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of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Wednesday 17 February 2010

Mercredi 17 février 2010

Speaker
Honourable Steve Peters

Président
L'honorable Steve Peters

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**LEGISLATIVE ASSEMBLY
OF ONTARIO**

Wednesday 17 February 2010

**ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO**

Mercredi 17 février 2010

The House met at 0900.

The Speaker (Hon. Steve Peters): Good morning. Please remain standing for the Lord's Prayer, followed by the aboriginal prayer.

Prayers.

ORDERS OF THE DAY

**ENERGY CONSUMER
PROTECTION ACT, 2010**

**LOI DE 2010 SUR LA PROTECTION
DES CONSOMMATEURS D'ÉNERGIE**

Resuming the debate adjourned on February 16, 2010 on the motion for second reading of Bill 235, An Act to enact the Energy Consumer Protection Act, 2010 and to amend other Acts / Projet de loi 235, Loi édictant la Loi de 2010 sur la protection des consommateurs d'énergie et modifiant d'autres lois.

The Speaker (Hon. Steve Peters): Further debate?

Mr. Peter Tabuns: Good morning. It's my privilege—maybe not my pleasure, but my privilege—to speak about this bill. We've had presentations now by government and the official opposition on the bill and its provisions for the people of this province.

I would like to say first off that the bill is based on a continuation of practices based on a conception of how we deal with energy and electricity in this province that I think, at its heart, is faulty. It tries to apply Band-Aids in a situation where far more profound change needs to happen.

I'll talk first about the smart meter section of the bill, and then go on to talk about the door-to-door energy marketing. They are tied together, they are problematic, and frankly, this bill needs substantial revision. I hope that revision will be apparent in the course of committee hearings, and I hope the government will be open to substantial amendment so that in fact the people of this province get a fair deal, get the kind of energy and electricity services they deserve at prices they can afford.

I want to talk first about the section on sub-meters for tenants. When you look at the bill, you'll find that the actual content of most of the tenant "protections" in Bill 235 will depend greatly on the attendant regulations. Now, we don't have those regulations; we don't know exactly what will be in them. So to a great extent, for those who are concerned with this particular piece of

legislation, we don't know yet what you will or won't get when this bill is ultimately passed, as I expect this majority government will do.

The government has to actually ask the more profound question: Should it proceed with individual and smart metering in the multi-residential sector at all? I ask that question because there are a lot of different ways that one can come to grips with energy consumption, with conservation, with efficiency, dealing with the strategy that we have for energy overall. One broad tack that one can take is essentially throwing the burden on consumers and saying that they, in the end, will be the ones who will have to make all the necessary changes, make the necessary investments to reshape the way we deal with electricity. Frankly, I say that that is not a viable strategy. It's a painful strategy for those who have very low incomes, fixed incomes. But in terms of actually bringing about the change that's required, historically that is not the way things have happened.

I've had an opportunity in the last while to read books about technological transformations in other countries and in other spheres. If you look at the history of micro-processors, of the Internet, of commercial aviation, all very substantial technological and social changes, those changes weren't driven by driving up the cost of driving a car from one end of the country to the other; they weren't brought about by deciding that fax networks were inadequate. Those technological and social changes came about through investment by governments in strategic areas to substantially reshape the technical landscape, reshape the tools that were available to people and businesses, organizations, and it was that reshaping of the landscape that in fact brought about the development of the Internet, brought about commercial aviation. We have not seen a revolution in technology that has come about because we go after low-income tenants who have difficulty paying for the heating or cooling of their apartments, and we've decided that they, in the end, are going to be the ones who have to carry the burden.

In the early 1990s I had the opportunity, the privilege, to serve on Toronto city council, and worked on the whole question of energy efficiency for the city, its office buildings, its commercial buildings, its institutional buildings. The reality that we found time after time after time was that when we tried to get large commercial buildings in the city of Toronto to invest in energy efficiency and conservation, they had a substantial structural stumbling block. That was that the landlords owned the buildings and were responsible for capital investment, and the tenants paid for the electricity, paid for the

energy they consumed in their offices. Since they didn't have any control over the capital end of things, they weren't going to go around replacing their lighting; they weren't going to go around insulating the walls of their office buildings. What they did try to control was the demand for power for their desktop utilizations—their computers, their desk lights, things like that—not the core and really expensive costs of energy. So we found that this was in fact a huge obstacle. Those large buildings would invest in common-area changes, but weren't that interested in investing in areas where they never paid the energy bill—the electricity bill or the heating bill.

0910

We go to multi-storey apartment buildings. I've lived in multi-storey apartment buildings, and frankly it can be a pretty good way to live. But the reality is that most landlords who have concerns other than the immediate energy costs in their buildings don't spend a lot of time making sure that the outer envelope of the building—the walls, the windows—is as energy efficient as possible, and they don't spend a lot of time putting in high-efficiency appliances.

What we find here is a push for putting tenants on meters and leaving those tenants with units where the windows will leak heat in the winter and cool air in the summer. We'll find those tenants in buildings where the insulation in the walls is not adequate. We'll find them in buildings where it's hot on one side of the building, because of the way the building is positioned with regard to the sun, and cold on the other, with no investment in balancing energy flows from one side to the other.

If those landlords are completely freed from the cost of dealing with electricity, heating and cooling in those apartments, then their incentive to make those buildings energy efficient drops pretty close to zero. That's particularly the case at a time when there is a very low vacancy rate. They can then pass on all kinds of inconveniences to tenants with no concern that it's going to affect their bottom line. So if we want to make sure that apartment buildings all across Ontario are energy efficient and have the investment that's needed, moving the cost of energy from the landlords to the tenants is frankly a mistake.

Look at the consumption of energy in most homes: hot water, fridges, stoves, heating and air conditioning. Tenants don't bring their own stoves and fridges into these buildings. Hot water is generally supplied centrally. You may have a reduction in the length of time that people keep their televisions on, but it isn't going to change their whole approach to keeping their food cool in their refrigerator. Most people in apartment buildings don't have washers and dryers in their apartments; those are centralized.

So you are going to have some impact. My prediction is that for those people who live in buildings that are electrically heated, they, without the money to deal with the windows and the external skin of the building, the walls of the building, are going to cut back their heat so that they can afford electricity. In the summer, they're

going to cut back on their air conditioning so that they can afford electricity. And I'll say to you, having lived in an apartment that was oriented so it got an awful lot of sun in the summer, that it would have been extraordinarily difficult to be comfortable without having an air conditioner on—I don't think we got much below 30 degrees centigrade in my apartment, even with an air conditioner.

What this bill does with regard to those tenants is take the whole burden of energy costs, puts it on their shoulders and removes the incentives for landlords to make the investments that are necessary. I frankly think that what's needed is a large-scale investment in energy efficiency and conservation in multiple-unit buildings, with financing and incentives provided by government. I think a feed-in tariff makes lots of sense to spark investment in renewable energy; in fact, I think it should be replacing conventional energy right across the spectrum in this province. But let's take a similar idea and see how much we can get out of apartment buildings by providing an investment and incentive program to drive down energy consumption. If in the end what's left to tenants is the energy they use for their televisions, their radios and their desk lights, frankly, I would ask whether it would be worth the cost of installing and monitoring a meter, and billing for that on a monthly basis. I can't see the economic or the financial logic in doing that. It's logical if they're stuck with the heating and cooling costs—not fair, not efficient, not effective, but I understand why you could make that argument.

Now, when you actually look at the direction that we have to take—obviously, I've said that if you go forward on this basis, you have to have a focus on conservation and demand management programs for landlords and tenants. You have to have education and social marketing targeted at landlords and tenants, to give landlords and tenants the information that they need to reduce usage. It doesn't help a lot if you impose a meter on tenants and don't assist them in actually making the smartest choices they can among the limited number of options that are available to them to deal with the increased costs that will be on their shoulders. Frankly, coming back to this, if you don't have a program that drives down energy consumption in buildings, then you will be causing a huge disservice to tenants and to the environment. I don't believe that the drive that this government currently has to install individual meters and smart meters in the residential tenancy sector is actually going to give you the results you think you're going to get.

But again, it is going to be very difficult for us in this chamber responsible for passing these laws to know what we actually pass, because the regulations upon which the real action is going to rest aren't before us. That's a huge problem. That's a great difficulty for us, to make rational decisions when we don't know what the regulations are that will follow on. If, in fact, the government is determined to go forward and install individual meters in residential units in multi-unit buildings around this province, then it should look at what tenant advocates are talking

about when they look at this situation and when they talk about the implications of this bill going forward. They suggest a low-income rate assistance program must be implemented, because, to be honest with you, when you talk to a lot of tenants, when you talk to seniors who are living on CPP, a little old-age assistance, maybe some savings, their incomes are small; they are hard-pressed. And if you are actually going to go from the situation where in the past their rent included all of their electricity costs to a situation where they're going to get dinged, when they're going to have the whole cost of electricity for that building put on their shoulders without assistance, then the minimum that decency would require would be a low-income rate for those tenants so that they have some protection.

Tenant advocates—not just me—suggest a publicly funded, multi-residential conservation program to support energy retrofits in the multi-residential rental sector. Again, that's a minimum. If you're going to put this burden on tenants and take landlords out of the picture, then you have a responsibility to protect as many of those tenants as you possibly can. That means that you should, in fact, be putting in place the funding, putting in place the program to drive down energy consumption in those buildings. Tenant advocates recommend that the onus of proceeding with these projects is placed on landlords to apply to the Landlord and Tenant Board for permission to install suite meters, subject to their meeting stringent requirements. The burden shouldn't be placed on tenants to apply for rent decreases after the fact.

0920

I'm currently working with tenants in my riding at 25 and 80 Cosburn Avenue; we're dealing with a rent increase. I've been going door to door with tenant representatives talking to the current tenants about the rent increase and the impact it's going to have on their lives. I have to say, the reality is that tenants, like the rest of the population, have a lot on their plate at any given time. They are not property managers. They are not political organizers. They are not campaigners. They are people trying to live regular lives, lives in which going around and organizing politically is not something that's required.

The idea that in fact these tenants would have to fight for a rent decrease is completely unfair—completely unfair. If, in fact, this is going to go forward, it's going to have to be on the landlord's shoulders to actually put together the case, to provide the notification of rent decreases in advance and at least level the field between tenants and landlords in this kind of issue.

