establish the production of agricultural crop biomass.

The Chair (Mr. Pat Hoy): Comment?

Mr. Toby Barrett: Again, we know the recent history: the present Ontario government striving for alternate sources of energy and putting their money where their mouth is. We know that solar is subsidized to something up to the point of 80 cents per kilowatt hour and that subsidies for wind generation are somewhere in the order of 14 to 17 cents a kilowatt hour.

We received a presentation from a group in London, again, as I recall, calling for assistance with respect to the establishment of tallgrass prairies and other native-type prairie grasses and the purpose of growing these crops as biomass for replacement for the coal-generating stations in the province of Ontario. I understand that grasses like this can be—the additional cost comes in—the estimates are somewhere around 14 cents to 17 cents per kilowatt hour, so it's comparable to wind. One difference: Wind power has the subsidy. I'm not aware of any decisions being made with respect to subsidy for either agricultural biomass or forest product—wood fibre, wood pellet—biomass. That's the idea behind this particular motion.

0920

The Chair (Mr. Pat Hoy): Any other comment? Mr. Arthurs.

Mr. Wayne Arthurs: Clearly, the use of biomass as an energy source to replace fossil fuels will be one that can and will assist in meeting the government's goals in greenhouse gas emission reduction targets.

Having said that, as well, OMAFRA is currently working with OPG and stakeholders representing a broad cross-section of industry, the academic community and government experts to explore a variety of opportunities and the issues related to the use of agricultural biomass.

Recently, OMAFRA has established a steering committee to review and assess the feasibility of a commercial agricultural biomass industry in Ontario.

Although I think the motion is probably well intended—and I'd never question that, that they're well intended—we just think it would be premature to support this motion in the absence of the work that OMAFRA's currently undertaking.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I'll put the question: All in favour? Opposed? The motion is lost.

Number 6 in your packet is a government motion. Mr. Sousa.

Mr. Charles Sousa: The government motion reads as follows: The Standing Committee on Finance and Economic Affairs recommends that the government provide the requested \$500,000 investment in Windfall, a charitable organization that provides brand new clothing to more than 64,000 low-income Ontarians. This funding will allow them to increase their operations to help more low-income Ontarians.

As noted, the organization has been successful in providing brand new clothing and other basic needs from private corporations and distributing them to more than 64,000 people, a third of whom are children living in poverty. They provide on-job training and, alongside that, they have \$14 million worth of items. They also support people who need employment training through their employment basics program. Basically, they generate \$28 for every dollar invested. A number of corporations look to them to provide some of these excess materials.

The Chair (Mr. Pat Hoy): Any other comment? ing none, I'll put the question: All in favour? Opposed, if any? Carried.

Number 7 in your packet is a PC motion. Mr. Barrett.

Mr. Toby Barrett: Yes, page 7, under the title "Municipalities."

Whereas the Ontario municipal partnership fund, as an extension of the community reinvestment fund, has been a small portion of the municipal annual financial budget; and whereas municipalities pride themselves on advancing business plans and budgets in advance of the operational year in which these plans are prepared for; therefore the Standing Committee on Finance and Economic Affairs recommends the Ontario government provide sufficient notice, in advance of the municipal annual budgeting process, of the ongoing annual impact of any Ontario municipal partnership fund allocation reductions so that plans are appropriately adjusted and that possible advance ratepayer communication can occur.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Toby Barrett: Yes. This issue was raised by a number of municipalities. I recall that the mayor of the town of Tillsonburg, for example, raised this again in the London hearings. The municipality of the town of Tillsonburg traditionally receives something like \$345,000 a year in the OMPF funding. They indicated that their

budgeting process begins in September of each year. He indicated that they began deliberations in September 2009, putting forward and advancing their business plans and their budgets well in advance of the operational year for which those plans are prepared. In the most recent example he gave, on December 15 of last year, the town was notified that, effective 2010, the allocation was reduced by \$69,000, so they did receive \$276,000. He made it very clear that they're appreciative of this revenue, but it does cause problems for them with not getting sufficient notice.

The Chair (Mr. Pat Hoy): Mr. Miller.

Mr. Norm Miller: I'd just add that I recall that there were several municipalities where their budget year is the calendar year, and I think in that particular case, they'd already set their tax rates, and then they find out that the funding they're getting is not what they counted on. So obviously, it makes it very challenging for them. I think for municipalities, they want to have stable, multi-year funding, and if they can't have that, at least more notice so that they haven't set their tax rates before they find out what funding they are getting through the OMPF funding model. But certainly we heard from many different municipalities concerned with the OMPF funding.

The Chair (Mr. Pat Hoy): Mr. Arthurs.

Mr. Wayne Arthurs: I think this is a reasonable expectation of government by municipalities, although we might—I wouldn't say disagree. I think there were two points being made by the members opposite: One spoke to a very early time frame for some municipalities in trying to develop their budget plans; the other spoke to their fiscal year, which are the same in many ways, but I know from my own municipal experience, the municipal budget, the regional budget that I was party to, often didn't get passed until March, April and May. That doesn't mean the work hadn't begun, and that the necessity to have early information was important. I think it would be challenging to provide information in the fashion that the motion might, in an ideal world, see early enough for a September preparation and ratepayer communication.

Having said that, though, we think that it's more than reasonable that we make every effort to provide that information in a fashion municipalities can use to their best effect, and that, given the amount of dollars, since we're currently investing some \$1.2 billion in 400 municipalities through OMPF and social assistance uploads, we make every effort to meet the municipal needs in planning their budgets as well. So we're more than pleased to see this motion and happy to be able to support it.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I'll put the—

Mr. Norm Miller: I'm shocked. I think I heard it's supported by the government.

Mr. Wayne Arthurs: On a recorded vote so the member opposite will actually know—

Interjection.

The Chair (Mr. Pat Hoy): A recorded vote is requested.

Ayes

Albanese, Arthurs, Barrett, Levac, Mauro, Norm Miller, Sousa, Tabuns.

The Chair (Mr. Pat Hoy): The motion is carried.

Now we'll move to number 8, which is also a PC motion. Mr. Miller.

Mr. Norm Miller: Whereas roads and bridges are the all-important links between communities across Ontario; and whereas municipalities across Ontario are struggling with the high costs of maintaining their roads and bridges; and whereas the economic vitality of Ontario depends on the safe and efficient movement of people and goods; the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance provide an ongoing funding arrangement to municipalities for roads, bridges and other infrastructure projects, providing long-term predictability and merit-based funding.

Certainly, particularly for rural municipalities, roads and bridges are one of their most significant expenses and it's not something you can really put off. I know that the Auditor General in his report last year focused on the safety of the bridges across the province, and I think what municipalities would like to see is multi-year funding so that they can plan for these capital projects, as compared to the sort of one-off funding that they have to compete for in many cases.

0930

Perhaps even consideration of something like a portion of the provincial gas tax going to all municipalities—I know that currently the situation is that it just goes to municipalities with transit. For small rural communities, transit means roads and bridges because they don't have any public transit.

I think that predictability is something that they very much need.

The Chair (Mr. Pat Hoy): Thank you. Any other comment? Mr. Arthurs.

Mr. Wayne Arthurs: Certainly the government has been and continues to be firmly committed to supporting municipalities in their infrastructure needs.

During the past three years we've committed some \$6.6 billion in municipal infrastructure. Our 2009 budget committed \$32.5 billion over two years for new infrastructure to support more than 300,000 jobs at a time of economic need, as well as the real needs that are out there.

I think we're aware, as is the opposition, who I guess had the privilege, as we speak, of governing as a party for the better part of four decades or more, as the case might be—they know the history of bridges and how long bridges last in that regard.

We haven't downloaded any provincial highways to municipalities, so that's one thing that we haven't added to their cost base.

We're going to continue to invest heavily in infrastructure in municipalities on an ongoing basis, but we're not in a position to support this particular motion.

The Chair (Mr. Pat Hoy): Any other—Mr. Miller.

Mr. Norm Miller: If I may comment some more. I hear from small municipalities that the process of being involved in the competitive application process for the one-off funding programs is a significant challenge for small municipalities. They often will have to hire engineers and spend a lot of money, and then they aren't successful. Then, the next year, another phase of the program comes around and they have to go through the whole process again.

As I say, particularly, the smaller the municipality gets, the more of a challenge it is. I know in my riding I have 26 municipalities. I think some have as few as 500 people in them, some of the very small municipalities, like Joly township, for example.

The process of applying all the time and, in many cases, not receiving the funding is quite onerous for them.

The Chair (Mr. Pat Hoy): Mr. Mauro.

Mr. Bill Mauro: Mr. Miller makes a good point, especially in regard to the smaller municipalities. But I would say, over the last six, going on seven years that I've been around here, there has been an incredible number of successes with the smaller municipalities that are contained within my riding. Oliver Paipoonge, Neebing, Conmee, O'Connor: All of them have been extremely successful through government infrastructure programs. The point is well taken that sometimes there is a risk involved simply to do the engineering studies necessary to be eligible to apply for infrastructure programs; it's there and it's a big risk. We talk about it often, as a northern caucus, on our side of the House, I would suggest. In fact, there are examples out there where, through infrastructure programming and recognizing that challenge for smaller municipalities, they have been made eligible for more than their one-third share when it comes to the infrastructure stimulus piece.

In fact, I think, as a government, we have addressed some of those concerns, but I did want to acknowledge the comment.

The Chair (Mr. Pat Hoy): Mr. Levac?

Mr. Dave Levac: I too want to comment on the general discussion that we've just had. I think there are a couple of missing components that I want to delicately mention, and that is long-term planning and what we've not been doing as municipalities—governments of all stripes and of all levels—and that is anticipating.

The major thrust of our last large Canadian—not just Ontarian—infrastructure blitz was the 1960s. If there's an expectation between 1960 and 2010 that we didn't see this tsunami coming, shame on all of us.

In retrospect, the comments could be reflecting an ask for us to be a little bit more prudent in our planning—not just in our spending, but in our planning—with the anticipation that in 30 years there's going to be a need for a retrofit of certain things, like roofs, insulation and the types of things that I hope we've learned over the decades—and I mean decades—that we've been negating, along with some people's pride in not raising taxes at all,

knowing that there needs to be an infrastructure rehabilitation in the future. If we continue down the same path, the opposition is going to be sitting there—whoever is on this side—saying the same thing over and over again.

My comment is not based on an accusation on tone to anyone, other than for all of us to get our heads around the idea that we need to start planning for future needs in infrastructure so we get this corrected. There is a point to be made about making sure that when these monies are distributed, there is some type of accounting for the future needs of that pipe we put in the ground or that civic centre we build or that ice rink we refurbish. That's my generic comment to all of us: to pay attention dearly to what we would be going through over and over again if we don't plan for the future.

Interruption.

The Chair (Mr. Pat Hoy): Any other comments? I'll put the question. All in favour? Those opposed? The motion is lost.

Have the bells quit? It would appear we can proceed. Number 9 is also a PC motion. Mr. Miller.

Mr. Norm Miller: I'll read the motion:

Whereas Ontario homeowners continue to be locked into unrealistic values taken at the height of a hot housing market until a new assessment is conducted in 2012;

The Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance re-establish annual assessments to better reflect current property values and cap property assessment increases at an inflationary rate.

Mr. Chair, I think it's self-explanatory.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: Mr. Chair, I don't think my comment will come as a particular surprise to the opposition mover of the motion. Government will not be supporting this motion. We've moved to a four-year assessment cycle, to be phased in from its lowest value to the value it's assessed at over that four-year period. It provides a high degree of stability and predictability within the context of the assessment and market-value system.