Now, there are concerns about the ongoing affordability of rental stock, and that draws us into the larger question of the electricity strategy of this government. I think the electricity strategy of this government is a crude and ineffective one. First of all, this is a government that has perpetuated the privatization of the electricity system that was started under the Mike Harris regime. That, in and of itself, speaks to higher electricity costs because the reality is that any operator is going to have to make

sure that a cut of their operation goes to paying a profit. There is going to be duplication of administration. There are going to be all the problems that we see with the private health care insurance system in the United States, which we have avoided in Canada through having a single-payer, publicly owned central insurance system.

That's the first mistake that this government is making with the electricity system. It didn't turn its back on the Mike Harris regime. In fact, it continues on a slow-motion basis to chop off pieces and pieces and pieces of the electricity system. Just before Christmas there were news reports about the hiring of Goldman Sachs and CIBC World Markets to look at large-scale sell-off, privatization, leasing—we don't know the mechanism yet of our electricity system, Hydro One and OPG. That is a massive mistake.

When we discussed the Green Energy Act—and a feed-in tariff has been a useful tool in a variety of countries—the government would not allow OPG to participate in the feed-in tariff. It doesn't have any problems with the Korea Electric Power Corp., controlled by the South Korean government, coming into this province and being the lead partner in a consortium to build renewable power. Apparently foreign publicly owned companies can participate in the renewables market in Ontario, just not Ontario-based publicly owned power companies.

So the first substantial error in the electricity strategy of the Liberals is to continue the electricity strategy of Mike Harris. That's the first problem. The second problem is that instead of actually looking at the electricity system and taking the advice from a variety of people who have good analytical ability, like the Pembina Institute, David Suzuki Foundation, David Suzuki personally, and investing in a very substantial way in energy efficiency and conservation to dramatically drive down consumption of electricity in Ontario, this government instead has had a policy of building gas-fired power plant after gas-fired power plant; very expensive power, hostage to natural gas prices; a strategy that means that transmission and distribution lines have to be built. So it isn't just a question of generation cost, but of all of the things that go with centralized power generation. And then this government decides that it has to stay stuck to its nuclear option.

It was interesting yesterday to hear the presentation by the Minister of Energy and Infrastructure talking about going forward with the refurbishment at Darlington and keeping the Pickering B plant going. The reality is that an ongoing commitment to nuclear locks us into high prices, overruns and delays. It means ultimately that the tenants who will be stuck with these meters are going to be paying more for electricity than they should.

Hon. James J. Bradley: I thought environmentalists liked higher prices.

Mr. Peter Tabuns: I find it interesting that some people will argue that high prices are a good strategy, and I want to address that because I think it's a very interesting argument.

Hon. James J. Bradley: Didn't you used to say that?

Mr. Peter Tabuns: No, I want to address that. The simple reality is that the transformation that takes place technologically in a variety of sectors takes place because new technologies are introduced that either allow for substantial change in the way things are done, allowing for productivity gains, or drive down costs. So the steam engine, when it was introduced, allowed substantial reductions in the cost of operating mines. That's why it spread rapidly. The introduction of microchips: Their spread went quite radically and quite quickly because they allowed the very rapid processing of information—initially very costly, becoming a very cheap way to process information.

In fact, I think that's the strategy that's needed: an investment in energy and conservation efficiency and investment in development of renewable technologies, so that efficiency, conservation and renewables become cheaper than conventional alternatives. A high-priced strategy simply to pay for the dying technology of the 20th century is not an intelligent strategy. It doesn't result in the investment that has to happen. In fact, it locks us into technologies that don't have a future, won't provide us with jobs and, frankly, cut off the money that's needed to invest in the future. That's where we have to go. Electricity costs increasing due to the strategies of the Liberals with regard to the electricity sector, that's part of the future. That's part of the future for tenants.

Under the current system of vacancy decontrol, there's no reason to think that shifting the responsibility to tenants to pay electricity bills will result in lower rents, particularly upon vacancy. Why wouldn't landlords take advantage of the opportunities that are presented to them? They don't run charities. I've met some very capable, intelligent, far-thinking landlords who have a 10-year or 20-year perspective on their building, but they are driven by the necessity of maximizing their profit, either in the short or the long term. They are not going to be maximizing that by driving down their rents. Thus, they won't be driving down their rents. This burden of cost is being put on the shoulders of tenants, and that's a mistake. It won't give us the energy efficiency and the environmental advantage that we need.

Tenants will face possible rent hikes due to landlord applications for rent increases because of retrofit work. This will affect the ongoing affordability of rental stock, particularly in large urban centres. Landlords need to recover the costs of investments that they make in buildings, but they also, in the rents that they charge tenants, need to reflect the savings that they are given when they make those investments. It can't all be the tenants paying for capital improvements and the landlords reaping all the savings. I've said this before and I'll repeat: Many tenants will be forced to pay for electricity service directly, without any control over factors which could reduce electricity bills. They aren't going to go out and buy new Energy Star fridges or high-efficiency stoves; they're not the ones who are going to be replacing the hot water heaters in their buildings. This bill is not going to address those issues.

0930

Most of the Bill 235 suite-metering protections apply only to sitting tenants. This means that over time, a smaller and smaller proportion of tenants overall will have any protection, because as you move into a unit as a new tenant, you're stuck. You're simply going to have to carry that particular burden; you aren't going to have a choice.

It is not clear at this point, and it needs to be made very clear, what the landlord's obligations concerning necessary retrofits are. Those obligations would likely only extend to current sitting tenants. This means that tenants will face potentially higher bills due to factors entirely within the landlord's control, which in turn will affect tenants' ability to pay their rent.

Those are substantial problems with this bill. Those problems need to be addressed. This bill is going to go to committee. It's going to hear from tenants; I'm sure it will hear from landlords. It needs to adopt a strategy that will actually make an energy difference in those buildings and not simply put the burden—put the cost—on the shoulders of tenants. That has to happen.

Part of the thinking in doing what is being brought before us is the focus of suite metering on sending “price signals” to tenant households to reduce their discretionary energy use. It would be interesting to see if there are studies showing that that does make a difference. I've talked to people who tell me, “I'm not going to turn my fridge off during the day”—the fridge being a very large consumer of electricity—“because I have a higher electricity bill.” If people need to be cool because it's 35 degrees or higher outside, they're going to turn on their air conditioning, particularly if they're ill or elderly and need protection from very high heat.

I want to note that over 30% of Ontario's tenant households live at or below the poverty line. Any increase in shelter costs, including those costs associated with utilities, has a disproportionate impact on these low-income households. What we have before us on the individual meter, the smart meter application for tenants, is highly problematic. It needs to be amended based on what we hear from the public when we go into hearings on this.

I want to talk now about the question of energy retailers. You know, there are a lot of different approaches one can take here. If you go back and look at old headlines—here is a headline I found interesting on June 20, 2003: “Direct Energy Marketing Ltd. and Ontario Energy Savings Corp. Fined for Fraud.” They were fined “a total of \$232,000 after some of their agents apparently forged signatures on 31 consumer contracts, the Ontario Energy Board said today. Direct Energy was fined \$7,500 for each of the 21 switched consumers, and Ontario Energy Savings Corp. was fined the same amount for 10 switched customers. The Ontario Energy Board said it had determined the signatures on 31 contracts were forgeries and not those of customers. Both companies are entitled to a hearing before the board on the decision. The board said it has notified police of its findings.”

Now, I have to say that I don't see too many of those headlines. But what I do see, Speaker, and what you, as a member of provincial Parliament, may hear from your constituency office, is complaints about energy marketers going around. The complaints that I hear are primarily from the elderly and from people for whom English is not their first language, people who see someone at the door wearing a uniform and think that person comes from the local power utility, think that in fact this person has some authority to ask them for their power bill. I have to say, the experience in my office is that regularly we are dealing with seniors and people who are relatively recent immigrants who are getting done in by these marketers, people who are signing contracts and coming into our office with bills that are completely outrageous.

I talked to my mother, who has had energy marketers at her door who demanded to see her hydro bill. She's pretty energetic, so she had no difficulty telling them they would be better off moving down the street. But a number of her friends who are later on in their 80s have difficulty dealing with those energy marketers; sometimes think that they've cancelled contracts with energy marketing firms and find that in fact no cancellation ever took place; that the electricity bill they get, which has shocked them, is still being routed through one of those energy marketers they thought they had gotten rid of.

We've had trouble for most of this decade, and every so often governments say, "Well, we need to do something about energy marketers." I actually think what would make the most sense, except for the sale of renewable power, would be to end these energy marketing operations for gas and electricity because I don't see the advantage to customers. If you're buying electricity in Ontario, there's one system that makes electricity and sells it: through Hydro One. There is no way to get big advantages. You've got people who are playing on the system and making money as a salesperson—not even as a middleman. They ride on the back of the middleman, which is the local distribution company. They're the middleman between the Ontario system and the consumer. They try to insert themselves in there and make money off people who may not know how the system works. They take advantage of them.

On the gas marketing side, you've got your local Enbridge or Union Gas gas distribution company. These companies, these retailers may buy gas in Alberta; they may not. I don't know. I just know that people, in their experience, are getting bills that they don't like and can't seem to get out of.

I had an experience with a local retailer close to my constituency office, whose bookkeeper in error threw out the last notice from one of the energy marketing companies, and the notice was, "If you don't respond to this, we're renewing your contract." That local retailer, I think, had very sharp words with his bookkeeper—a bookkeeper he's worked with for a long time—but the bookkeeper assumed that the energy marketer was like a normal business when in fact, no, this was a company whose function was to make money off people by trying

to shepherd away a group that didn't fully understand what was going on with energy markets.

I don't see any utility in this province of having an industry based on taking advantage of people's lack of knowledge of energy so they can make a buck; I don't see the utility. I see the usefulness in having gas companies and electricity companies delivering energy to people's homes, having them regulated and preferably owned by the public, but I don't see where these brokers, who are a layer on top of legitimate energy businesses, have any real function.

0940

The one exception I can see is companies like Bullfrog, which take contracts with people and pay a premium to get renewable power invested in this province. I can see the logic of that. They sell over the Internet. They don't have door-to-door, as far as I know; they don't have telemarketing. I don't see a problem with that. People who are fairly sophisticated about energy can go in, pay the premium and get the investment they want. But most people don't want to pay a premium; they want to get a bargain. They can't get a bargain. What they get is a sales job.

I think this bill should go substantially further in terms of moving us away from this deregulation of energy sales, this whole idea of retail-level sales of gas and electricity futures, and actually go back to a system that's stable where people know what they're dealing with.

If you pass this legislation, you need to make sure that customers are protected from hidden contract costs, excessive cancellation fees, negative-option contract renewals and other unfair industry practices. There may well be an argument that this bill does that, although my understanding is that there's a lot of stuff still to be answered in the regulations. Those of us voting on this may well not have the answers that we need printed on the paper in front of us. There needs to be greater fairness and transparency for consumers through rate comparisons, plain-language contract disclosure, enhanced rights to cancel contracts, and a new licensing and training regime.

I have to ask, though: I don't know why these firms would continue to exist on that basis. Who's going to buy if they know what they're getting? Maybe somebody. Maybe they'll find another way around it. But if you get rid of all the flim-flammery that is a major part of this operation, I have no idea why these firms would continue other than the idea that perhaps in the regulations there will be benefits provided that will make life much easier for them than the words that are set out in the act itself.

When it comes to these energy marketers, it will make a lot of sense for this government to make it as tough as possible for any of them to operate—if they're not willing to just get rid of them outright—and make it difficult enough that they cannot make money through any dishonest practice. "Dishonesty" is a word that can be applied very broadly. It doesn't necessarily mean criminal dishonesty. There are people who can weave a cloud of words around your head that distract you, that move you to think that what you're getting is very differ-

ent from what's really on the table. I would say that if the government is not willing to move forward to get rid of this particularly wasteful and useless practice, it should make it as tough as possible for it to actually happen, so that those companies and those practices will wither away.

I want to talk last about security-deposit waivers for low-income consumers. The people who advocate for low-income households have been advocating for mandatory exemptions for low-income households from consumer security deposit requirements, which can adversely impact or even exclude those households from accessing and maintaining gas or electricity service. The OEB, in the past, proposed code amendments that would have prohibited electricity distributors from requesting a security deposit from certain eligible low-income customers and would have allowed other eligible low-income customers to pay a security deposit in more affordable instalment payments over a period of at least 12 months.

Under Bill 235, the bill before us today, there's regulation-making authority to set security deposit criteria for gas and electricity distributors for prescribed consumers or a member of a prescribed class of consumers. We'd recommend that priority be given to issuing a regulation that provides for mandatory exemptions from gas and electricity security deposit requirements for low-income consumers. Currently, electricity distributors have the discretionary authority to waive security deposit requirements for a customer or future customer. To date, the OEB has not codified security deposit rules for gas distributors, who also have the discretion to waive security deposit requirements.

It's also suggested that there be a winter disconnect moratorium for low-income consumers. Unaffordable home energy bills leading to disconnection of utility services pose serious public health and safety risks for low-income households. In the Ontario Energy Board stakeholder consultation on low-income energy consumer issues, it was recommended to the board that it should protect against weather-induced illness and death by establishing mandatory disconnection moratoria for the heating and cooling seasons. Disconnection of utility service is particularly devastating—no surprise—for infants, the elderly and those who are ill or disabled. The OEB didn't include a winter disconnection moratorium in its comments on these issues. Many have been advised that the board had said it lacked legal authority to do so, since the Electricity Act, 1998, says that electricity distributors have the statutory right to disconnect for overdue payment.

Under Bill 235 there are provisions for regulations that would prohibit electricity and gas service shutoffs to a consumer or a member of a class of consumers. It's recommended that priority be given to issuing a regulation which would ban the disconnection of electricity or gas service to low-income households and households where infants, persons over 65 years of age or those seriously ill, medically fragile, reside during the period of Novem-

ber 1 to May 1. This winter or heating season disconnection moratorium should also cover the use of a load limiter or other device that limits or interrupts electricity service in any way. The government should be looking at disconnections in the cooling season as well.

It's not a bad idea to look again at the delivery of electricity services in this province and the way that it's done, but the way this bill approaches it is very limited. It relies on a process of putting the burden on consumers and on tenants instead of making the changes at a province-wide level to get rid of the unnecessary marketing of gas and electricity. It puts the burden on tenants for dealing with the energy efficiency of apartment buildings, when in fact they don't have the money or the authority to do what has to be done to be effective. So my hope is that in the course of committee hearings and debate, this bill will be substantially amended.

Thank you.

The Deputy Speaker (Mr. Bruce Crozier): Questions and comments?

Mr. Phil McNeely: It's nice to be back here in this new year, 2010.

I must say that the presentation by the member from Toronto–Danforth was very comprehensive and I just don't know, in two minutes, where to respond. But I think I will go to the area that a lot of the issues were brought around: consultation. This will be going to committee and there will be consultations. I think that's extremely important because something so new and so different certainly involves that.

0950

Energy conservation became a big part of it with tenants, and their inability to do very much about the energy efficiency of their units, because that is not within their control. This is recognized by the government, it's recognized in the bill, and it's going to be recognized very much in the regulations. If tenants are going to be paying their own energy bills, then they have to have access to the best appliances, and the building form, which they can't control, has to be changed, has to be upgraded energy-wise by the landlords. So these issues will be front and foremost on this.

This government is very much concerned with energy conservation. I presented on behalf of the minister a few months ago on conservation, showing that the growth in the next 20 years for energy in this province would be from energy conservation. A great deal of dollars have been invested, something like \$150 million, in this province alone in home energy retrofits—so I think these will be addressed.

I'm very pleased to hear all the issues that were brought forward this morning.

The Deputy Speaker (Mr. Bruce Crozier): Questions and comments?

Mr. Robert Bailey: I also would like to speak to the bill and commend the member for his remarks.

This is a big issue in my riding. My office is continually presented with a number of people, not only seniors, who are talking about the door-to-door marketing and

how they're being taken advantage of. It has taken an inordinate amount of time in my office, and I'm sure a number of other members have the same issue.

I certainly look forward to further debate on this when it goes to committee. Anything we can do to advance this cause and to take the onus off the individuals, seniors and low-income people who are being taken advantage of by these door-to-door marketers, I applaud. I look forward to further debate and commend the member.

The Deputy Speaker (Mr. Bruce Crozier): Questions and comments?

Mr. Howard Hampton: I want to thank my colleague from Toronto–Danforth for delineating not only where this bill falls far short of what is needed, but also for describing in detail some of the challenges that need to be met and are obviously not going to be met by this bill.

The fact of the matter is, there is widespread fraud, deceit, manipulation, if not just outright lying, taking place by energy retailers and their marketing squads across this province. In many cases the deceit, the manipulation, the fraud and the lying is aimed at some of the most vulnerable people in our society: outright acts of intimidation with respect to seniors. I think it behooves every one of us in this Legislature to ensure that this kind of conduct absolutely does not continue in the future. I thank my colleague from Toronto–Danforth for pointing out just how serious the problem is.

Most of what is offered in this bill is, “Well, maybe something might happen in the regulations.” That’s clearly not good enough.

On the issue of tenants: Let’s face it, we have literally millions of people who live in apartment buildings and have no control over whether the apartment building is appropriately insulated, whether the windows are energy-efficient, whether any of the appliances are energy-efficient, yet there is no strategy to deal with this other than forcing up the electricity rate of those tenants.

The Deputy Speaker (Mr. Bruce Crozier): Questions and comments?

Mrs. Maria Van Bommel: I also want to take an opportunity to speak on Bill 235, the Energy Consumer Protection Act. I was listening to the conversation and the debate that has come forward so far. I hear very much about what’s happening in constituency offices, and it certainly happens in mine as well.

Before I was an MPP, I worked for the Ontario Federation of Agriculture. This is a long-standing problem, and it was brought to my attention by farmers, who, in an effort to save during some financially difficult times, were probably easily enticed by promises of savings and would sign on to these contracts.

There were very similar types of strategies as have already been described. People would show up at the door and purport to be there on behalf of Ontario Hydro, which is the supplier for most of rural Ontario, and then demand—not ask, but demand—to see hydro bills, and then sometimes there was forgery. People weren’t given an opportunity to take the information and go through it

carefully; they were told they had to sign now or it wasn’t going to happen.

They ended up signing and had the 24 hours to think about it and read the contract after the individual was gone, and found that they had signed on for something—they really caught them in a contract they weren’t ready to deal with. Then they would come to the federation of agriculture and ask for our help. Very often, we had a difficult time getting these companies to go back and cancel those contracts. It was an extremely difficult thing to do.

But I also have to say—I heard the member talk about eliminating all these retailers—that I do know that for some people there truly are savings.

The Deputy Speaker (Mr. Bruce Crozier): The member for Toronto–Danforth, you have up to two minutes to respond.

Mr. Peter Tabuns: I want to thank all those who spoke: the members from Ottawa–Orléans, Samia–Lambton, Kenora–Rainy River and Lambton–Kent–Middlesex.

Two points: In terms of the energy-efficiency requirements for buildings in which individual metering is going to take place, if one is going to put those requirements in place, I would say that those buildings have to be brought up to a very high standard before the landlord could apply for metering. Even there I have deep concerns, because this government does not enforce its building code with regard to energy efficiency.

When we heard testimony about the Green Energy Act, we had credible presentations on the lack of enforcement, and the simple reality, even when you look around this city, is seeing buildings that are designed such that there’s no way they are actually going to have substantial reductions in heat loss. So right off the top, I have questions about this government’s commitment to credibility on energy-efficiency issues.

Then there’s the question of whether landlords should actually be allowed to go to sub-metering before they’ve actually made all the investments. Frankly, if they’ve made all those energy-efficiency investments, I’m not sure whether installation of a meter could justify itself either environmentally or economically; you’re just not talking about that much energy that’s left to meter.

When it comes to energy retailers, I would be very interested in seeing whether anyone has actually saved any money. My experience—and this is talking to a wide variety of constituents who have taken a bath on it—is that they simply get a bad deal thrust upon them.

The Deputy Speaker (Mr. Bruce Crozier): Further debate?

Mr. Dave Levac: I appreciate the opportunity to engage in the discussion of Bill 235, the Energy Consumer Protection Act, 2010. I want to start by acknowledging the previous member’s leadoff for the NDP. The member from Toronto–Danforth has come with a few ideas that I felt were worthy of presentation.

As I have done in the past, I have carriage of this bill as parliamentary assistant to the Minister of Energy and

Infrastructure. I want to tell him that staff are here to take notes, and the presentations inside this House, those of consultations and those that will be taking place in committee, as well as the consultation later on in the year for the regulatory stream that will be designed, will all be taken into consideration. Input will be evaluated and analyzed, as we've done in the past, to try to make the bill the best it can be.

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I also remind members of this House that I have yet to see, over the 10 or 12 years I've been here, a perfect piece of legislation being written; that we haven't gone back in the past and pulled bills out. In some cases I recall seeing a bill that hadn't been touched since 1960 that we've gone back to review and analyze.