When I read the "whereas" clause—it wouldn't form part of any motion if it were adopted—it speaks "to unrealistic values taken at the height of a hot housing market." I only need to look at what I'm reading and seeing in regard to housing values in Ontario today. Market value generally in Ontario is increasing. Reassessment today would reflect yet a higher market value than might have been seen in the last assessment as it is phased in over time.

I would like to make an acknowledgement, though. In the motion itself, the operative clause speaks to "better reflect current property values and cap property assessment increases at an inflationary rate." My recollection from earlier debates we've had around this matter, here and in the Legislature, is that the position of the opposition and its leader and former critic was caps at 5%. This seems to be a bit of a dramatic departure from that 5%

annual cap to an inflationary rate. I'm just wondering whether that's a shift in position from the opposition. I'm not anticipating an answer today, but they may want to give that some thought.

Mr. Toby Barrett: I think all three parties are in the middle of a policy development process.

The Chair (Mr. Pat Hoy): Is there any further comment? Hearing none, I'll put the question.

Mr. Wayne Arthurs: Recorded vote.

Ayes

Barrett, Norm Miller.

Nays

Albanese, Arthurs, Levac, Mauro, Sousa, Tabuns.

The Chair (Mr. Pat Hoy): The motion is lost. Number 10 is also a PC motion. Mr. Barrett.

Mr. Toby Barrett: The title is "Affordable housing."

Whereas the Ontario government has committed to renovating social housing units and to building new social housing units; and

Whereas 95% of those who receive Ontario Works benefits are tenants and 86% of these Ontario Works renters live in the private rental market;

Therefore, the Standing Committee on Finance and Economic Affairs recommends the Ontario government re-allocate resources to facilitate renovating and building private sector housing units for those tenants in need.

Again, over the course of the eight days of deputations, we received a number of submissions from advocates for the housing problem for low-income people and for people on ODSP and Ontario Works. At one of the presentations, we were given these statistics with respect to Ontario Works, and the fact that the majority of people who are renting and who are on Ontario Works live in an apartment. They're not on the list; they're not in social housing, essentially not benefiting from much of the social housing policy. Hence, the motion. Certainly in my constituency office—my office is in downtown Simcoe—like many small towns, it's a challenge. The downtown core is always a challenge. The town of Simcoe now has a Walmart and a number of fairly large shopping malls on the gasoline alley.

0940

I'm assuming—and we have heard this in our travels—some of the challenges with respect to downtown, but more particularly, the challenges for people on low income or on government programs who are living in those second-floor apartments above the stores, sometimes on the third floor. Some of the conditions in these apartments are abysmal. I assume part of it is that the economics are not there for the oftentimes absentee landlords. Oftentimes, the storefront down below is adequate and suitable, although because of the recession, some of them are boarded up.

From my perception, being in a constituency office now for 14 years, and talking to so many people who are living just down the street, and walking up to the second or third floor, I consider some of it downright dangerous. I think this is something that we should take a look at, given that so many people in dire economic straits are living in these apartments. It's a safety issue and an issue of public health and cleanliness—and inadequate heating, on some occasions. Many of them don't have air conditioning. So I wanted to put that out there, Chair.

The Chair (Mr. Pat Hoy): Thank you. Any other comments? Mr. Arthurs.

Mr. Wayne Arthurs: During the course of the hearings, I know we did hear from a number of stakeholders in respect to priorities. I think around this place we asked, on more than one occasion, "If you had to pick and choose your priority, what would it be?" Many of those advocates said that if they had to pick, housing would still remain their priority.

We have made a very strong commitment as a government. In June of last year, we committed to matching federal government funding of some \$622 million, for a total of \$1.2 billion for the purposes of housing for low-income individuals and their families, divided up in a number of ways.

At this point, I don't see the government changing horses in that regard with its federal partners, although I appreciate what the member opposite is saying. I certainly would encourage him and his party, and those advocates for that, to continue to pursue this particular course of action in the context of getting the matter ahead of government. But at this point, we're going stay on the horse we're on and dance with our federal partners to the tune of \$1.2 billion in supportive and social housing as a priority for those groups who came before us. So we will not be supporting this motion, Chair.

The Chair (Mr. Pat Hoy): Thank you. Any other comments?

Mr. Dave Levac: Just a quick comment: I'm glad to hear, at least in a certain way, that the members from the Progressive Conservative party are acknowledging and recognizing the need for affordable housing and assisted housing, as previously, when they had their chance at government, they cancelled the program. I'm glad to see they've had an epiphany and recognize there is a need for this type of assistance, and we will work towards showing them why we want to go in the direction that was outlined by the parliamentary assistant.

The Chair (Mr. Pat Hoy): Thank you. Any other comments? Hearing none, I'll put the question. All in favour? Opposed? The motion is lost.

Number 11 is also a PC motion.

Mr. Toby Barrett: Page 11, under the title "Health care":

Whereas approximately 17% of hospital patients in Ontario (4,977 patients as of January 2010) are waiting in beds for long-term care, complex care, rehabilitation or home care/community services; and

Whereas on average 745 patients wait in hospital emergency departments for a medical bed to become available;

Therefore the Standing Committee on Finance and Economic Affairs recommends the Ontario government continue to allocate increased resources to home care and related community services.

I think members of the committee will recall that a number of primarily hospital organizations presented this problem. It is a problem that we have seen for a number of years, and it seems to have accelerated recently, certainly from what we heard on the committee. This problem was presented several times over, including by the Ontario Hospital Association, as I recall, the fact that a certain percentage of beds—in this case, 17% across Ontario—are being inappropriately occupied by people who would be adequately and in fact better served in their homes or in other home-based, community-based services. It was interesting to see representatives of the hospital institutions advocating for home care directly, advocating for community health care services, at least advocating for those kinds of services rather than solely concentrating on advocating for their own particular institutions—again, seeing that as a means to an end, where it frees up, from their perspective, hospital resources and emergency department resources by extension if people could be better served at home.

The Chair (Mr. Pat Hoy): Mr. Arthurs.

Mr. Wayne Arthurs: Mr. Chair, can I just make a suggestion? If the members opposite were to look ahead quickly to item 13 that the government has before the committee, it speaks to funding for the province's hospitals. Might I suggest, if they would like, that with a slight amendment to their motion that would speak to increased resources to home care, the province's hospitals and related community services, it's then a motion that we could support. The primary reason being that because these are all so interrelated—home care, in many ways, getting people out of hospitals, as you've acknowledged, and the community services related to that—it makes for a more comprehensive package and would allow us to drop our motion, which would then be redundant, and save us all the need to debate yet another motion.

So if the words in there were “increased resources to home care, the province's hospitals and,” as you have, “related community services,” we'd be happy to support your motion.

Mr. Toby Barrett: Then, on page 13, it would read—

Mr. Wayne Arthurs: We wouldn't need page 13, because it would be included in your motion.

Mr. Toby Barrett: Oh, I see.

The Chair (Mr. Pat Hoy): So to be clear, you just want to add, basically, the word “hospital”—

Mr. Wayne Arthurs: “The province's hospitals.”

Mr. Toby Barrett: So after “home care,” it would be comma—

Mr. Dave Levac: “The province's hospitals,” and then “and related community services.”

Interjection.

Mr. Dave Levac: We have to do the amendment first.

The Chair (Mr. Pat Hoy): Are we clear on that? Okay, we'll vote on the amendment. All in favour? Carried.

Mr. Wayne Arthurs: Just very quickly, because I didn't speak to the motion itself and I obviously want to speak to it in a positive way. We think it's a good motion. It certainly reflects what I think we around this table all see as a priority. It's caring for those in our communities who are in need for health reasons, those who are seniors who need the kind of care we all want to have and the related services. Certainly, as a government, we've been pleased to be able to support the sector by increasing funding by over \$1 billion during our time in office, and some \$150 million in the long-term-care area during 2009-10. But certainly more needs to be done yet, and we're happy to support the motion brought forward by the opposition.

0950

The Chair (Mr. Pat Hoy): Mr. Mauro.

Mr. Bill Mauro: I'm happy to hear the amendment and the agreement on the direction here. I was also going to speak in support of the Conservative motion, but I also felt it was important to mention that this is not a new idea; it is a bit of a reaffirmation of the work we've been doing as a government for the past six years.

Certainly the aging at home strategy funds that have flowed already—they're looking for a continuation of that, so we've been doing that for quite a while. The 17% of hospital patients waiting for beds speaks to what is commonly referred to as the ALC problem across the province. There are many communities that have that in a very acute way.

In my riding of Thunder Bay–Atikokan, we've begun to address that through the continuum of care with the announcement of 132 new supportive housing units that will be constructed, which will allow those people who wait in hospital beds to no longer be in an acute care setting and put them into a supportive housing role as they move from home care before they go into long-term care. I think that's a good thing.

The last point I would make is on the emergency room piece he mentioned. I think it's important to remember that we've now added emergency room wait times to our wait-time strategy; I think we made that announcement some six months to a year ago.

Mr. Toby Barrett: Did we vote on the amendment?

The Chair (Mr. Pat Hoy): We did vote on the amendment. Now we'll vote on the amended motion, if there's no other comment.

All in favour? Carried.

Number 12 is an NDP motion. Mr. Tabuns.

Mr. Peter Tabuns: Be it resolved that the Standing Committee on Finance and Economic Affairs strongly recommends to the Minister of Finance that, in its 2010-11 budget, the government ensure that front-line health services are not put in jeopardy and that the government make responsible upstream investments to control costs

including investments in long-term care and home care to relieve pressures on hospitals, funding for community health centres (CHCs) and aboriginal health centres (AHACs) for oral health care, ending the three-month wait period for OHIP coverage required of newly arrived immigrants, expanding the provincial network of CHCs and AHACs with a goal of ensuring every Ontarian who needs access to CHC/AHAC primary health care can access these services.

I think the motion speaks for itself. I just wanted to say that I think aboriginal health care centres and community health care centres are a very cost-effective way of providing health care to the province and an area where I think investment needs to happen.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Arthurs.

Mr. Wayne Arthurs: Unfortunately, the government caucus will not be supporting the motion we have before us. I think it was certainly captured, to an extent, in the opposition motion in respect to home-care-related community facilities—I see a number of these flowing into that category—as well as the amended motion that spoke to the matter of hospitals. Certainly the government caucus couldn't commit to a broad policy shift. For example, I think that ending the three-month waiting period for OHIP coverage is a policy matter that would take direction beyond what we, as a government caucus, could support recommending to the Minister of Finance.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Miller.

Mr. Norm Miller: I guess the problem I have with this motion is that it focuses on community health centres and aboriginal health centres specifically. Speaking from my own riding, I don't have any community health centres within the riding of Parry Sound–Muskoka. We have six nursing stations providing primary care, which is fairly unique and a model that I would say the government should be looking more into, because it works extremely well in rural and northern Ontario. In my riding we have rural hospitals and family health teams, but we don't have community health centres or aboriginal health centres, despite having seven First Nations within my riding. It's a little too focused on just those means of delivering health care.

The Chair (Mr. Pat Hoy): Mr. Mauro.

Mr. Bill Mauro: As the parliamentary assistant has given the reason for not supporting the motion, I think it's important to state as well, on the community health centre piece, that the province of Ontario has gone through the greatest expansion in terms of budget and offices and support services through community health centres in the history of the province over the last five or six years, led by former Minister of Health George Smitherman. In fact, I think we've made an announcement—not too recently, perhaps—in the 2009 budget dealing with oral health care for people, on an income-based method.

So, much of what's contained in this motion here has been addressed and continues to be addressed. But, as

mentioned by the parliamentary assistant, the reasons for non-support are now on the record.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Peter Tabuns: Recorded vote.

Ayes

Tabuns.