So to create a picture that absolutely this piece of legislation will be the be-all and end-all of energy efficiency and consumer protection is not correct, except to say that the input he gave us—I took some notes and he made some good points about apartment retrofitting, the efficiency there. He also made some interesting points that, in a regulatory review, I will be taking to heart and seeing if there's something we can do about the security deposit waiver points that he made in the regulatory stream, and also the winter disconnect.

I know that landlords can't do winter disconnect, but the utility can. That is what, I believe, he's making reference to. I believe that in those recommendations that came from consultation, it can be addressed in the regulatory stream. So he made some good points that I believe are worthy of consideration, discussion and further debate. There are probably other sides to the story. Some people forget to say that there are some logical reasons why other things don't get removed and we'll try to find all of those things and bring them to the front.

Now, as for the bill itself, let me review the seven points that I believe on the consumer protection side we should be taking into some deep consideration. Regarding the retailers, I want to bring those points out as to what those problems are that have been acutely defined, not only by each member in this place when they have to deal with this at a constituency level, but also for the government, the ministry, landlords, tenants and homeowners themselves.

The salesperson practices I'll use as bullet number one. When I say that, I'm sure everyone can conjure up a concept of what those practices are that some of those salespersons have perpetrated on the consumer at the door. In this legislation, we are now going to encase in law, if this bill is passed, the immediate verbal disclosure and ID badges, salesperson training and other standards. So this person who is going to be coming to your door must verbally identify themselves as to who they are and must carry an ID badge that is approved. They must go through salesperson training and other standards that have to be met before they're allowed to come to the door. That's number one. That starts on eliminating some of those who have used ID badges that imply they're with somebody else. They have even used the Ontario

logo on their little badges, implying that they're from the government of Ontario. Of course, as has been pointed out by other speakers here and other people who have experienced this, that's fraud. We're going to put an end to that.

The consumers don't have the information they need to decide at the door, and a lot of it has to do with the language barrier, which has been pointed out. We are going to instruct that plain language in the contract disclosure statement must be available in several languages. We are going to attempt to ensure that those who do not have English or French as their first language will be given communication of their contract disclosure in the languages they're familiar with. This, again, will start eliminating some of those issues that have come up. People identify that language is a barrier and they try to take advantage of it by selling them something and they don't even know what they're signing.

Verbal contracts: sometimes and usually over the phone, contracts not with an account holder. We've heard stories where somebody answers the phone and says "yes" to a bunch of stuff, and they are not even the contract holder in the household. They simply, by phone, are able to get this contract renewed. There are text-based contracts and signatures required now. Only the utility account holder or others specified by regulation, which we will discuss in the future, can sign energy retailer contracts for a household. So there's another bullet clearly delineating that there was a problem, and here's the solution to that problem. Or the consumer feels pressured into signing a contract—high-pressure sales.

We are going to use three possible cancellation processes. One we already have in place, but we're going to put these in as an emphasis to ensure that high-pressure sales are not going to be able to be used to get that contract. Those cancellation alternatives are, presently, the 10-day cooling-off period, so if you sign that contract at the door, you've got 10 days to decide, "I don't want it." You institute that within 10 days, and the contract is null and void.

Upon third party verification within 10 to 60 days of signing the contract: That means that this contract, once signed at the door, will be sent to a third party for verification. The people who are responsible for that third party verification will contact the home within 10 to 60 days and say, "Did you sign this contract? Is it what you want to do? Have you had an opportunity to review what it is that you're signing?" "Yes, I have. I don't want it." "Thank you very much. Within 10 to 60 days, the contract will be cancelled according to our regulatory stream."

Finally, we have a 30-day cancellation after receipt of the first bill. Between the 10 days of the initial contract cooling-off period, the 10 to 60 days of the third party verification that the contract was signed and then even after that, when you get your first bill, you have 30 days to cancel.

That is probably the most important part of this for anyone who believes that they have been duped into

signing a bill under pressure. We've relieved that pressure valve for the consumer to ensure that they've got that much time and those three options to apply to ensure that that contract at the door is null and void.

The fifth bullet is unfair cancellation policies and fees and automatic renewals for gas contracts. That's the other end of this. If I finally find out that—you know what?—I want to slip out of this, and I want to end it, we're going to end the unfair policies, practices and fees and the automatic renewal game that gets played.

I'll give an example, and I'm sure the member from Toronto—Danforth witnessed this one in his riding. Somebody gets a cheque for \$50. If you cash this cheque, it's automatically renewed. They're giving you a \$50 cheque, and I'm sure he understands that for some people, \$50 is a lot of money. If they get this cheque, and it's legitimate, they look at it, they go to the bank, and they say, "Is this real?" The teller says, "Yes, it's real." "Oh, I want the \$50." The fine print says, "If you cash this cheque, your contract is renewed." Here's what we're going to do: We're going to prevent these cancellation fees and, in some instances, any fees, such as when people move or accidentally sign a second contract eliminating the negative option renewals.

Quite frankly, what we've decided to do is say, "That's not acceptable. You're playing on people's need for that \$50. You're playing on people's inability to put the moving piece together." I go to move, and then all of a sudden, I've got an automatic renewal on this. It's not going to happen. We're going to get rid of that particular practice.

The sixth bullet, the electricity retailer, the gas market accountability: Additional licensing conditions for retailers, including individual salesperson training and background checks, will be instituted in the legislation and an assurance fund to assist in covering potential losses for consumers. OEB will randomly audit retailers, and we're going to improve officer and director accountability.

Here's the second wave that took place. They hired these people on the side. They weren't actually employees; they were contract employees. They were young students, in a lot of cases. They were saying, "By contract, you get paid." Do I understand that for the consumer, this was a bad practice? Absolutely. Do I understand it was a bad practice for the student trying to make money? No, it's their own moral compass that had to be taking place, because that's where some of them were using some of those really nasty tactics, where they would say, "Can I see your gas bill? I've got this badge. I need to see your gas bill." Then they'd take the number down, and they'd simply write the contract out, fake a signature and send it in. But we're now going to make the owners responsible for the practices of those salespeople. That is one of the doors we're going to shut as well.

1010

It's important for us to understand that these bullets that I'm going through are identifying the problems that

were taking place and, on the other side of it, going over what the legislation is going to change to ensure that that practice stops.

Finally, fixed contracts don't clearly disclose all the costs or offer products promoting conservation. What happens is, they're putting these contracts together and they're implying through their actions that the contract is not as expensive as it appears. So you've got this fairly cheap-looking contract and then, all of a sudden, you peel the onion back, layer by layer, to see that you get a fee for this or a charge for that and, quite frankly, it turns out to be even more than what they're presently paying for.

The energy retailers will be required to clearly show all charges and time-of-use products that can be required. So again, another door closed with this piece of legislation.

I think what's happening here is that we're taking the steps that every one of us has experienced, I'm betting. I would even bet on this one: that every single one of us has had that complaint about a contract that has been foisted upon them at the door. And the horror stories just got worse and worse and worse. Quite frankly, it's one of those things where—I've got one for you. Here's another thing they did. The one that got me the most was that \$50 cheque. I've got to tell you that whoever figured that scam out played that one to the hilt, knowing darn well that any of us don't mind 50 bucks. To have that \$50 thrown at us, "and by the way, the fine print says that if you take this \$50 and cash it, your contract is renewed"—that one was a beauty. We can all tell stories about others.

I wanted to make sure that I went through in as much detail as possible those solutions that are going to be found in the legislation to assure people that, yes, we've figured this out.

This didn't take place yesterday. This was happening as soon as the deregulation took place and the legislation was passed, I think back in—I'm looking at the member across to see if he can confirm this—1998, when the first regulatory stream came through.

Mr. Peter Tabuns: That sounds right.

Mr. Dave Levac: I think it was in 1998 or 1999, one of those years, when this deregulation took place and the legislation was written so that this could happen. So we've had a long time to get this fixed. I want to assure the members that the intent of this legislation is to ensure that we take the bullets that we've described today of what was going on and show you what those proposed changes are going to be and offer the opportunity to get it right.

I look forward to committee. I hope that all of those who are interested in finding out if this is enough and that this is covered off in terms of door-to-door sales—I'm looking forward to other recommendations and suggestions.

The member from Toronto—Danforth said, "Just ban the practice altogether." That's a legitimate option. There are other options we should consider, and if we're going to look at these and think this is the way to go, I think we

should be looking at any other doors we could close to ensure that this doesn't happen. I think we should enter into a really honest debate about trying to figure out the best we could do.

I wanted to make sure that those options were covered off and explained, and I believe that's there.

The other part of this is that there was some concern raised about regulations. The regulations will not simply just be hoisted upon this piece of legislation. The commitment that the minister and the government made was that we will be consulting on the regulatory stream. We will make it an open consultation, with input from the stakeholders and the consumers on how those regulations will be defined and written.

The member from Toronto–Danforth brought up the two areas that I indicated to him immediately—and I will reinforce that. I believe that those two pieces that he brought up within the regulation stream will get discussed. I will take this—not only from your discussion—to the minister myself regarding the winter-disconnect concern that he raised and the security deposit waiver piece that has been discussed, and it has been produced by other organizations, particularly those that are looking at low-income people living in poverty. I believe he has brought points to the table that are deserving of discussion, and I will commit to him that I will do so.

Suite metering—I've only got a few minutes left, Speaker, but I'll bow to your preference. I believe there's about three minutes left, and I'll try to do that as quickly—

Interjection.

Mr. Dave Levac: I see the digit telling me exactly what I've got, so I will stop there and indicate to him that I will be participating in the bill, the committee and the consultation on the structuring of our regulation stream.

I want to thank the minister for this opportunity to carry the bill. I want to thank the members for their input and commit to them that I will pay good attention to all the debate that's going on in the House.

Second reading debate deemed adjourned.

The Deputy Speaker (Mr. Bruce Crozier): Pursuant to standing order 8, this House is in recess until 10:30 of the clock.

The House recessed from 1016 to 1030.

INTRODUCTION OF VISITORS

Mr. Ernie Hardeman: I'm pleased to rise today to welcome to Queen's Park Edith Heleniak, mother of page Rachael Heleniak, from the township of Norwich in the great riding of Oxford. I truly hope Rachael has an enjoyable and educational time with us, and I'm looking forward to seeing her at Queen's Park in the future.

Mr. Joe Dickson: I'd like to take this opportunity on behalf of legislative page Matthew Kostuch from Dr. Roberta Bondar Public School in our Ajax–Pickering riding, particularly Ajax, to welcome his mother, Christine Kostuch, and the lovely young lady with her, Wendy

Kelly. They are both joining us in the Legislature today. Welcome to Queen's Park, ladies.

Mr. Mario Sergio: I am delighted to introduce, in the east members' gallery, Brian Warren. He's a two-time Grey Cup champion, all-star honour player, the Argos' voice on TSN and other channels, and founder of Kids-Fest and Pathways, bringing relief to some 40,000 kids in Canada and in my riding. I'd like to welcome Brian Warren to our House.

Mr. Charles Sousa: I'd like to introduce a young lady from the University of Ottawa. Her name is Ashley Pereira. She's an outstanding student and was the valedictorian in her high school.

Hon. Michael Chan: I'd like to welcome to Queen's Park our friends from the entertainment and creative cluster: actor Karl Pruner; Brian Topp from ACTRA; Dan McLellan from Deluxe Postproduction; Kirk Cheney from the International Alliance of Theatrical Stage Employees; Kevin Shea from the OMDC; and Karen Thorne-Stone from the OMDC.

The Speaker (Hon. Steve Peters): I'd like to take this opportunity on behalf of the member from Mississauga–Brampton South and page Arusa Mithani to welcome her mother, Nadia Mithani, to the gallery today. Welcome to Queen's Park.

LEGISLATIVE PAGES

The Speaker (Hon. Steve Peters): I beg the indulgence of the members to allow the pages for a formal introduction.

Daria Bajus, Hamilton East–Stoney Creek; Amy Beaven, Timmins–James Bay; Ava D'Souza, Don Valley East; Rachael Heleniak, Oxford; Sarah Hoyos, Oshawa; Colin Jansen, Huron–Bruce; Matthew Kostuch, Ajax–Pickering; Julia Louis, Scarborough Centre; Quinton Lowe, Cambridge; Anthony Meola, Mississauga South; Arusa Mithani, Mississauga–Brampton South; Max Musing, Beaches–East York; Brady Parcels, Prince Edward–Hastings; Christopher Parker, Barrie; Jordan Pind, Peterborough; Laura Stilwell, Parry Sound–Muskoka; Haleigh Ryan, Dufferin–Caledon; Nevan Whiteside, Kitchener–Waterloo; and Jullian Yapeter, Oak Ridges–Markham. Welcome to our pages. Enjoy the session.

ORAL QUESTIONS

LOCAL HEALTH INTEGRATION NETWORKS

Mr. Tim Hudak: My question is to the Premier. We learned yesterday that the same Liberal-friendly consultants who got fat and rich off sweetheart deals during your eHealth boondoggle have now come back for second helpings through your LHINs, the regional health bureaucracies.

Premier, just like at eHealth, there has been enormous growth in executive salaries and benefits at your LHINs. Could you inform the Legislature exactly what has been the increase in LHIN bureaucrats earning more than \$100,000 per year?

Hon. Dalton McGuinty: Every day I'm coming to believe more and more that my honourable colleague has a bright future in creative fiction. He spins a wonderful tale and it's always interesting to engage in that kind of fantasy. But as I like to say, the facts are not entirely irrelevant in this place. I'm going to give my colleague the Minister of Health an opportunity to speak to this in the subsequent questions.

I can say at the outset that we're very proud of all those people who dedicate themselves to working through our local health integration networks and to delivering better health care on the ground.

The idea and the ideal that informed this new policy was to ensure that instead of having all the decisions with respect to local health care made here at Queen's Park or in downtown Toronto, we could delegate some of those responsibilities to people on the ground, who live in the communities, who understand the needs of their communities.

The Speaker (Hon. Steve Peters): Supplementary?

Mr. Tim Hudak: Well, Premier, let me give you more of the facts from your very own sunshine list. In 2006, when you created your regional health bureaucracies, the so-called LHINs, there were 40 bureaucrats making \$100,000 or more per year. In just three short years, the list of LHIN bureaucrats making 100 grand or more is up 150% to a total of 95. At the same time, executive salaries are up 213%.

Now, Premier, facts are stubborn things and the facts speak for themselves. Why are you diverting money meant for patient care to line the pockets of more health bureaucrats?

Hon. Dalton McGuinty: To the Minister of Health.

Hon. Deborah Matthews: I think it's an appropriate thing to take a few moments and talk about LHINs. Local health integration networks were established, I believe, only three years ago. Their job is critically important in the creation of a sustainable health care future for Ontario. What they are charged with, the responsibility they have, is to integrate health services at a local level. They are doing, I would say, a very, very fine job.

One of the best examples of the work they are doing is the integration of community supports for people who otherwise would be in the hospital. Those are the alternate-levels-of-care patients, patients who are in hospital but could be in the community. The LHINs have embraced this challenge and I'm very pleased with the work that they are doing.

1040

The Speaker (Hon. Steve Peters): Final supplementary.

Mr. Tim Hudak: Well, let me wake up the Premier from his reverie. Let me take him out of his fantasy

world and tell him what's really happening on the ground in health care in the province of Ontario.

Premier, your government has closed down ERs in communities like Fort Erie and Port Colborne, and at the same time the number of health bureaucrats at your LHINs making \$100,000 or more is up 150%. There are now 15 senior executives at these regional health bureaucracies making \$200,000 a year or more. It is outrageous to see money meant for front-line patient care being diverted to more fat-cat bureaucrats, and it's outrageous that you created this bureaucracy in the first place instead of putting money into front-line patient care services. What makes you think you can get away with this?

Hon. Deborah Matthews: The work that the LHINs are doing is really on-the-ground front-line work. We have established a new diabetes strategy; the LHINs are helping us implement that. The work they are doing, that local planning work where they are bringing in all of the health care providers—the CCACs, the long-term-care homes and those organizations that actually provide service through volunteers such as Meals on Wheels and driver services for people—is the kind of work that has to be done at the local level. If the Leader of the Opposition believes we can provide that local integration out of Queen's Park, I beg to differ. I think that is work that needs to be done at the local level, and the LHINs deserve the support that we give them because they are integral to the sustainability of our health care system.

LOCAL HEALTH INTEGRATION NETWORKS

Mr. Tim Hudak: Back to the Premier: Your Minister of Health just claimed the services are going to front-line care. The evidence and the facts are quite the opposite. The only thing happening on the ground is a longer wait time for more health bureaucrats to help themselves to the trough in your regional health bureaucracies.

Let me give you, Premier, another fact from your very own records. Barry Monaghan was CEO of the Toronto Central LHIN until he resigned on November 9, 2007. Premier, if Mr. Monaghan resigned in 2007, then why did the Toronto Central LHIN pay him \$351,000 in 2008?

Hon. Dalton McGuinty: To the Minister of Health.

Hon. Deborah Matthews: The member opposite, I think, needs a bit of an education on some of the progress that we've made when it comes to improving wait times. When we took office in 2003, people were waiting unconscionable lengths of time for essential surgeries. In fact, the wait times were so long that people were actually getting worse as they were waiting, and they could never fully recover from, for example, a new hip, because they had waited so long. The wait times were not just extremely painful for patients; they were really damaging the health of the people who were waiting.

So we attacked wait times. We actually, for the first time ever, started to measure how long we're waiting. We publicly report; you can go online. At the website,

you can see, for every single hospital, a number of different procedures, and you can actually track for yourself how we've been able to bring down those wait times—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Mr. Tim Hudak: Back to the Premier, the real world and your friend Barry Monaghan: The Ontario PC caucus has freedom-of-information information which reveals that at the same time as Mr. Monaghan collected \$351,000 in salary from the Toronto Central LHIN, Mr. Monaghan also received an untendered consulting contract worth \$104,000 from the Mississauga Halton LHIN. Add it up: \$455,000 meant for Ontario patients ended up in your friend Mr. Monaghan's pockets. Premier, why was half a million dollars meant for patient care sole-sourced to one of your friends in your regional health bureaucracies?

Hon. Deborah Matthews: The Leader of the Opposition maybe forgot a kind of important piece of information. That is that we have changed the rules around sole-sourced contracting. We listened to what the Auditor General had to say, we made the changes and we are moving forward because this government believes that absolutely every dime we spend on health care simply must go to improving health care for people. That is at the core of our health care approach.

The rules that were in place when the party opposite was in power are not okay; they're not good enough. So we acted last summer and fall to implement those rule changes. We moved forward with those tough new rules. As we said yesterday, I have written to all the LHIN board chairs and I have asked them to seek reimbursement for inappropriate past expenses.

In the supplementary I will—

The Speaker (Hon. Steve Peters): Thank you. Final supplementary.

Mr. Tim Hudak: It's no surprise that the Premier has dodged four consecutive questions on the runaway spending at his regional health bureaucracies in the LHINs.

Let's put this into perspective. During Dalton McGuinty's eHealth boondoggle, his highly paid and hand-picked senior executive helped to funnel untendered contracts to Liberal-friendly consultants like John Ronson, Karli Farrow, the Premier's former health adviser, and Michael Guerriere of Courtyard. Now, with your LHINs, these regional health bureaucracies, you have 14 highly paid executives and millions in untendered contracts handed out to Liberal-friendly consultants or former CEOs like Barry Monaghan. We are seeing a pattern where Dalton McGuinty's scandals are having sequels, like the OLG.

Premier, when you see these abuses at the LHINs, doesn't it look like this is the son of eHealth at your regional health bureaucracies?

Hon. Deborah Matthews: Let me repeat, because it's clear that the Leader of the Opposition didn't hear what I said: All of the contracts that he's referred to were from before we made the rule changes. We have made the rule

changes. We have fixed the problem. This was an important initiative that this government has undertaken.

Let me read from a letter that I wrote to the LHIN board chairs: "Public confidence and trust is crucial to continuing this progress. As health care leaders, we need to spend tax dollars wisely and we need to be accountable for our decisions. I can't"—

Interjection.

The Speaker (Hon. Steve Peters): The member from Renfrew will please come to order.

Minister, please continue.

Hon. Deborah Matthews: I'll continue quoting from this: "I can't overemphasize how important it is to ensure that every single dime we spend within our health care system is spent in a way that would be acceptable to a thoughtful taxpayer.

"Last summer and fall" we "brought in ... new rules to increase accountability ... and I expect them to be followed."