Nays

Albanese, Arthurs, Levac, Mauro, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Is it the government's intention to withdraw number 13?

Mr. Wayne Arthurs: Yes, please.

The Chair (Mr. Pat Hoy): They have withdrawn number 13. We'll go to 14, which is a PC motion. Mr. Barrett?

Mr. Toby Barrett: Whereas the McGuinty government broke its 2003 promise to seniors to provide an additional \$6,000 in care for each nursing home resident; and

Whereas tens of thousands of Ontarians remain on a waiting list for a long-term-care bed;

The Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance expedite the redevelopment of Ontario's 35,000 oldest long-term-care beds.

Again, very simply, there are inequities with respect to whether—I mean, we see this across the province, whether you are in a brand new long-term-care facility that has just been constructed in the last several years or, if it's the luck of the draw, you are in a facility that is many years old and just does not have the same standards. We ask that resources be allocated to bring these kinds of older long-term-care facilities up to snuff.

The Chair (Mr. Pat Hoy): Mr. Miller?

Mr. Norm Miller: You know, I think that the past PC government put quite an emphasis on both the redevelopment of long-term-care beds and new beds. I may have the numbers wrong, but I believe that approximately 16,000 long-term-care beds were redeveloped and 20,000 new beds were created in the province. But there still remain many of the older long-term-care homes, as an example. You always think of your own riding. In Huntsville, there's Fairvern, which is an excellent long-term-care home. I've been to it many times. They do a great job, but it is an older facility in need of redevelopment.

As the members of the government mentioned in addressing the last motion, they have the ALC, alternate level of care, situation in our hospitals, where alternate-level-of-care patients are occupying the acute care beds. It is a significant problem in the hospitals, and this may help alleviate that. I know in some of the hospitals in my riding, 30% to 40% of the beds are occupied by ALC patients.

The Chair (Mr. Pat Hoy): Thank you. Any other comment?

Mr. Wayne Arthurs: Fairly briefly. Since taking office, thereabouts, we've opened some 8,000 new long-term-care beds. I acknowledge the work that the previous government did. Amongst that work, we're beginning to approach 28,000 to 30,000 new long-term-care beds in the province, which certainly has been helpful in the necessary area.

The earlier PC motion that I think had unanimous support around the table, if I recall that, spoke to continuing to increase resources and allocate resources to home care. I think that motion stands well. At this point in time, it would be problematic for us, frankly, to support something that speaks to expediting the redevelopment—I'm not quite sure what that means—of the existing bed, but I think the earlier motion is one that best reflects an opportunity for the minister to review and reflect on our commitment, through his budget, to long-term care. So we won't be supporting this particular motion.

The Chair (Mr. Pat Hoy): Mr. Mauro?

Mr. Bill Mauro: I just want to say that, again, it seems to be a motion that reaffirms work that the government is already doing. Just within the last two weeks, there has been a rollout—a significant announcement—of redevelopment of B, C and D beds in the province of Ontario, as the government moves to meet its commitment of redeveloping 35,000 beds over 10 years, I think was the announcement.

I know in my riding of Thunder Bay–Atikokan, the Bethammi beds, 109 or 120 beds or so that I think were C beds will now be redeveloped. That work will start very soon and it will be added to a brand new long-term-care facility that we're building in the province that was already at about 330 beds or somewhere in that range.

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The work is going on already. We are meeting the commitment that we articulated about a year ago. I think it's important to just let people know who are interested in this issue that we are in fact meeting that commitment and that just within the last two weeks, announcements in this regard have been made.

The Chair (Mr. Pat Hoy): Mr. Levac.

Mr. Dave Levac: Not to belabour the issue, but I do want to make a couple of quick points.

The B, C and D bed were identified after the renewal of the first wave of new investment for long-term-care homes. Shortly after that, the rest of the plan started to roll out, which was to ensure that home care was supported as much as long-term-care homes were, and hospices, in order for us to relieve a lot of the pressure we were receiving at the hospital level.

The idea that should have been done, that was recommended to the previous government, was to get all these factors in place before they closed the hospitals. They did not take the advice that their own people were giving them in terms of the report and caused this

backlog of problems. This plan is now to remove that problem once and for all.

In the riding of Brant, for example, the B, C and D bed at the John Noble Home were announced with a creative idea of turning some of them into apartments, whereby a senior who goes into the long-term-care home could also rent space within the very same structure of a restructured B, C, D bed; that they could sell their house, move into an apartment and be beside their loved one on an ongoing basis between going back and forth. I was extremely complimentary and very impressed with this concept that has been created.

The government has been providing those types of opportunities in a rollout plan. I think the introduction of long-term-care home improvements, the B, C, D bed conversion, the hospice and the home care strategy speaks to a long-term solution, that if we stay on this course, we're fine.

While I appreciate the opposition's insistence on expediting that process, again, that would cost an awful lot of money to do that in a short period of time, which would also speak to my own concern that I'm starting to see a trend here, and that is that every motion I'm hearing from the Progressive Conservative government is to spend more money.

I think the plan we've got is appropriate and very well thought out.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I'll put the question.

All in favour? Opposed? The motion is lost.

Number 15 is also a PC motion. Mr. Barrett?

Mr. Toby Barrett: Whereas the availability of an affordable and reliable supply of energy was instrumental to Ontario's stature as the economic engine of Confederation;

Whereas the provisions of the Green Energy Act and government subsidies like those recently awarded to Samsung will substantially increase energy costs for Ontario's businesses and industries, making it uneconomical for them to remain in Ontario, and leading to continued job losses;

The Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance impose a moratorium on government subsidies to the renewable energy sector.

The reason here, this Samsung deal: Some of the information has been made available. It's seen as a bit of a backroom deal and just seems to really fly in the face of the developments to date with respect to bringing along renewable energy on a level playing field for all those who are in the business or interested in getting into the business. The Samsung arrangement has frozen out other players. I feel, in many ways, it has kind of set back the whole process. We're asking for a moratorium. We have to essentially make a quantum shift and bring this back to where it should be, as far as a fair and equitable system. There are other players out there who have been waiting in line to be involved in the renewable energy sector, and

they feel that they have now been frozen out by the kind of arrangement that was struck with Samsung.

Mr. Miller, do you have any comments?

The Chair (Mr. Pat Hoy): Mr. Miller?

Mr. Norm Miller: It was the government's own expert witness, Dr. Warren Jestin, who stated, "I think it's also critical ... that we don't try and pick winners and losers on a specific basis. We've got to establish a globally competitive tax environment, and the winners will rise to that particular reality." When the government goes about making special deals, they are, in fact, picking winners and losers. The government barely established its feed-in tariff program when they were at the same time negotiating with Samsung and cutting a sweeter deal. That could be to the detriment of Ontario-based businesses that want to compete for the feed-in tariff program.

On the topic of the Green Energy Act, I would comment that the one sure thing about it is that energy prices are going up in this province, and that's very worrisome. It's worrisome for the big projects like the Ring of Fire up in northwestern Ontario where they're now concerned that the smelter operations will happen in Manitoba or in Quebec because our energy costs are too high. It's a concern in Timmins where the Xstrata copper smelter is shutting down. I think that the higher energy prices caused by the Green Energy Act are one thing, but the government's making it worse by then cutting sweeter deals and trying to pick winners and losers.

The Chair (Mr. Pat Hoy): Thank you. Mr. Arthurs?

Mr. Wayne Arthurs: We couldn't possibly be supporting this particular motion. Frankly, it would be entirely contrary to the government's efforts over time to build on the renewable energy sector, to become a global leader in the green economy, to see Ontario as an international destination place for green energy investment, the development of green energy expertise and the manufacturing that would go with that. It's critically important that we develop a next generation, a next iteration of energy in this province—solar, wind and other renewables.

In spite of their difficulties today, when a Toyota comes to Ontario to build a car plant or a Honda comes to Ontario to build a new engine plant, we don't sit at the table when they arrive and inquire of us if we're interested in doing business—we don't tell them, "Well, we can talk to you as long as you bring your competitors to the table. Then we can have a conversation around how you want to invest in this province." I don't think anybody in the business community would expect that to happen. We welcome those in the international, Ontario and national communities who want to speak to government about the opportunities to invest in this province, particularly in the area of renewable energy opportunity, and I believe that it would be the expectation of our government and of the Premier to continue to do that.

There is a cost to developing wind and solar. There are needs to provide incentives for that purpose, and that's not a new iteration. I recall in my municipal days, under a

former government—I think it may have been the NDP government of the day, but I can't recall—there was a program in place for the use of, I'm trying to think of the acronym now, but the non-utility generators. We had a Metro Toronto waste facility in Pickering. It was called the Brock West landfill site and it was one of the first, at least in this area, that tapped off the methane for the purposes of using that resource that otherwise would go to waste and was being flared. Those negotiations at that time were with the government, and the proponent came to government and asked them if they would like to consider this proposal. They were provided, in effect, a subsidy. They were provided a guaranteed price for the energy they produced, not unlike some of the things that are happening elsewhere.

Let me say that that's probably enough. We won't be supporting this particular motion. We feel it would be completely contrary to what the government sees and needs to achieve as we move forward in this new economy to be an international player.

The Chair (Mr. Pat Hoy): Mr. Mauro.

Mr. Bill Mauro: The member opposite has mentioned increasing energy costs, and it is accurate to say that, but it's also accurate to say that from 1990 to 1995, under the NDP, energy costs went up by 35% to 40%. It's accurate to say that in the eight years that the Conservatives were in government, energy costs went up by a similar amount of money. It's also accurate to say that while the Conservatives were in government, energy costs would have increased by even more than that had they not made a decision to cap energy rates and therefore put the increasing costs of energy off the rate base and on to the tax base so that people were, in fact, seeing those costs show up on their debt retirement charge and not so much in the price of the commodity. That was a decision that they made.

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Yes, energy costs have gone up. It's one of the reasons we've provided significant assistance to large pulp and paper companies in northwestern Ontario, tripling the assistance on the northern pulp and paper energy assistance program from seven cents to 18 cents per kilowatt hour in our last budget.

So I think it's necessary, too, to address those comments by that member.

The Chair (Mr. Pat Hoy): Mr. Levac.

Mr. Dave Levac: The one other thing I think is important to mention is that with wind, solar, biomass and other forms of carbon-free or carbon-reduced energy, to characterize the unfortunate wording that is being used, by "sweetheart-deal" comments—and that is, the opposition is good at painting one side of the picture, but they continue to fail to mention the fact that the deal will become muted, on energy costs, if they do not produce the indicators that they said were their objectives, which were 16,000 jobs and four manufacturing companies that will be located in the province of Ontario. So there are some checks and balances to this deal that the members are trying to characterize as not being appropriate.

Quite frankly, the Premier has gone on record as saying that if we end up with Canadian companies, Ontario companies or companies from around the world that have somewhat similar proposals, they'll put them on the table and the government will entertain them. A \$7-billion investment—not Ontario money; the consortium money—coming to the province of Ontario, 16,000 jobs, four manufacturing plants to be located by the company, is a pretty good package for us to consider—and there is a deal made, contrary to the characterization that it's some kind of secret sauce that has been whipped up that no one knows about. I think a fair-minded person would understand that there was another side to this, and I just wanted to put it on the record.

I do agree that energy prices are going up substantially, and there are some discussions going on with government, caucus members, the Premier, stakeholders, about the impacts of energy costs on the north, on the manufacturing sector, on those who create employment, and that those dialogues will continue to happen, to ensure that we do the best we can for creating jobs.

The Chair (Mr. Pat Hoy): Mr. Miller.

Mr. Norm Miller: I don't want to get into a long, protracted debate with the member opposite. I would simply like to get on the record that, as a province, we can't afford to spend \$340,000 in subsidy to create each new job in this province, which is the case with the Samsung deal.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed?