HEALTH CARE FUNDING

Ms. Andrea Horwath: My question is to the Premier. Ontario families are beginning to get a taste of what their Premier's priorities mean for them: hospitals under the operating knife while Bay Street basks in the Premier's \$4.5-billion giveaway. The Minister of Health says that no hospitals should make cuts, particularly if they affect patient care. If that's the case, why won't the Premier explain why hospitals across the province are in fact cutting front-line services to this day?

Hon. Dalton McGuinty: I'm pleased to take the question. I've had the opportunity to make reference to this before, but I think it bears repetition. Since 2003, when we first earned the privilege of serving Ontarians in government, we have increased hospital funding by 42%. I think that contrasts with cost of living increases of 11%. That represents a dramatic infusion of new dollars into our health care system, because they were absolutely needed.

I want to assure all the people who work inside and dedicate themselves to patients, in our hospitals and through their various services, that we will, through this budget, notwithstanding our difficult challenges, find a way to increase funding yet again. That's the truth. We've always increased funding for our hospitals. We will find a way to do that again.

The Speaker (Hon. Steve Peters): Supplementary?

Ms. Andrea Horwath: Ottawa's Queensway Carleton is looking at cutting 17 beds in April. In Hamilton, St. Joseph's Healthcare is cutting 12 staff. Pain and cardiac rehab clinics have closed in Toronto's west end. London resident and cancer patient Marita Devries has turned to Facebook to protest 26 nursing layoffs at an outpatient cancer care clinic.

How is it that the Premier has \$4.5 billion for corporate tax cuts but can't spare cash for cancer patients like Marita?

1050

Hon. Dalton McGuinty: I know that my honourable colleague wants, at some point in time, to make a reference to the personal income tax cuts that kicked in on the first of January of this year. I think that's important. It gives a fuller picture of our package of tax reforms.

Also, I want to draw my friend's attention, once again, to the study of the Canadian Centre for Policy Alternatives. I don't think that the Canadian Centre for Policy Alternatives speaks for Mike Harris, although my honourable colleague may think so. They said that, in particular—they put out a study, and I'm just going to reference the name of this study: Not a Tax Grab After All: A Second Look at Ontario's HST. I would strongly recommend this study, again, to my colleague, from the Canadian Centre for Policy Alternatives.

The Speaker (Hon. Steve Peters): Final supplementary.

Ms. Andrea Horwath: This Premier's priorities are clear: Faced with a steep deficit, he put aside scarce resources for a corporate tax cut, and he ignored cancer patients like Marita Devries in London and he ignored families in Port Colborne, in Fort Erie, who have lost their emergency rooms.

We need responsible planning and smart investments to ensure our health system is there for the people who need it. Why is the Premier allowing reckless, short-sighted cuts instead?

Hon. Dalton McGuinty: Again, just a few facts: Almost 10,000 new nursing positions have been created in Ontario since 2003. I mentioned before that hospital funding has gone up by 42%; that's \$4.6 billion.

Again, referencing this report that my honourable colleague refuses to acknowledge—Not a Tax Grab After All—it says, in part, “The central question of this paper ... was what effect the new tax package would have on the poor. More precisely, given that a political decision was made to move to a HST system did the Ontario government design this properly to protect the interests of the poor?” Answer: “In general, our answer would be in the affirmative.

“The interests of the poor are relatively well protected in this set of measures.” Again, I reference this study to my colleague.

HEALTH CARE FUNDING

Ms. Andrea Horwath: This question is to the Premier as well. When the previous government was running a \$5-billion deficit, the Premier labelled their corporate tax giveaway “irresponsible,” “ideological” and “inappropriate.”

I'll ask the Premier the very same question that he once posed when he was on this side of the House: “How is it that you have” billions “for additional corporate tax cuts, but you don't have enough money, apparently, for the Ministry of Health to ensure that we meet the needs of our families when they've got to go to Ontario hospitals?”

Hon. Dalton McGuinty: What we've done is, we've introduced a comprehensive package of tax reforms. Not only are there, I think, about—

Interjections.

The Speaker (Hon. Steve Peters): Please continue.

Hon. Dalton McGuinty: We have, I think it's about \$4.5 billion for business tax cuts, but we have over \$10 billion for personal tax cuts.

Again, I would reference my colleagues who believe that Mike Harris is somehow, today, working for the Canadian Centre for Policy Alternatives—that he's in fact not doing that, and that there's a lot of support, notwithstanding the fact that my friends resent this, for our package of tax reforms from the left, from economists who are generally seen to be on the left, from food banks and from poverty organizations who understand that, fundamentally, this about improving the lot in life of our least fortunate in the province of Ontario.

It's a balanced, thoughtful, moderate, progressive package of tax reforms to help people and to help our economy.

The Speaker (Hon. Steve Peters): Supplementary?

Ms. Andrea Horwath: I'd say it's a resurrection from the past. That's what I'd say it is.

We can preserve our health care system, though, if we plan responsibly and make smart investments today, but that's not what this government is doing. They've left hospitals and clinics across the province making random cuts to front-line services while money we cannot spare is being given away to corporate tax cuts. Why does this Premier think that it is a responsible choice today when he rejected that very same choice in the past?

Hon. Dalton McGuinty: I'm not sure how many times I can say it or in how many different ways I might say it, but my friends stand against the plan that we have in place. They have yet to put forward an alternative of their own. It would be nice to see something at some point in time.

Let me tell you a bit more about our plan and why we are so proud of our plan and so sure that it's the right plan for our time. It's about ensuring that Ontario is competitive, not just for purposes of meeting our immediate needs today but for purposes of securing a bright future for our children tomorrow. We want to have in place the economic strength to ensure that we can continue to fund their schools, their health care, their environmental protections and their jobs. That's what this package of tax reforms is all about. It represents about \$4.5 billion in cuts for businesses and \$10 billion in cuts for people. It's about ensuring that we take all the necessary steps today to strengthen our families, to strengthen our economy, to make sure that we have up to 600,000 more jobs.

The Speaker (Hon. Steve Peters): Final supplementary.

Ms. Andrea Horwath: What this government has decided is that a tax package worth \$2 billion in revenue shortfall is the right way to go. On this side of the House, we disagree.

Families across the province are seeing cuts to front-line services; that is a fact. Nursing positions, beds and pain clinics are shutting down daily; that is a fact. They aren't being replaced by other local services either, so don't try to say that they are. They are just vanishing from communities across the province. It's not an accident; it is a choice that this government is making and this Premier is making.

My question is simple: Shouldn't health care for families come before corporate tax giveaways?

Hon. Dalton McGuinty: Again, hospital funding has gone up every single year on our watch. It will go up again this year. It will not go up as dramatically as it has in the past because we're running close to a \$25-billion deficit. My friend opposite believes that that's not particularly relevant; we think that's important.

My friends opposite also know that this is a function of governments everywhere acting in concert to stimulate our economy. We're borrowing money to stimulate our economy, in keeping with the very best advice. They're doing that in the federal government. We're doing it in Ontario. They're doing it in virtually every province and every part of the world. That's an important dimension that we have to take into account as we plan for this year's budget.

Health care funding will go up, hospital budget funding will go up, but it will not go up as dramatically as it has in the past, given our circumstances.

LOCAL HEALTH INTEGRATION NETWORKS

Mrs. Christine Elliott: My question is for the Premier. What qualifications do you look for in people you appoint to LHINs, Premier, other than donations to the Ontario Liberal Party?

The Speaker (Hon. Steve Peters): I would just ask the honourable member to withdraw that comment.

Mrs. Christine Elliott: Withdrawn.

What qualifies your appointees, Premier, to sit on boards of LHINs?

Hon. Dalton McGuinty: To the Minister of Health.

Hon. Deborah Matthews: As we discussed earlier today, the LHINs play a critically important role in our health care system. Their job is to integrate health care services at the local level. As a result, we expect that we have a very high standard of quality of people who are sitting on the LHINs. They go through a rigorous process. We have moved, actually, to a skills-based matrix so that we have in each LHIN the right skill set so that the LHIN represents the community but it also represents a degree of expertise in many different areas.

It's a very important responsibility they have. We take it seriously. They do go through the public appointments system, and members opposite have a chance to invite them to participate.

The Speaker (Hon. Steve Peters): Supplementary?

Mrs. Christine Elliott: Perhaps we could take a look at the background of some of these appointees. Anju

Kumar has a background in IT, not health. She donated over \$1,000 to the McGuinty Liberals and was appointed to the Toronto Central LHIN. Glenna Heggie is a retired teacher who donated \$6,358, and she's on the Waterloo-Wellington LHIN.

These hand-picked appointees don't even hold themselves out as having any special expertise in health. Juanita Gledhill lists working with Steve Mahoney at the WSIB as experience. She's also a donor. You appointed her chair of the Hamilton Niagara Haldimand Brant LHIN, which shut down the Fort Erie and Port Colborne emergency rooms.

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How much does someone have to give to have the pleasure of doing your bidding?

Hon. Deborah Matthews: I have to say that I think this is beneath the member opposite. The LHINs have a very important responsibility. They are selected very carefully. We have a very careful process where we get the best possible mix of skills on the LHIN. If the member opposite doesn't think that IT experience might come in handy when it comes to health, I think that's living in a past age.

The quality of the people on our LHINs is very high. As we move to implement the skills-based matrix, I do actually believe that we'll be able to increase the quality and the mix of people in the LHINs.

DARLINGTON NUCLEAR GENERATING STATION

Mr. Peter Tabuns: My question is to the Minister of Energy. Yesterday, the minister announced his support for Ontario Power Generation's plan to refurbish the Darlington nuclear plant.

Applause.

Mr. Peter Tabuns: I appreciate support for my statement.

He said the refurbishment is cost-effective, but refused to tell Ontarians how much the rebuild will cost.

Why won't the minister share the expected cost of the refurbishment of the Darlington plant and the alternatives that were considered so that Ontarians can be sure that this decision is not yet another example of the McGuinty government's blind faith in costly and risky nuclear plants?

Hon. Brad Duguid: I'm pleased to share with the member and Ontarians the best possible preliminary cost estimates that are available. In fact, the member was standing within three or four feet of me yesterday when I was speaking to the media on this.

I indicated to the media—perhaps he didn't hear; perhaps he wasn't listening—that the cost would be about eight cents per kilowatt hour over the lifespan of this particular investment. That's the way they measure these types of costs within the nuclear business. But I can extrapolate on that even further: That would put it into probably the \$6-billion to \$10-billion range in terms of expenditures.

Let's be clear: That's a big investment, but it's an investment in the future stability of our nuclear system. It's a sustainable, emissions-free source of energy that we need to invest in.