The motion is lost.

The Chair (Mr. Pat Hoy): Mr. Miller.

Mr. Norm Miller: Could I ask if the next government motion is in order, because it has, in fact, been voted on by the Legislature. This is the silly government wedge motion that was on the order paper for this whole week, actually. It was debated and voted on in the Legislature on Monday afternoon.

The Chair (Mr. Pat Hoy): The committee can recommend to anyone they wish to. This one happens not to recommend to the finance minister. As I read it, it doesn't call for a vote. It just recommends that the Legislative Assembly "call on the federal government..." It doesn't say they have to actually vote. It's a recommendation.

Mr. Norm Miller: So despite the fact the exact same motion has been debated and voted on in the Legislature—

The Chair (Mr. Pat Hoy): It's in order as a recommendation, yes.

I'm conscious of the time here, so we'll move ahead. Mr. Arthurs, if you'd read it into the record again.

Mr. Wayne Arthurs: Chair, the first sentence will have a modest change to what you might see in front of you—a couple of word changes.

The Standing Committee on Finance and Economic Affairs supports and reinforces the Legislative Assembly of Ontario's call on the federal government to invest in the future success of Ontarians and recognize that

Canada's success depends on a strong and competitive Ontario. Ontario calls on the federal government to support Ontarians in budget 2010 by:

(1) ensuring current and future transfer payments that support services Ontarians rely on are protected, even as the federal deficit is addressed;

(2) committing to the renewal of health care funding agreements before they expire and to the growth of health transfers at the real rate of health care expenditure;

(3) positioning Canada as a global leader on the environment by supporting Ontario's burgeoning green economy through such things as a cap-and-trade program that will support jobs and investment in Ontario, and investing a fair share in Ontario's clean energy initiatives;

(4) investing in our people and positioning them for good jobs by living up to the Canada-Ontario immigration agreement and ending the current shortchanging of new Canadians who come to Ontario;

(5) continuing to partner with Ontarians by strengthening investments in post-secondary education and training programs that build workers' skills and knowledge for today and tomorrow; and

(6) providing stability to the thousands of Ontario families who rely on child care spaces created with federal funding by continuing to fund those quality child care spaces for Ontario children.

The Chair (Mr. Pat Hoy): Just to be clear here for the committee's benefit, in the first line you read and proposed to remove the word "recommends" and add "supports and reinforces"?

Mr. Wayne Arthurs: Correct.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Wayne Arthurs: I'll be brief again, being cognizant of the time. I believe the motion continues to speak for itself. It speaks to some specific needs that the province wants to see addressed in the 2010 federal budget, everything including the need for ending the current shortfall for new Canadians in Ontario to investing in post-secondary education and skills training programs for our future, to child care.

It's quite specific, frankly, in a number of areas that we want the federal government to be able to respond to. I think it's fair to say that we have created, from a business standpoint, a political standpoint, a working relationship with the federal government that we, and I think they, would be proud of.

We've worked in partnership with them on job creation in Ontario through the auto sector initiatives that were undertaken, the unprecedented stimulus investments we've all made and, more recently, the agreements on the harmonization of the sales tax, which I think there's some pretty general agreement, at least in the business and broader sector as well—a number of stakeholders—that this will be important to Ontario on a go-forward basis. We want to continue that relationship, but we want to ensure that the federal budget recognizes and acknowledges the important part that Ontario continues to play in Canada.

The Chair (Mr. Pat Hoy): Thank you. Any other comment? Hearing none, all in favour? Opposed? It is carried.

For the people who may need to get to the House for question period, we will recess until 2 o'clock this afternoon.

The committee recessed from 1017 to 1400.

The Chair (Mr. Pat Hoy): The committee will come to order again for this afternoon's session. In your deck there, we are on number 17, a PC motion. Mr. Barrett.

Mr. Toby Barrett: A motion titled "Ontario disability support program." I'll read the motion:

Whereas 73% of working-age people who live alone and have an intellectual disability are living in poverty; therefore

The Standing Committee on Finance and Economic Affairs recommends the Ontario government develop a strategy to encourage further employment for those on ODSP; to enable ODSP recipients to keep more of what they earn; and to foster asset-building strategies for those on ODSP.

There were a number of presentations by various groups on behalf of people on disability or people living in poverty who had disabilities. There are really three points here, in a sense: first of all, to encourage further employment for those on ODSP. Again, referring to the excellent programs that certain corporations, employers and businesses provide for people on ODSP, and it may be perhaps doing lobby at McDonald's for example, at the restaurant, where the employers—and I've talked to a number of these companies, and they've testified before the finance committee before—go out of their way to bring a person on board, to make them part of the team, and to get over some of the hurdles. They make accommodations, and oftentimes, from my experience, they find that they have a valuable person in their workplace. It's a win-win for the employer and for the person who is on the disability program. That's the first point.

The second point is to enable ODSP recipients to keep more of what they earn. With many of these employment programs, if a person on disability is receiving—I'm not sure—say around \$900 a month, whatever it might be, and by working, perhaps they make an additional \$400 a month, they may be allowed to retain only, say, \$200 of that.

The proposal here is to allow recipients to keep some more of the money that, quite honestly, they have earned. This is a good thing, not only the socialization and the feelings of self-worth and all the good things that we all realize come from employment; they also have that added incentive of being able to keep more of the money that they're actually earning, because it does get clawed back after a certain level.

The third point here is to foster asset-building strategies for those on ODSP. Again, in some of the submissions, there was an indication that you're allowed to have only so much in your bank account, for example. If you're on ODSP, I'm sure there are barriers or disincentives to save for the future, to buy GICs, for

example, although I know there is the federal disability support program and there are other legal measures that families can take to ensure, when it comes time for an inheritance, that assets are passed on.

That's essentially the general direction that I picked up from several presentations.

The Chair (Mr. Pat Hoy): Thank you. Any other comment?

Mr. Wayne Arthurs: Briefly. I can't help but concur, at least in part, with the content of what we heard from the deputants who were before us. The government obviously has undertaken a number of initiatives, even at this point, through the poverty reduction strategy. We're currently undertaking a social assistance review, looking to remove some of those barriers and increase opportunities. In particular, to facilitate that work, there has been created a Social Assistance Review Advisory Council, which is being chaired by Gail Nyberg of the Daily Bread Food Bank. I think it's the type of thing that they would give consideration to under their overall process. But frankly, at this point, this particular motion has a very specific focus on enhanced employment without any more specifics, and on asset-building. Ideally, it would be something that the advisory body could be looking at.

The Chair (Mr. Pat Hoy): Any other comment?

Mrs. Laura Albanese: I just wanted to add to that and say that I support the general direction. I know there are a number of organizations—I have one in my riding, Corbrook—that have employment programs for the disabled. The socialization that our colleague was talking about, the self-esteem and the community building are just phenomenal. It's a great opportunity for people who live on ODSP.

I'm really looking forward to seeing what the review that has been put in place will give as its results. I have great confidence in Gail Nyberg; she is the head of the Daily Bread Food Bank, which is quite well-known in Toronto. I look forward to seeing the removal of some of these barriers. That can certainly help people who are receiving ODSP.

1410

The Chair (Mr. Pat Hoy): Mr. Miller.

Mr. Norm Miller: It certainly sounds like the government members are in support of this motion. It's just a recommendation, and you're all talking in favour of it, so I'm sure you're probably going to want to vote in favour.

Mr. Barrett brought this forward, and we did hear from a lot of people as we travelled around the province who were frustrated with the disincentives for somebody's who's on ODSP to earn some money and improve their quality of life. I think there just shouldn't be those disincentives. We should be encouraging people, if they're able, to work and to improve their quality of life. So I certainly support this.

Mr. Toby Barrett: Just another point: I don't know how the vote's going to go or anything like that, and I'm not asking for a recorded vote, but I'm not too familiar with this review by this advisory body. Could this motion

be forwarded to that advisory body? Could they be informed of this? Should I do it myself or ask the clerk to send it?

The Chair (Mr. Pat Hoy): If this motion were to pass, it would be a public document that anybody could refer to. If it did not, you could always send it to that particular body yourself under your own name.

Mr. Toby Barrett: Should I wait till after the vote and then ask if the committee wants to send it over to the advisory body? Is that appropriate?

The Chair (Mr. Pat Hoy): Mr. Levac.

Mr. Dave Levac: In the context of our discussion and in the spirit of what Mr. Barrett is indicating—and that would be the nature of what it is we're taking a look at, in reference to the committee—I don't see any obstacle to allowing the committee to forward this motion. Whether or not it passes, it's a public record even now. It's understood that this is Hansard, and this is a public record in terms of the discussion so that you can hear that—is writing not part of the public record? I just need that clarification.

The Chair (Mr. Pat Hoy): Mr. Arthurs had a question.

Mr. Wayne Arthurs: My comment to the members opposite would be that probably the recommendation at the end of the debate would carry more weight if it were referred to the social assistance review advisory committee as a recommendation, as opposed to being recommended currently to the government.

Mr. Norm Miller: In other words, amend the motion, so instead of saying “the Ontario government,” say the name of the committee. Is that what you're—

Mr. Wayne Arthurs: “Recommends to the committee for its consideration.” That would, I think, give a window of opportunity for the appointed body to give it due consideration and establish in that context, having been appointed by government, how it wants to advocate as a committee before the government. If that's agreeable, I'd certainly entertain an amendment accordingly.

The Chair (Mr. Pat Hoy): Further comment?

Mr. Dave Levac: Just to capture what it is, you're going to have to get the wording right, and that's what I'm assuming the clerk is looking for. That would be, “economic affairs recommends to”—what's the name of it?

Mr. Wayne Arthurs: The Social Assistance Review Advisory Council.

Mr. Dave Levac: “The Social Assistance Review Advisory Council,” and take out “government of Ontario.” That captures what I was trying to get at. That captures the spirit of what is being talked about. It does not force the vote to be counterintuitive to the intent of the discussion, and it provides the committee that is already in motion an opportunity to hear what this committee has said.

So I move that wording so that we can speak to the amendment and get that on, and then talk about whether we can vote in favour of it.

The Chair (Mr. Pat Hoy): Are we clear on what the amendment is?

Mr. Norm Miller: Yes.

The Chair (Mr. Pat Hoy): Any comment on the amendment?

Hearing none, all in favour? Carried.

Now to the amended motion. Any comment?

Hearing none, all in favour? Carried.

The Chair (Mr. Pat Hoy): Now we move to 18, also a PC motion.

Mr. Toby Barrett: Page 18 is a little more specific. The information did come forward from one of the presenters. I've titled it “People with disabilities.”

Whereas many people with disabilities live on limited incomes, yet they often incur significant costs associated with medically necessary goods and services, such as mobility devices, vehicle conversions, massage and physiotherapy, home care and home cleaning services;

Therefore, the Standing Committee on Finance and Economic Affairs recommends the government of Ontario remove the provincial portion of the HST from all medically necessary devices, goods and services, and work with the government of Canada to develop further appropriate exemptions.

I think it's kind of self-explanatory. I apologize; I don't remember which group brought this idea forward.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Arthurs.

Mr. Wayne Arthurs: We won't find ourselves in a position to support this particular recommendation. The implementation process for the HST—we believe the tax back to be the single most important thing we can be doing at this time for the economy on a go-forward basis—is really a matter that's had considerable debate not only among ourselves, being the Legislature, but has had the work of the federal and provincial governments in putting a package together. They have come to a conclusion on the exemptions, related to what will be acceptable at this point in time, as I understand it. A one-off request for a further exemption is not something that the government caucus could forward to the minister.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Toby Barrett: Just a comment: Legislative research indicates that it was the Multiple Sclerosis Society that presented that.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? It is lost.

Number 19 is a PC motion.

Mr. Toby Barrett: It's entitled “Employment standards.”

Whereas, essentially, the locking out of an employee is analogous to the laying off of an employee; and

Whereas in contrast to being laid off, a locked-out employee does not qualify for employment insurance benefits;

Therefore, the Standing Committee on Finance and Economic Affairs recommends the Ontario government amend the Employment Standards Act to allow locked-out time to be counted as excluded weeks for purposes of employment insurance benefits.

The third party would recognize this as, in part, the direction of a private member's bill by MPP Paul Miller, which I think will be debated in mid-April.

This issue was discussed, I think, when Erin Weir, the economist for the United Steelworkers, testified. Essentially, it's driven by one situation that is occurring in my riding in southern Ontario, where US Steel has idled the very large steel mill and 1,300 people are not working. There's no strike. Most have been laid off, and well over a hundred have been locked out. When you're laid off, you are in a position where you can apply for certain benefits. When you're locked out, essentially—well, in my view, being locked out, not on strike, is kind of the same as being laid off. They had no choice. It was the luck of the draw. It came down and a certain number were laid off, and then the remaining ones ended up being locked out. They are not qualified to apply for EI or to build up weeks, even though they're forced out of the plant, as I understand it. So that's where that one is coming from.

1420

The Chair (Mr. Pat Hoy): Thank you. Any other comment?

Mr. Toby Barrett: And I might mention, too, that this has come up in the Legislature recently. I understand the government, with some of these labour relations issues, has been speaking with the federal government. I'm not sure if it's specific to taking a look at this or not. But to me, I guess very simply—I'm not an expert on labour relations—it doesn't seem fair. Your number comes up at a certain level and you're not laid off; you're locked out, but you don't have the same status as someone who was laid off.

The Chair (Mr. Pat Hoy): Thank you. Mr. Arthurs.

Mr. Wayne Arthurs: I get the feeling that there's a distinction that needs to be made, if I understand the labour arrangements correctly.

A laid-off employee would be one who would be released from work for whatever period of time as a result of work not being available. The line of a manufacturer shuts down, because there's a product buildup that hasn't yet moved through the system, with an expectation, as a part of the normal workforce, to be called back to work when there's sufficient work, and the layoffs are based on seniority.

A lockout is a provision, as a result of a contract negotiation breakdown, where the employer, in this instance, would not allow the employees, en masse, to work, which is the employer equivalent of the employees striking under that strike mandate they would have to not provide services.

So in the instance of a layoff, it has to do with a reduction in the need for workers. In the instance of a lockout, it has to do with a clear labour dispute, and one provision being, when there's a complete breakdown, for the employer to lock those employees out. What I don't see in the whereases—and, as a result, in the operative clause—is the relationship between a layoff and an employee being locked out.

We have strived over our mandate in government—and I suggest that other governments have tried to achieve the same thing—for a fair, balanced approach in labour relations in the industry, broadly, that it has to deal with. I think we can speak to some considerable successes as a province, particularly during the past few years when some 97% of negotiations have resulted in settlements without work stoppage. That speaks very highly of the capacity of employers and employees to find settlement of their own accord. Very few find themselves at a position where they have to choose either strike or lockout provisions. But that speaks generally to the good labour relations in Ontario.

The government caucus wouldn't be in a position to support this particular motion—frankly, in part, not because the whereas clause would be there but because the idea of laying off and locking out are not analogous in any way that I'm aware of.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Number 20 is also a PC motion. Mr. Miller?

Mr. Norm Miller: It's Toby's.

The Chair (Mr. Pat Hoy): It's up to you.

Mr. Toby Barrett: Page 20, stimulus funding:

Whereas the 2009 Ontario government budget announced \$32.5 billion in “stimulus” funding over two years; and

Whereas the true evaluation of stimulus funding is job creation; therefore

The Standing Committee on Finance and Economic Affairs recommends that the Ontario Government report on the number of jobs created to date by stimulus funding.

As I recall, that \$32.5-billion announcement—I think \$5 billion of that was federal dollars. What's driving this is that there is a very significant amount of money being spent, not only in Ontario but across Canada. Certainly in the United States, roads are being paved and ice arenas are in the works to be built.

The question remains: Is there a direct link? Is the economic activity resulting in jobs? That's the question. In my view, that's the most important way to measure and monitor any success of stimulus dollars.

Mr. Wayne Arthurs: I'll try to be extremely brief. It's easier and more productive to be able to identify and articulate job creation as projects are completed, as opposed to trying to do an in-progress analysis of the number of jobs, which this is calling for. The member is quite right in identifying some \$32.5 billion in stimulus funding. Both the federal and provincial governments are satisfied with the processes they've undertaken to ensure that those dollars are being expended. We're seeing the work going on physically on the roads, so we know jobs are being created.

I'll use broad numbers, but the ReNew Ontario investments supported some 85,000 jobs in 2007-08 and created more than 100,000 jobs during 2008-09. We have some history to work from in looking at job creation, but

it's much harder to track it on an ongoing basis in the midst of projects that are currently under way, given the magnitude of the joint federal-provincial investment—and municipal, I should say. The other order of government is always a partner.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour? Opposed? The motion is lost.

Number 21 is also a PC motion.

Mr. Norm Miller: The motion is to do with deficit and debt reduction.

Whereas the province of Ontario reported a deficit of \$24.7 billion in November 2009; and whereas Dalton McGuinty has added over \$6 billion to Ontario's debt between November 2009 and January 2010, increasing government spending by over 65% since coming to office in 2003; and whereas the Minister of Finance has failed to present a realistic deficit and debt reduction plan, the Standing Committee on Finance and Economic Affairs recommends that the government of Ontario cap spending this year to the levels targeted in the most recent budget, and prioritize spending to reflect the values of Ontarians, as presented during pre-budget consultation hearings.

We certainly heard from a number of groups that came before the committee about great concern out there about the \$24.7-billion deficit, but also the debt that's building up. It's predicted that Mr. McGuinty will have doubled the debt of the province, going from \$140 billion up to \$290 billion, by 2012.

We heard from people like the Certified Management Accountants, who recommended presenting a multi-year plan in the 2010 budget to address the deficit and restore Ontario's economic climate. The plan should include no tax increases and reduce government spending where possible. We heard from the Ontario Chamber of Commerce, which recommended that smarter, more efficient spending be applied to all programs. We heard from the London Chamber of Commerce, which stated that their members were chiefly concerned about the size of the debt and the size of the deficit and the lack of an articulated plan to eliminate that deficit.

Also, as part of this motion, it talks about prioritizing spending. We heard from people coming before the committee—you think of the mother in Niagara who pointed out that only one in six children is getting help with children's mental health. We asked her in questioning whether she'd invest in full-day kindergarten or children's mental health. She happened to have a child who would be eligible for both. She was very clear that children's mental health should come first.

When you're faced with a \$24.7-billion deficit, you do have to prioritize your spending. Health care is something that was expressed as being of great concern to many people as we travelled around the province.

That's what this motion is about. It's about trying to grapple with that deficit and the debt that's building up.

1430

The Chair (Mr. Pat Hoy): Thank you, Mr. Arthurs.

Mr. Wayne Arthurs: It would be our view that the role of the budget will be to stimulate and create jobs—that's part of the stimulus investments—to help families that are in need of help, and to establish conditions for future economic growth, things like preparing young people for that.

The motion's operative clause speaks to capping "spending this year to the levels targeted in the most recent budget," which I assume to mean "freeze spending." You can't do that, I don't think, effectively and address the requests, to whatever extent is possible, of the health care sector, the hospital sector. You can't address the call of the colleges and universities as a result of tuition pressures. You can't address the long-term-care sector or the needs of education, whether it be JK, SK or the mental health issues. If your spending target is one set as per the most recent budget—I presume that is referencing the 2009-10 budget, not the 2010-11 budget.

The government caucus is not in a position to support this motion.

Mr. Norm Miller: I would just point out that the government has greatly increased spending over the past six years. I think it was \$68 billion when they came into power. It's over \$100 billion now. So it's just a matter of prioritizing spending. This is quite a reasonable proposition.

The Chair (Mr. Pat Hoy): Any other comment? I'll put the question. All in favour? Opposed? The motion is lost.

Now we come to an NDP motion, number 22.

Mr. Peter Tabuns: Be it resolved that the Standing Committee on Finance and Economic Affairs strongly recommends to the Minister of Finance that the government, in its fiscal year 2010-11 budget, table a deficit reduction plan that acknowledges that economists believe economic growth can bring the budget into balance by 2014-15 and that cutting public services will only serve to deepen the recession.

I think the resolution speaks for itself.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: I guess I just want to be sure that what is being recommended is a balanced budget by 2014-15, and without making—I'm not suggesting any, but without any public service cuts.

Mr. Peter Tabuns: We don't see that public service cuts are necessary and, frankly, will in fact lead to more unemployment and a reduction in services that are necessary for economic growth and thus will undermine any growth strategy that this government or any government may want to put in place.

Mr. Wayne Arthurs: Again, I'm not going to spend much time. I think we've seen a pretty strong commitment from this government to enhancing and building on public services. I don't know where the future will lead us.

Based on what I heard in part during the pre-budget consultations and even in the fall economic statement and the like, I think that to be in balance by 2014-15 would be extremely challenging. I don't think the government

caucus would be in a position to support a motion that would pre-position for the minister what he can achieve, based on our knowledge of the fall economic statement and even the deputations that we had in London. I believe, to the member opposite, Mr. Miller, it was the Ontario Chamber of Commerce, if that's what it was at that location. I think they talked to the end of the decade as their expected reasonable target for a balanced budget. It was sort of an upfront payment, if one can call it that. Somewhere in the next couple of years, they were looking—that's the Ontario chamber—for about 30% and then 10% annually after that.

Even the broad small business sector, I don't think, is not advocating for the type of measures that might be necessary to achieve balance in the time frame presented in the motion.

The Chair (Mr. Pat Hoy): Any other comment? None? All in favour? Opposed? The motion is lost.

Number 23 is a PC motion.

Mr. Norm Miller: I think this was Mr. Shurman's motion. He's not here today.

Mr. Dave Levac: You can carry it.

Mr. Norm Miller: Certainly.

Whereas small and medium enterprises (SMEs) are the core of Ontario's economic activity;

Whereas excessive government regulation and red tape are impeding the ability of small and medium enterprises to prosper and create jobs in Ontario;

The Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance implement a system that requires the government to track and periodically report to the public on the number of regulations affecting small and medium enterprises that are created and/or eliminated.

I'm sure Mr. Shurman, who made the trip with us around the province, heard from the many different not just businesses, but I think we heard from municipalities. His motion does deal specifically with small and medium-sized business, but we heard from municipalities, long-term-care homes and businesses about the concern with regulations and red tape. That's where this motion is coming from.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Arthurs?

Mr. Wayne Arthurs: I can appreciate that Mr. Shurman may not be able to be here and may still be debating his private member's bill, which I believe is on right at this time; otherwise, I'm sure he would be here to speak directly to it.

Mr. Norm Miller: That's right.

Mr. Wayne Arthurs: Open for Business is the government's initiative to make services faster and smarter and streamline government-to-business services and regulations to make Ontario more attractive to business. So we do have a process in place that, in part, speaks to this motion exactly.

Having said that, since we have something in place, we feel that obviously the motion would be somewhat

redundant to the Open for Business initiative the government currently has going.