The Speaker (Hon. Steve Peters): Supplementary?

Mr. Peter Tabuns: I want to let you know that, in fact, I was standing beside the reporters when they were asking the question yesterday and trying to get a cost out of this minister. The best they could get was this guesstimate about the cost per kilowatt hour.

If you know what it costs—and you just told me \$6 billion to \$10 billion—you're making a decision with a range of almost 100% on the cost, \$6 billion to \$10 billion, in a world where those costs tend to soar. You know that. You know what's going on in the United States.

Are you going to give us the cost? Are you going to make sure there's a commitment to this House that we have a fixed price so that we don't get stuck with the overruns? Tell us.

Hon. Brad Duguid: Unlike previous governments who thought short-term and planned for their energy needs and the energy needs of this province not much further beyond their term, as the NDP did and as we know the Tories did, the McGuinty government is probably the first government in Ontario to effectively plan past our term to not only our generation, but future generations. That's what this refurbishment represents.

We're looking at planning the sustainability of nuclear in this province for 30 or maybe 40 years going forward. Previous governments did not do that. We recognize that we do have to make strong, important decisions today to ensure that future generations have the ability to turn their lights on when it comes time and that businesses in the future have energy that's affordable, sustainable and reliable.

CULTURAL FUNDING

Mr. Reza Moridi: Film, television, music, books and magazines all make Ontario's cultural scene vibrant. The entertainment and creative cluster—

The Speaker (Hon. Steve Peters): Who's the question to?

Mr. Reza Moridi: This is to Minister Chan.

The entertainment and creative cluster provides positive economic, social and cultural benefits to communities all across Ontario. This cluster is often used as a medium to provoke thought, express ideas and enhance our creativity and imagination. This cluster is the cornerstone for any democracy; it's also the cornerstone for a strong and vibrant economy. We all benefit from the investments and jobs this sector brings to Ontario.

To the Minister of Tourism and Culture, what steps will you take to ensure that this sector—

The Speaker (Hon. Steve Peters): Thank you, Minister?

Hon. Michael Chan: Thank you for the question. The entertainment and creative cluster partners play an important role in the economic and social well-being of this

province. Our industry partners contribute and support us in building stronger communities across Ontario.

Since 2003, our government has contributed more than \$2 billion to the cultural industry. As well, we went further last year by introducing a total of six tax credits that are worth \$280 million annually for our partners in the film and television, sound recording, book publishing and digital media sectors.

We are committed to supporting our cultural industry and we are also committed to building on the valuable progress we are making together.

The Speaker (Hon. Steve Peters): Supplementary?

Mr. Reza Moridi: Ontario is a leading jurisdiction for film and television production. We are well recognized internationally. Ontario is renowned for the diversity of its locations, its cultural mosaic, high-tech infrastructure and experienced workers. Ontario is a destination of choice in the film industry and we need it to remain that way. We need to ensure that this sector and individuals within the sector receive the type of support that will enable them to continue to succeed internationally. There are a lot of resources and talent in Ontario that make us very competitive. We need a sustainable plan that will help the sector compete with other jurisdictions.

What is the government doing to ensure that Ontario continues to be a leader in this industry?

Hon. Michael Chan: I want to thank the honourable member from Richmond Hill again. Ontario is a leader in film and television production. Ontario's film and television production is up more than 40% from 2008. This industry contributed close to \$1 billion to Ontario's economy in 2009. It's a clear indication that we have the talent and the right vision in the film and television industries. The expansion of the Ontario production services tax credit from 25% of eligible labour to include the purchase or rental of such things as equipment and studios plays a vital role in this important achievement. Along with our partners, we are moving forward together to build a stronger, more vibrant cultural industry.

GOVERNMENT'S RECORD

Mr. Peter Shurman: My question is for the Premier. First, some members of the Liberal caucus had to gang-tackle George Smitherman to get your attention and have their say about your multibillion-dollar giveaway to Samsung. Next, some said they couldn't get past your staff to tell you that the HST talking points your office handed out were not working. The member for York West had to complain to the media to get a message past political staff who control access to Dalton McGuinty. Our FOIs show that unelected staff make all your decisions.

Is the lack of respect just for your caucus, or does it extend to the constituents they represent as well?

Hon. Dalton McGuinty: Let me tell you just a little bit about the people I'm privileged to work with. Everyone in our caucus is here for all the right reasons. They are absolutely committed to public service, they speak forcefully on behalf of their constituents. They help us

lend shape to the best possible progressive policy in keeping with the values of the people we are privileged to represent. I'm not sure if any Premier at any time has ever been more blessed by such a strong caucus than I, and I'm very grateful for that every day.

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The Speaker (Hon. Steve Peters): Supplementary?

Mr. Peter Shurman: Well, Speaker—

Interjections.

The Speaker (Hon. Steve Peters): Start the clock.

The member from Thornhill.

Mr. Peter Shurman: Notwithstanding the applause, Dalton McGuinty's record is so bad that he's had to go out of province to find people who will run for him.

Michael Bryant, George Smitherman and Jim Watson jumped ship to save their careers from your record. Three more ministers were shuffled out of cabinet because they didn't plan to run again. Liberals are distancing themselves from your greedy HST, sweetheart Samsung deal, increased energy costs, higher fees, embarrassing job creation record and treatment of public dollars as a slush fund for Liberal-friendly consultants at Courtyard, Ben-simon Byrne and Narrative Advocacy.

Who do you expect will go public, Premier, when you appoint the member from Winnipeg to cabinet ahead of them?

The Speaker (Hon. Steve Peters): I didn't hear any aspect of that question that referred to a particular government policy. I'm going to move to the third party.

Interjection.

The Speaker (Hon. Steve Peters): As the honourable member knows, we have a respected rule in this place that we deal with points of order following question period.

GOVERNMENT ASSETS

Mr. Peter Tabuns: My question is for the Premier. Premier, you're looking at selling some of the province's most valuable assets: OPG, Hydro One, LCBO and OLG. In guiding the way, you hired a bank so brilliant that it helped to tank the global economy. Will this Premier table the contract with Goldman Sachs, specifically the penalty clauses, should this Wall Street bank do to our assets what its outrageous dealing helped to do to the world economy?

Hon. Dalton McGuinty: I'm pleased to speak to an important issue. Obviously we're going to retain some expertise with respect to what it is that we might do with our assets, if anything. I certainly indicated that we think the responsible thing to do at this point in time is to review our assets to take a look at whether the money to be found within those assets is best deployed within those assets or somehow outside that in a way that gives expression to Ontarians' priorities today, like their health care, like their education.

We're going to continue to look at that. We want to do that in a thoughtful and responsible way. Of course, we think that includes seeking the guidance, advice and

expertise, knowing that ultimately the decision rests with us.

The Speaker (Hon. Steve Peters): Supplementary?

Mr. Peter Tabuns: There's a reason that people don't trust these Wall Street banks, particularly Goldman Sachs. It's time that this government showed that it approaches these questions very seriously and inserts tough penalties if Goldman Sachs is up to its usual. Where is the contract so we can see if our interests are protected?

Hon. Dalton McGuinty: I want to assure my colleague that the work that this particular firm is doing came about as a result of a competitive process. The only other thing I can say beyond that is that we will listen carefully to any advice we receive, whether it's from my honourable colleague, his party or the other party, any Ontarians. But, ultimately, we accept the decision lies with us, and we'll do that in a way that is in keeping with Ontarians' values and their priorities that they have today.

The question we continue to ask ourselves is whether we may not find ways to better deploy existing resources tied up in assets in the priorities of Ontarians today, whether that's something like health care or education.

CONSUMER PROTECTION

Mr. Dave Levac: My question is for the Minister of Consumer Services. First, let me congratulate the minister on her appointment to cabinet. I'm sure her family is very proud of her, along with the great city of Hamilton.

After a house, a vehicle is often the largest purchase made by Ontarians. The vehicle represents freedom, takes people to medical appointments and children to soccer practice and delivers the goods, services and products that make our economy function properly. As it is such an important and large investment, it is vital that consumers are informed when making these purchasing decisions.

In my riding, the vast majority of motor vehicle dealers are very strong, upstanding members of our community and the business community. To hear consumer concerns, though, we have to, from time to time, understand that there are some problems about vehicle transactions.

Minister, how does your ministry protect those consumers when they are purchasing that second-highest investment?

Hon. Sophia Aggelonitis: Thank you to the member for Brant for the question. The member is right: For the vast majority of Ontarians, the purchase of a vehicle is one of the most expensive decisions a person can make. That is why it is so important that consumers know their rights. Since 1997, the Ontario Motor Vehicle Industry Council, OMVIC, has been administering the Motor Vehicle Dealers Act, and it is working well. OMVIC is a self-managed, not-for-profit corporation. They oversee 8,300 dealers and 23,000 salespersons registered under the act. My ministry works with the council to ensure that best practices are followed and that Ontarians are protected.

The Speaker (Hon. Steve Peters): Supplementary?

Mr. Dave Levac: No late show so far.

The Motor Vehicle Dealers Act has been in place since 1997, and while I appreciate the minister's position that the consumer protection system with regard to purchasing a vehicle is working well, I wonder what else can be done to further strengthen existing laws with regard to consumer protection on this issue. A lot of people want to make sure that that second-highest investment is protected for consumers.

Can the minister tell us in this House what the government of Ontario has done to strengthen consumer protection for people in this province beyond the Motor Vehicle Dealers Act?

Hon. Sophia Aggelonitis: I am very, very proud to say that our government has modernized consumer protection laws. As of January 1, 2010, our government has modernized consumer protection when it comes to motor vehicle sales. Some of the increased consumer protection laws include an increase in mandatory disclosures about vehicle sales to customers from dealers, a code of ethics for registered dealers, an increase in the claim coverage under the motor vehicle compensation fund from \$15,000 to \$45,000, as well as the ability now to cancel a contract within 90 days if certain items are not disclosed. We have been working in consultation with the industry to ensure that all motor vehicle dealers are on a level playing field. I look forward to continuing to strengthen consumer protection in the province of Ontario.

NUCLEAR INDUSTRY

Mrs. Joyce Savoline: My question is to the Minister of Energy. Minister, in 2006 your government was encouraging Ontario companies like Laker Energy in Burlington to expand in the nuclear energy industry. Minister, that's exactly what Laker did. They added manufacturing to their business, and they increased their floor and employee base. However, nothing has happened since 2006. Minister, Laker wants to expand in Ontario. They want to quadruple their workforce, but your government's stalling is preventing that from happening.