Mr. Norm Miller: If it's not in conflict with the Open for Business program, I would assume the government—in fact, I would think it's more or less the spirit of the Open for Business program that the government is involved with, which I understand is to count the regulations and reduce them by 25%—although I'm a little surprised that the government hasn't been promoting that a little bit more. Usually you're blowing your own horn quite effusively—

Mr. Dave Levac: Oh, come on. Don't do that. Come on.

Mr. Norm Miller:—and yet it seems to be one of the best-kept secrets around.

Mr. Wayne Arthurs: That's something for the new minister to take on.

Having said that, it's our belief that the motion itself is redundant to the work we're already doing, and we won't be supporting it.

The Chair (Mr. Pat Hoy): I'll put the vote. All in favour? Those opposed? The motion is lost.

Number 24 is also a PC motion.

Mr. Norm Miller: “Economic stimulus and job creation:”

Whereas the province of Ontario has seen the loss of 175,000 net jobs during the recession; and

Whereas Statistics Canada is confirming that Ontario's job numbers are, by far, the worst in the country;

The Standing Committee on Finance and Economic Affairs recommends that the McGuinty government implement tax measures such as a one-year suspension of the payroll tax and land transfer tax, which will promote job creation and provide economic stimulus.

I can't stress how important the creation of private sector jobs is to the health of our province, and I differentiate from public sector jobs because it's those private businesses that are taxed, that provide the revenue for the government that pays the salaries of the public sector jobs, and we've seen a huge increase. I think there were over one million private sector jobs in the province, and there's been a big increase in the last number of years under the McGuinty government, but I don't think there's been enough done to support new private sector job creation. That's why this motion is being put forward.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: The current budget, the 2009-10 budget, put forward a comprehensive tax reform package that I would respectfully suggest has been lauded throughout the province by business in particular, but also by poverty groups and others as they come to understand it even more substantively, as it begins to unfold, and that would be the government's response to the tax initiatives that we currently have before us in government caucus. I don't think we would want to propose additional tax measures outside of the comprehensive package that the government has already put forward.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Norm Miller: I know the government has promised over a million new jobs, but what they promise and what they deliver is not necessarily the same thing.

1440

The Chair (Mr. Pat Hoy): Any other comment? I'll put the question. All in favour? Opposed? The motion is lost.

Now we have an NDP motion, number 25.

Mr. Peter Tabuns: Be it resolved that the Standing Committee on Finance and Economic Affairs strongly recommends to the Minister of Finance that the government, in its fiscal year 2010-11 budget, reverse the \$2.4-billion corporate tax cut and capital tax giveaway to the banks and reallocate money saved towards the following job creation activities:

—highly targeted, job-focused tax credits, including an investment tax credit that would encourage manufacturers and processors to make capital investments and create jobs. The credit would be 10% of investments in new machinery, buildings and equipment; an added incentive of a 20% credit would be available for investments in green industry jobs;

—a buy-Ontario program, with specific domestic content levels for purchases of both Ontario- and Canada-made transit vehicles, green energy inputs, infrastructure inputs and other categories of public spending such as health and education;

—an energy retrofit program in the MUSH sector and expanded green jobs strategy that would make Ontario a leader not only in green energy but also in cutting edge environmental technology and low- and zero-emission vehicles;

—a cultural jobs strategy that would include tax credits for the performing arts as well as individual artists.

Again, I think the motion speaks for itself.

The Chair (Mr. Pat Hoy): Is there any other comment? Mr. Arthurs.

Mr. Wayne Arthurs: Respectfully to the member saying it speaks for itself, he'll appreciate, I'm sure, that the government members would find it difficult to support a motion that relates to the operative "be it resolved" clause where it starts and that effectively would ask government to take a direction on its tax reform package that would be contrary to what the government already has put before the people of Ontario in its last budget.

The Chair (Mr. Pat Hoy): Any other comment? I'll put the question. All in favour? Opposed? The motion is lost.

Motion 26 is a PC motion.

Mr. Norm Miller: This motion is with regard to the HST, and it reads:

Whereas Ontarians are working harder and getting less; and

Whereas the harmonized sales tax will be added to home heating fuel, electricity, gasoline and a host of other services not previously subject to PST;

The Standing Committee on Finance and Economic Affairs recommends Dalton McGuinty not proceed with

implementing the HST tax hike on Ontario families, seniors and businesses.

Chair, I think it's fairly clear that the HST is going to increase taxes on individuals, on seniors and on working families. In fact, I gather the NDP just received, through freedom of information, the government's own information that states that, for an average family, the increase will be, I believe, \$100 extra tax just on the electricity bill and \$125 on the natural gas bill.

I would say that particularly for rural and northern Ontario, it would be far higher than that. If you're heating with oil, that's more expensive than natural gas. If you're in northern Ontario, it's of course colder, so you're using more electricity, gas or oil to heat your home. It's pretty much essential unless you're going out and chopping down some trees yourself.

If you live in rural or northern Ontario, you're also far more reliant on an automobile; of course, the HST will mean 8% more on your gasoline. Not only that, as the price of gas goes up—it's 8%—that tax goes up. This will be a hardship for all families, but particularly for rural and northern families.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Arthurs.

Mr. Wayne Arthurs: I'm sure the member opposite won't be surprised to hear that there shall be no room on this motion for us to find any common ground. Clearly, it's our belief—a strong one—and we've heard from many stakeholders across a broad cross-section that the HST and the tax package is a fundamental change to the future economic growth in the province of Ontario, and we'll stand firmly behind that initiative.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Levac.

Mr. Dave Levac: Just very quickly, I find it rather interesting that this particular motion is coming forward for finance and economic affairs, particularly when a lot of the deputants that I heard in Niagara Falls and London spoke about support of the HST and the tax reform package. I noted in the presentation that there were no comments whatsoever about the tax cuts that were made on January 1 and the tax reform for small business that took place. Save and except this, previous quotes from members of the Progressive Conservative Party favoured this particular function of harmonizing the tax with the federal government. So I just find it interesting.

The Chair (Mr. Pat Hoy): Thank you. Mr. Miller.

Mr. Norm Miller: I have a response—

Mr. Dave Levac: I would hope so.

Mr. Norm Miller: It's interesting to talk about some of the corporate tax cuts, but of course, the first thing the McGuinty government did when it came to power in 2003 was stop the planned reductions. The corporate tax rate was going from 14% to 11%, and they actually brought about a 27% increase in corporate tax and other tax increases in the very first budget. Now, six years later, they're starting to make some reductions, and we're in favour of those reductions for both small business and the corporate tax rates. But it's kind of like the sale you

have in the store where you increase the price by 30% and then have a 20% sale: You're no better off.

The Chair (Mr. Pat Hoy): Any other comment? I'll put the question. All in favour? Opposed? The motion is lost.

Number 27 is a PC motion. Mr. Miller.

Mr. Norm Miller: This motion has to do with red tape, and it reads:

Whereas small and medium-sized businesses employ more than half of working Ontarians and create the majority of new jobs; and

Whereas the cost of regulation in Ontario presents a cost to business totalling \$10.8 billion;

The Standing Committee on Finance and Economic Affairs recommends that the government of Ontario help businesses succeed by:

—helping to inform business of regulation and assist in achieving compliance;

—undertaking an assessment of any proposed legislation and regulation and determine what the economic and administrative impact is of same. The assessment should include a review of the additional burden on business as well as the cost on government to implement said legislation;

—reviewing all existing legislation/regulations and forms and undertake to remove those which are outdated and streamline others wherever possible;

—establishing hard targets for each ministry with reporting to cabinet at regular intervals;

—reconvening the Red Tape Commission to facilitate these measures.

This is something I personally feel is very important and I know our party does as well. As we went around the province, I was amazed by the number of different and diverse groups that brought up regulation and red tape. It wasn't just business. This focuses more on business because it is a huge impediment to business—but we did hear from business. We heard from small business, the chemical industry, the manufacturers, chambers of commerce, accountants and municipalities. We heard from long-term-care homes and other public sector organizations about the smothering effect, the difficulty with the environment we have. So I really believe that it's especially important for business if we want to see them succeed, and that there needs to be a complete change in the way we regulate and in the attitude of the government.

That's really what this is about. I totally support it and I think it's very important to the province.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: We saw something in a motion that I think was similar, a few motions ago, although this is obviously different but in the same vein. We firmly believe Open for Business is the government's initiative for faster, smarter and more streamlined government-to-business services. I take my friend's earlier comments to heart and I will certainly pass those on to our new minister in that regard, that maybe we're not doing a good enough job getting out the message of the good

work that is happening at this point in time. I don't think that we're probably going to want to support the re-establishment of the Red Tape Commission as it previously existed.

Mr. Norm Miller: The government's Open for Business initiative is just a small start, I would say. I think we need to go much further than just counting the regulations. It's not necessarily only just the number of regulations; it's also the attitude of the regulators and those people who come in to deal with business in this province.

1450

I really believe that we need to change the attitude of government from being only the police to being there to assist business to comply with the rules. Ninety-eight per cent of the businesses out there want to comply with the rules. They don't know what half the rules are, so they need help in understanding the rules. The rules need to be simpler.

It should be the job of the government, when they send inspectors around, whether it's labour, environment or whatever, to actually go into the business, inform them about the rules and then assist them to comply, instead of just going there as the police to charge them and fine them. I can tell you, from being in business myself, there was a time in this province when the fire inspector or the Ministry of the Environment inspector did actually assist you and did that very thing. It needs to go back to that way in this province.

The Chair (Mr. Pat Hoy): Mr. Levac.

Mr. Dave Levac: I just want to go on record as making it clear that I don't subscribe to the definition of how some of those public servants were being described. There may be some circumstances in which the stories can be told about how difficult it was, but the characterization that rules and regulations and a Red Tape Commission would change that culture does not speak to what the parliamentary assistant is saying about why we want to move in the direction we are, and supporting the spirit of trying to make government act in a better and more culturally acceptable way. I don't subscribe to the characterization.

I would also suggest that the last part of his comments did not even speak to the motion, because the motion doesn't make reference to that at all.

Having said that, I'm concerned that this Red Tape Commission that's asked to be reinvigorated—some of its actions created some very serious problems in the province of Ontario, which we need not to have happen again.

So I would suggest, respectfully, that the parliamentary assistant has absolutely answered the question fairly, and indicated that the government is going to be taking the steps to deal with that issue, but in a different way than what is being proposed in this motion.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Miller.

Mr. Norm Miller: Yes, I would like to comment more. From anything I've seen in the Open for Business

proposal, there's nothing about point one, "helping to inform business of regulation and assist in achieving compliance," which was what I was talking about.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I'll put the question. All in favour? Opposed? The motion is lost.

Number 28 is a government motion. Mr. Arthurs.

Mr. Wayne Arthurs: The Standing Committee on Finance and Economic Affairs recommends that as Ontario emerges from the global economic recession, and understanding that there is often a lag in job creation, the government continue to invest in skills training programs for both unemployed workers and those that seek to train for new careers in the new economy.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Wayne Arthurs: I think the motion is self-explanatory.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Miller.

Mr. Norm Miller: I would just say, the government had its Second Career program, and I think they've had about 25,000 people take advantage of that. But the fact of the matter is, there are hundreds of thousands of people that have lost their jobs in the province. I can tell you, on a constituency level, I'm hearing from people that have gone through the whole process of applying for Second Career and then have been turned down and have been very disappointed.

Perhaps this motion means that they're going to reinvent Second Career or properly fund it. I assume that's what the parliamentary assistant is planning with this motion.

The Chair (Mr. Pat Hoy): Mr. Arthurs, do you care to make a further comment?

Mr. Wayne Arthurs: As I said, the motion speaks well for itself. We understand the importance of investing in future employment for those who are unemployed and those who need to retrain. We'd bring forward a recommendation to encourage the minister to prioritize this in the context of the fiscal resource available to him, because of its importance to those individuals, their families and certainly to the economy.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I'll put the question. All in favour? Opposed? Motion carried.

Number 29 is a PC motion.

Mr. Norm Miller: Okay, I'll do that one.

The Chair (Mr. Pat Hoy): Mr. Miller.

Mr. Norm Miller: I believe this is Peter Shurman's motion. He's still doing his private member's bill up in the Legislature, but I know this is a topic he's very interested in. It has to do with venture capital. First of all, I'll read the motion.

Whereas venture capital is fundamental to private sector job creation in Ontario; and whereas the availability of venture capital in Ontario has dropped by 63% since 2003, primarily due to Liberal tax policy changes and excessive government red tape, the Standing Committee on Finance and Economic Affairs recom-

mends that the Minister of Finance remove the financial disincentives and administrative barriers that currently make the Ontario venture capital market unattractive to investors.

I know we had at least one presenter involved in venture capital who pointed out that the Ontario fund, last year, was hardly used at all. The trend in the last three years had been down significantly. Venture capital does create good private sector jobs, which are so important to the economy of the province. That's why Mr. Shurman has put this motion forward.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Arthurs.

Mr. Wayne Arthurs: We've created a \$250-million fund, the Ontario emerging technologies fund, the OETF. It's intended to target those high-potential companies in three primary sectors: clean technologies, life sciences and advanced health technology, and digital media and information and communications technologies.

I find it interesting that just in the past week or so, subsequent to our tour, we listened to the media about the success that is currently occurring in the media sector and how we have rebounded as a result of investments generally in that area. I can't say that those monies that were invested there came specifically out of this fund I'm referring to, but it's that sense of emerging new opportunities for technologies. So we're making considerable investments there currently.

We've already brought together institutional investors, corporate funds and the federal government in establishing a further \$205-million Ontario venture capital fund. So a fair amount of money had been committed, both by government and the private sector partners, for venture capital and for emerging technologies in the province of Ontario. We're pleased with those initiatives. We look forward to their success.

The member who had proposed this specifically, unfortunately, is not able to speak to it directly, but looking just to "remove the financial disincentives and administrative barriers"—I'm not sure what those are. So we're not going to be supporting the motion. We feel that the funds that are in place, including a venture capital fund with multiple partners, provide a window of opportunity for new technologies, particularly those that have high growth opportunities.

Mr. Norm Miller: I guess what we heard in the presentation was that there was this fund out there but people aren't taking advantage of it. So I think that's what he's referring to as financial disincentives. There may be the \$205-million fund, but if you look at the trend line from three years ago, virtually nobody took up that venture capital fund last year, so I think he's looking at ways to see more venture capital be invested.

Mr. Toby Barrett: I know that the parliamentary assistant made mention of investment in certain initiatives. I think you mentioned media. We know that Ubisoft, the video game developer, a French company, did receive a grant. It was something like \$263 million for 800 jobs over 10 years—jobs to be created in

Toronto. That works out to about \$330,000 a job. We don't favour that approach of picking winners and losers company by company. We prefer a broader tax relief program versus a type of corporate welfare. The corporate welfare approach, in our view, is bad economics.

The Chair (Mr. Pat Hoy): Any other comment? I'll put the question. All in favour? Those opposed? The motion is lost.

Number 30 is an NDP motion. Mr. Tabuns?

Mr. Peter Tabuns: Be it resolved that the Standing Committee on Finance and Economic Affairs strongly recommends to the Minister of Finance that, in its 2010-11 budget, the government announce meaningful pension reform, including:

—measures to expand pension coverage to the 65% of Ontarians who have no workplace pension. The NDP has proposed an Ontario retirement plan to accomplish just that;

1500

—increase the monthly pension benefit guaranteed by the pension benefits guarantee fund to \$2,500 from \$1,000;

—create an Ontario pension agency to rescue stranded pensions, such as those at Nortel, AbitibiBowater and Canwest Global.

I just want to add that pension issues are going to become more and more significant and more and more pointed in this province. What we are suggesting here, simply, is that the government start taking account and, in a substantial way, protect people whose pensions are threatened.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Arthurs.

Mr. Wayne Arthurs: In the Legislature this week—I always forget the numbers; 242 is the pension bill? Someone will correct me if I'm wrong, I'm sure.

Mr. Norm Miller: Bill 236.

Mr. Wayne Arthurs: There are too many numbers, too many bills. We, the Legislature, not the government, are undertaking what appears to be a very comprehensive dialogue around the needs of pensions—some real expression of legitimate concern and interest in finding solutions, I think, over time, as the debate continues and legislation focuses itself down more and more on to the specifics that are still outstanding. I'm optimistic about the debate and the way the discussion has been going in the Legislature. I respect the member's comments and his motion in regard to this particular initiative.

The provision in there, quite frankly, though—even the second provision that we recommend that the pension benefits guarantee fund guarantee \$2,500 from \$1,000, as one of the recommendations that came out of the Harry Arthurs report, is not a matter that the caucus committee could recommend to its minister. It really is a matter, in our view, in the caucus, still, with government, as a part of that review, and he will have to determine how to come forward on that matter directly without the direction of the caucus members on this committee.

The Chair (Mr. Pat Hoy): Mr. Miller.

Mr. Norm Miller: Certainly the issue of pensions and retirement income is significant. As the parliamentary assistant mentioned, there is Bill 236 that's before the Legislature right now, which is the first of a couple of pension bills that are coming forward.

Certainly, in terms of point number one—measures to expand pension coverage to the 65% of Ontarians with no workplace pension—it's my feeling that it's perhaps something that should be done on a national level versus a provincial level. At least, that would be the ideal situation. What the answer is to that, it may be things like increasing and incenting people to be able to save in their RRSPs or something like an RRSP. Currently, you can only put 18% of income into an RRSP, and yet the benefit of a public sector pension is about 34% of wages, so obviously, there's a huge inequity there.

But also, I think there are some challenges with human nature, with people just not taking the action to save for retirement. I personally certainly like the auto-enrol features of some supplemental retirement systems, like they're doing in England right now, like the NDP is suggesting, although I would think there are also private sector options. It doesn't have to be something run by CPP, but I think it's premature at this time. I think the best solution would be a national program right across the country.

The Chair (Mr. Pat Hoy): Thank you. Any other comment? Hearing none, I'll put the question. All in favour? Opposed? The motion is lost.

Number 31 is a PC motion. Mr. Barrett.

Mr. Toby Barrett: A motion titled "Forest industry."

Whereas the Ontario forest industry remains in crisis; and

Whereas the forest sector is well poised to take advantage of emerging markets such as bioenergy; therefore

The Standing Committee on Finance and Economic Affairs recommends the Ontario government use tax policy to boost research and commercialization of the integration of bioenergy into the existing industry model.

I can't remember which forest group presented this proposal. It's based on the fact, given the business, that logging, lumbering, pulp and paper, and waferboard—what industry is left up there in the forest industry—are also sitting on a source of energy, which is the wood itself: the fibre, pine needles, bark, all the product. The proposal is, it could be more effectively and efficiently used as a source of energy.

We know from previous finance committee deputations in northern Ontario in previous years that the cost of energy, specifically the cost of electricity, has been explained to us in past years as one of the most significant barriers, and one of the most significant reasons as to why so much of the economic activity in northern Ontario has declined. But there is evidence out there that the product they deal with and the waste and fibre that's not used can be more effectively recycled through their operations, in part, as wood pellet. Certainly there are the proposals to replace coal with wood pellets and, by the

same token, to use wood pellets, needles, bark and everything else for their own energy needs.

Again, I thank Larry Johnston for indicating to me that this proposal was put forward to this committee by the Ontario Forest Industries Association. They had a get-together at Sutton Place just yesterday.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I'll put the question. All in favour? Opposed? The motion's lost.

Number 32 is a PC motion.

Mr. Toby Barrett: Yes, a motion entitled "Forest industry."

Whereas forest companies require a secure, uninterrupted supply of wood fibre; and

Whereas a partnership is required between government, industry and First Nations to move forward in a co-operative fashion;

Therefore the Standing Committee on Finance and Economic Affairs recommends the Ontario government ensure that the required support is provided to ensure that the Grassy Narrows on the Whiskey Jack Forest situation is resolved in a timely fashion, and that, as necessary, the continued access to Justice Iacobucci provided to help supply guidance to resolve any outstanding issues.

I do point out that this motion should state "be provided to help supply guidance." There's a bit of a typo oversight there.

The Chair (Mr. Pat Hoy): Thank you. Is there any comment?

Mr. Toby Barrett: The briefing that was presented here, the concern of the deputants—there have been problems at Grassy Narrows and demonstrations preventing access by the forest industry. The request is not only that the government help out, but help out in the sense of pulling together all sides—and there are always more than two sides—with respect to these kinds of land disputes.

It's very bad for business, obviously, and that side of the equation—the impact that this has on the economic well-being, not only of the companies but of residents in the area, regardless of whether they be native or non-native. There is a role for government to pull people together. They also made mention of the good advice that all were getting from Justice Iacobucci. I don't have the details on that, but they need assistance to ensure that these kinds of ongoing disputes can be resolved to the benefit of all concerned.

1510

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: It's my understanding that the Ministry of Natural Resources still has some jurisdiction in this matter. It's continuing to work with Grassy Narrows on their overall forest management practices. I'm satisfied that, under that ministry's leadership, the necessary discussions, as required, will go on. We're not prepared to offer support to this particular motion, in part because of its complexity. We're discussing here the implications for access to Justice Iacobucci in resolving outstanding issues. It becomes far more complex than a

recommendation around budgetary considerations. I'm pleased that the ministry is continuing its work and its efforts, as we all want to see, to ensure that the people of Grassy Narrows have a better future, as we want for our First Nations throughout the province and throughout the country.

The Chair (Mr. Pat Hoy): Further comment? Hearing none, all in favour? Opposed? The motion is lost.

Number 33 is a government motion.

Mr. Wayne Arthurs: The Standing Committee on Finance and Economic Affairs recommends that the government acknowledge that northern Ontario has been particularly hard hit by the global recession and other outside factors and that it provide additional support to northern Ontario and the forestry sector.

You'll note that "additional" is an additional word.

The Chair (Mr. Pat Hoy): Is there any other comment?

Mr. Norm Miller: Yes. Unfortunately, we didn't make it to Dryden, but we were able to hear from folks who were teleconferenced in. We heard about some of the challenges in the north. Particularly we heard that energy costs are a big concern for those energy-intensive industries, like mining and forestry. Some of the pulp operations as well are extremely concerned. I pointed out that we're seeing Xstrata closing down a copper refinery at Timmins. Right now we have a brand new mine that's hopefully going to develop in the northwest. It could be a huge new mine, the Ring of Fire mine. There's the possibility that the smelting will happen in Manitoba and Quebec because of Ontario's high energy policy from the McGuinty government. That's a real concern. The Green Energy Act for sure is going to bring about higher energy costs, and I'm quite worried that we're going to see a huge loss of jobs in northern Ontario in forestry and mining and also in manufacturing as a direct result of the high energy policy of the McGuinty government.

We also heard concerns about access to fibre, meaning wood supply, from a lot of the forestry companies. I know from yesterday, attending the Ontario Forestry Industry Association reception here in Toronto, one of their big concerns is the policies of this government, which are essentially shutting off a good chunk of northern Ontario to forestry operations—sustainable, well-managed forestry operations in this province.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Wayne Arthurs: Just to add a bit: Recognizing the global situation we have and the request to provide additional support to northern Ontario and the forestry sector, it builds on some \$614 million in assistance to the forest sector over the past half-dozen years, which includes over \$200 million through the forestry sector prosperity fund, over \$140 million through loan guarantee programs, over \$94 million in the northern pulp and paper electricity transition program, and over \$296 million in road construction and maintenance. There have been a number of initiatives spread across a range of activities to support this sector, and we know and recognize that we need to continue to do that and even enhance that effort.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I'll put the question. All in favour? Opposed? The motion is carried.

Number 34 is an NDP motion.

Mr. Peter Tabuns: Be it resolved that the Standing Committee on Finance and Economic Affairs strongly recommends to the Minister of Finance that the government, in its 2010-11 budget, allocate funding for the development and implementation of an Ontario climate change plan in order that Ontario can reduce its greenhouse gas emissions by at least the government's own targets by 2014 and by the IPCC recommended target by 2020; that the government introduce the funding of 50% of operating expenses of public transit in its fiscal year 2010-11 budget; that the government table the timetable for the funding of all Transit City LRT lines and commit sufficient funds for the 2010-11 fiscal year to begin construction on the priority lines.

I wanted to say that the climate change plan that was submitted before Christmas showed that the government is not now in a position to meet the targets it had set in 2007 and had promised continuously after that. If in fact we're going to meet those targets, we have to follow the example of places like Quebec that actually have a climate plan, with dollars allocated to measures that will get a government to its claimed destination.

This budget should reflect the government's statement that it has targets that it is going to meet; money should be allocated to that end. Part of that is going to be transportation. Thus, funding has to go back into transportation so that cities that have transit systems can operate them without going broke, and money needs to go into the Transit City system so that the city of Toronto or the centre of the GTA won't be caught up with gridlock forever.

Those are my comments, Mr. Chair.

The Chair (Mr. Pat Hoy): Thank you. Any other comment?

Mr. Wayne Arthurs: I think it would be fair to say that generally government has been very supportive of initiatives in public transit. I think the numbers since 2003 are just under \$9 billion committed to public transit, including just over \$3.5 billion in GO Transit, so a very strong commitment broadly to public transit. I don't see that changing. I think the member opposite, with his knowledge and expertise in matters such as Transit City and LRT lines and some of the other initiatives, would concur that it's our intention to continue to move forward with a strong commitment to public transit.

It is principally a municipal jurisdiction, although we provide direct funding for public transit through the gas tax allocation, which in some quarters causes some angst because there are communities that don't have the gas tax and they're looking for those monies for public transit. We've kind of dug our heels in, or the Premier did, early on in that one, saying it's important for public transit. But I don't see the government caucus recommending that its minister introduce funding of 50% of operating expenses for public transit in the coming budget year.

Mr. Peter Tabuns: Do you see your caucus recommending that money be allocated in your budget to meet the promises that you've made around climate change targets?

Mr. Wayne Arthurs: I'm hard pressed, without having some more information ahead of me, to speak directly to that, but looking at the motion that I had before me earlier, the particularly problematic area would be that level of funding for operating expenses, or direct funding for operating expenses at that level.

Mr. Peter Tabuns: Setting the transit aside for the moment, the rest of your climate change plan—are you going to recommend that money be put into the budget so your climate change plan actually delivers what you promised?

Mr. Wayne Arthurs: For the purposes of our afternoon debate here, I have to deal with the motions that we have before us, and there is a particularly problematic piece to it that will put us in a position not to support the motion as it stands, even if it were modified at this point. It's probably a point for debate on another day, I would suspect.

Mr. Peter Tabuns: Okay. A recorded vote, then.

Ayes

Tabuns.

Nays

Albanese, Arthurs, McNeely, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. Number 35 is a PC motion. Mr. Miller.

Mr. Norm Miller: I believe Mr. Shurman put this motion. He's still up in the Legislature.

Whereas charitable organizations, like all other organizations, are experiencing challenges in attracting donations during these challenging economic times;

Whereas Ontarians are more likely to donate to charities if there was greater deductibility;

The Standing Committee on Finance and Economic Affairs calls on the finance minister to have the upcoming budget reflect changes in the status of tax credits for charitable donations to enhance the scope of what qualifies for a charitable donation tax credit.

I think we have some charitable organizations doing great work in our communities. They often bring help to those most in need much more efficiently than government does. This motion is about trying to assist those charitable organizations by increasing the deductibility. I support this, and that's the point of the motion.

1520

The Chair (Mr. Pat Hoy): Any other comment? Mr. Arthurs.

Mr. Wayne Arthurs: I think government has taken, as I understand, a number of initiatives in concert as well or reflecting some federal tax treatment for charitable donations. We paralleled the federal capital gains

exemption for donations of publicly listed securities and ecologically sensitive lands and also paralleled the measure for corporate minimum tax purposes, the details of which I need the bureaucrats to help with some of the breakdown. But the point is that we've undertaken some initiatives to enhance opportunities for deductions related to charitable donations, whether those are donations of public securities to charities or, in some instances, the use of ecologically sensitive land which is important to the environment in the province.

I think we've taken some initiatives. I suspect the minister will, of his own, look for others, but we won't be supporting the particular motion today.

The Chair (Mr. Pat Hoy): Any other comment? I'll put the question. All in favour? Opposed? The motion is lost.

Number 36 is a PC motion.

Mr. Toby Barrett: A motion under the title "Contraband tobacco":

Whereas contraband cigarettes' share of the Ontario tobacco market has skyrocketed from 24% in 2006 to 49% today; and

Whereas the Canadian Cancer Society, the Heart and Stroke Foundation and the Ontario Convenience Stores Association have identified contraband as the single biggest cause of increasing smoking rates among youth and adults; and

Whereas it is estimated the loss of taxes to the Ontario treasury will be \$1 billion for this year;

Therefore the Standing Committee on Finance and Economic Affairs recommends the Ontario government implement legislation modeled on Quebec Bill 59 which empowers local police to enforce provisions of the Tobacco Tax Act without the assistance of other agencies like the RCMP or the Ministry of Revenue.

Certainly, in my discussions with the Ontario Provincial Police, they are restricted. Even though they see this stuff going on right in front of them, they apparently are restricted, and they cannot enforce certain aspects of the Tobacco Tax Act without either contacting the RCMP or a joint program with the Ministry of Revenue. There's a little bit of that going on, I do know, on provincial Highway 6 south of Hamilton, south of Caledonia.

The Canadian Cancer Society referred to this in its brief, which I have here. The Ontario division calls on the government of Ontario "to take swift action to curb the availability of contraband tobacco to youth and others." Their recommendations include, "empowering all peace officers, including tobacco inspectors, to seize illegal tobacco and lay charges or assess penalties for unpaid tax."

I know in their appendix they again see this as a way of increasing enforcement province-wide. In the present situation, local police cannot take action in certain circumstances or have to wait for enforcement from another jurisdiction to arrive. They say, "Unfortunately, this leads to delays and often the illegal product has been moved by the time law enforcement arrives."

The Chair (Mr. Pat Hoy): Further comment? Mr. Arthurs.

Mr. Wayne Arthurs: It's clearly a complex problem, one which government has made efforts to address. We've seen convictions double in the past year. There have been enhanced enforcement measures ever since 2003. Penalties assessed against those who are violating the tax act have totalled, in the past two years, over \$9 million. Given the quantum, that probably sounds like a little bit of money, but the point being that a lot of effort has been made. This is a matter that obviously requires multiple jurisdictional efforts: federal, provincial and local, in some cases; border services is part of the overall federal scene, along with the RCMP.

Clearly we need the federal government to be a strong partner in finding the right solutions for Ontario. There's no guarantee in Ontario that Quebec legislation is the right model to achieve the end results. There may be a model that does that; there may not be. Quebec Bill 59 may provide some guidance, if legislation was desired at this point in time. But for the government caucus to recommend the implementation of Quebec Bill 59 would be inappropriate at this point in time. We certainly need to be looking at the matter, looking to opportunities, but a particular piece of legislation would not be something that the government caucus would want to recommend to the minister or the government.

The Chair (Mr. Pat Hoy): Mr. Miller.

Mr. Norm Miller: It sounds like the government is going to vote this down. I would just hope that they would seriously look at this. We have a huge problem in Ontario and we're about the worst in the country, I think.

I believe what this motion is intent on doing is just removing an impediment that the police currently have, in that if they want to lay a tobacco charge, they have to find a Ministry of Revenue person to somehow be with them or give them authority. That's an impediment to being able to enforce the law.

I hope the government will look at this, because we've got a big problem in the province of Ontario. It affects people's health; it affects the revenues for the province; it affects the ability of the government to have programs that work, if half the cigarettes in the province are illegal cigarettes, contraband cigarettes.

The Chair (Mr. Pat Hoy): Any other comment? I'll put the question. All in favour? Opposed? It's lost.

Number 37 is a PC motion.

Mr. Toby Barrett: Under the title "Universities":

Whereas professors are not required to be formally trained as teachers, even though they spend countless hours in the classroom; and

Whereas many Ontario universities already have departments that focus specifically on improving the teaching ability amongst faculty;

Therefore the Standing Committee on Finance and Economic Affairs recommends the Ontario government establish a small number of teaching chairs to increase the quality of and focus on teaching, and the provincial government fund pilot projects to give formal instruction in teaching methods and practices to Ph.D. students.

This was put forward by the Ontario Undergraduate Student Alliance. They had a number of pieces of advice. They were fairly specific: five pilot projects, which would give formal instruction in teaching methods and practices to Ph.D. students, and a small number of teaching chairs to increase the quality of and focus on teaching.

They indicated that, in some courses, in some universities, the students do grade the teachers. They do have the ability to vote with their feet and select courses where those kinds of options are available.

Having taught at all three levels, and having experienced some bad teachers in the university system, I just thought it would be appropriate for some kind of a suggestion to people in the system that research is important, but the students are important as well. There are a lot of excellent university teaching professors, but according to these students, there are some that could use some help.

When they talk about training for Ph.D. students, that may refer to teaching assistants, although many people with undergraduate degrees get jobs as teaching assistants as well. So I like the direction.

The Chair (Mr. Pat Hoy): Mr. Arthurs.

Mr. Wayne Arthurs: Chair, I guess our afternoon is quickly drawing to a close. This is the last recommendation we have before us.

The government supports the motion brought forward by the member opposite in respect to providing a methodology for the establishment of a small number of teaching chairs to provide a better quality of teaching for our university students, whether those are the professors or the Ph.D. students.

He referenced the Ontario Undergraduate Student Alliance, which we heard from. That presentation was

also in part repeated by the Alma Mater Society of Queen's University; we were in Kingston. So we heard it from two different fronts.

All of us, or many us, have had experience with post-secondary education in one capacity or another, and probably understand as well that a lot of the focus there was on research but maybe not enough training on teaching style and teaching capacity that we see in the elementary and secondary systems.

We think it's a good recommendation and are pleased to support the member.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Norm Miller: Maybe I'll have to vote against it.

Interjections.

The Chair (Mr. Pat Hoy): I'll put the question. All in favour? The motion is carried.

Now I have a series of questions for the committee.

Shall the report, including recommendations, carry? Carried.

Shall the Minister of Finance receive a copy of the final report, with dissenting opinions, prior to the tabling in the House? All in favour? Carried.

Shall the Chair sign off on the final copy of the draft? Agreed.

Shall the report be translated? Agreed.

Shall the report be printed? Agreed.

Shall the Chair present the report to the House and move the adoption of its recommendations? Carried.

I would just provide this information: If there is a dissenting opinion, it is due to the clerk by Monday, March 1, at 4 o'clock.

Thank you very much. We're adjourned.

The committee adjourned at 1530.

CONTENTS

Thursday 25 February 2010

Appointment of subcommittee	F-1501
Pre-budget consultations	F-1501

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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