Did your sweetheart deal with a foreign company cut the knees out from under a homegrown Ontario company like Laker Energy?

Hon. Brad Duguid: I had trouble hearing the last part of the question, but I think I got the gist of what the member was talking about. We're talking about a government that's investing today in building—and I think it was the nuclear industry she was talking about—and a refurbishment that's going to go forward for the next 30 or 40 years in terms of providing energy supply. In the refurbishment, there are four years now for the definition portion and then eight years of rebuild going on in Darlington. That is significant. We're engaged right now, as well, and we've been very clear that we fully intend to move forward with the building of two new nuclear reactors in the Darlington area. Right now, and the

member knows and maybe she can help us with her federal cousins, we're in discussions with the federal government, AECL. They put a little wrinkle in that when they decided to put AECL up for sale in the middle of our discussions—

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The Speaker (Hon. Steve Peters): Supplementary?

Mrs. Joyce Savoline: Minister, you like to talk about these things but there's no action. Yesterday's refurbishment announcement is not a credible plan to ensure a consistent power supply. Your government has left the nuclear industry hanging. Your \$7-billion untendered deal with the foreign-based Samsung and the exorbitant energy costs paid by your government for wind- and solar-produced electricity will affect Ontario companies like Laker Energy.

Will you make some long-awaited decisions that will allow Ontario companies like Laker to move forward from their four-year wait for action so that they can create the jobs here in Ontario so lights can stay on for Ontarians?

Hon. Brad Duguid: That is almost laughable. When we came into office almost seven years ago, we inherited an energy supply that was very much in peril, and we have spent the last six years making the tough decisions that need to be made today to ensure that our generation, the next generation and the next generation after that will have a sustainable, reliable and affordable source of energy.

The Samsung initiative is something that is going to really contribute to that. Not only will it provide 25 megawatts of energy over the length of time that that will go forward; it will also provide this province 16,000 jobs and create a \$7-billion investment in the green economy. How can the Conservatives expect to be taken seriously if they are opposing a \$7-billion investment in our economy?

PENSION REFORM

Ms. Andrea Horwath: My question is for the Premier. For months this government did everything it could do to ignore the plight of Nortel pensioners, even after the province next door showed real leadership and stepped in to find a solution to the Nortel pension crisis.

In the midst of a by-election, this Liberal government is suddenly scrambling to look as though they actually care, but their plan leaves many pensioners wondering whether in fact they are going to have enough money to live on. Is this the extent of the government's actions for Nortel pensioners?

Hon. Dalton McGuinty: I think my honourable colleague knows the answer to that question. We intend to do more. Our first choice would be to do that in concert with the federal government and all the other provinces. The challenge that our pensioners and our retirees are facing today in terms of inadequate income levels is a challenge being faced by many seniors and retirees right across the country. It is a national challenge. We believe

that it requires a national response. That's why we prefer to do it in concert with our colleagues right across the country.

I know my colleague has put forward a proposal, and that is something we are giving careful attention to, but my first choice is to do something in concert with my colleagues from across the country.

The Speaker (Hon. Steve Peters): Supplementary?

Ms. Andrea Horwath: Well, Quebec didn't have to wait for the feds to do something to help those pensioners, and it's been 14 months since the Arthurs commission delivered its recommendations on pension reform to this Premier and his treasurer. One of the recommendations in that report is an Ontario pension agency, and it would pretty much solve the problems that Nortel pensioners face right now. Nortel, AbitibiBowater, Canwest Global Communications—all of these pensioners could benefit from the Ontario pension agency.

Why, when you tabled your disappointing pension package last December, was an Ontario pension agency not included?

Hon. Dalton McGuinty: I can't speak to the specific details of that, but I can say that we have done something. We'll be doing more in the not-too-distant future with respect to introducing more legislation that will affect pensions in Ontario.

One thing I want to draw my colleague's attention to, and I know that she's mindful of this, is that nothing that we do with respect to pensions doesn't involve additional cost. I think we need to be honest with ourselves. Generally, it involves more cost to both the employee and the employer; it requires that we take money that would normally go into the economy immediately and set it aside for purposes of future security. I just think it's important to understand that.

So there are no simple answers here. Again, we will continue to move forward and we'll try to do that, if at all possible, in concert with Canadians.

IMMIGRANT SERVICES

Mr. Bas Balkissoon: My question is to the Minister of Citizenship and Immigration. Over the last several years, approximately half of the new immigrants to Canada each year have settled in Ontario. Since 2003 our government, in its efforts to provide opportunities to all, has worked to break down the barriers faced by newcomers to Ontario. Ontario is the first province to create legislation to make the process of getting licensed in a regulated profession transparent, objective, impartial, fair and timely. That's a major step forward.

Our government has been constantly working to change the system and invested in successful programs so that Ontario's newcomers can put their skills to work, but having read yet another article about highly skilled newcomers who are unable to find work because they have no Canadian experience reminds me that there's much more to be done. We all know that when new-

comers succeed, Ontario succeeds. Minister, how will you tackle this issue—

The Speaker (Hon. Steve Peters): Thank you. Minister?

Applause.

Hon. Eric Hoskins: All right. Now you're making me nervous.

I would like to thank the member from Scarborough–Rouge River for his question. First of all, let me say that I am both proud and humbled to be given this responsibility of serving the people of Ontario as the Minister of Citizenship and Immigration.

This government understands the challenges that newcomers face in getting a job. That's why our government funds services and programs to help newcomers find work as quickly as possible after they arrive in Ontario. We've moved the yardstick and are seeing the results. Since 2003, our government has invested more than \$700 million in programs and services to help newcomers settle, get job-ready and be licensed to work; funded almost 200 bridge training programs in more than 100 professions and trades, helping thousands get licensed and get work in their field of expertise; and helped more than 120,000 newcomers each year.

Clearly there is more work to be done. I will continue the good work started by my colleagues.

The Speaker (Hon. Steve Peters): Supplementary?

Mr. Bas Balkissoon: Thank you, Minister. I'm pleased to hear that our government understands the need to diversify our approaches in order to address this issue.

Newcomers know that at times they have to upgrade or learn new skills, skills that may not have been used in the country where they were previously employed. However, it is also important for Ontarian employers to realize the value of newcomers to Ontario's economy and its future prosperity. As pointed out by Ratna Omidvar from the Maytree Foundation in a recent article, companies that don't embrace diversity are missing out on market share in Canada as well as markets beyond the borders of Canada. Minister, how will you promote the value of Ontario's diversity to Ontario businesses?

Hon. Eric Hoskins: Ontario's economic competitiveness and its ability to attract professional and skilled immigrants is critical. In a world where we compete on a global scale and where economies advance based on knowledge and innovation, highly skilled newcomers provide a competitive advantage for Ontario's businesses. Our government is committed to making our province a place where all Ontarians are able to contribute, and that is why we support programs such as the DiverseCity project. This is a project aimed at bringing such potential to the front line in business, the non-profit sector and government. Together with the work of the Maytree Foundation and the Toronto City Summit Alliance, we are making significant progress.

Ontario's labour market is dependent on successful integration of highly skilled immigrants. I commend employers like Steam Whistle Brewing for their wise decision to hire new Canadians and would encourage

other businesses to follow their example. As we all know, when newcomers succeed, Ontario succeeds.

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DRIVER LICENCES

Mr. John O'Toole: My question is to the Minister of Government Services. Minister, last year you introduced the enhanced driver's licence to deal with the border issue. It is my understanding that to date you have issued 20,000 enhanced licences since last May. Could you please confirm for the House exactly how many licences have been issued, and are they in fact working?

Hon. Harinder Takhar: This question is for the Minister of Transportation.

Hon. Kathleen O. Wynne: Thank you very much for the question. As you know, the enhanced driver's licence is in place to allow people to cross into the United States who don't have a passport, who need this easier way of identifying themselves. It's voluntary. No driver is required to apply for the enhanced driver's licence. We've actually made a \$6.5-million investment to make this enhanced driver's licence available to people.

I think the member opposite is referring to the reality that the demand has not been as high as we had anticipated. The reality is, it's available to people. That's the important thing: Those who need it will have access to it.

The Speaker (Hon. Steve Peters): Supplementary?

Mr. John O'Toole: That deflection of the answer is expected.

In the case of the expenditure of \$6.5 million—and my question is, is the system working? Your government is currently losing \$250 for each and every licence issued. You also should know, Minister, that you're spending, currently, \$2.8 million each and every hour more than you receive in revenue.

Minister, you're spending another \$6.5 million. I'm asking now, directly, if you would table a value-for-money audit to explain to Ontarians whether the use of the enhanced driver's licence is contributing to the services that they're paying for.

Hon. Kathleen O. Wynne: You know, it's interesting: If the uptake on this enhanced driver's licence had been beyond our capacity to fulfill, the member opposite would have been standing up and saying, "What's the matter with you? Why haven't you provided enough opportunity for people?"

What we have done is we made projections and we provided opportunities for people who needed this enhanced driver's licence. That is the responsible thing to do.

It's far more important to me, as a member of the government, that someone who needs this driver's licence is able to get it. We will continue to make this product available to people who need it. I would expect that the member opposite would be very interested that everyone who needs it would have the opportunity to get it.

TENANT PROTECTION

Mr. Michael Prue: My question is to the Minister of Energy.

On July 20, 2008, an explosion and fire at 2 Secord Avenue, in my riding, resulted in the evacuation of about 900 tenants from 293 apartment units and 22 townhouses.

The last thing these tenants needed was another major disruption in their lives in the form of the so-called smart meters. They went before the Ontario Energy Board to reverse the landlord's forced imposition of those meters. They won.

When I asked your predecessor, Minister Smitherman, about this last September 30, he said he would consult with the tenants of 2 Secord before proceeding with legislation. It never happened.

Minister, why, despite promises to the contrary, were there never any smart meter consultations with the tenants at 2 Secord?

Hon. Brad Duguid: I appreciate the question. I'm not aware of the discussions with regard to 2 Secord in general.

I can tell you that we're pleased to be moving forward with improving metering across this province. It's a very important part of moving toward our conservation goals. We're doing it in a very responsible way.

When it comes to tenants and metering, we know that for a very long time that has been a very sensitive issue for tenants. The member will know that there's legislation before this House right now that I think works out a very balanced approach that is supported, as far as I can tell, by tenants and certainly by our government, and may well be supported by him by the time we get through. It provides a balanced approach to ensure that as meters go forward into units, tenants are well aware that sitting tenants have the ability to accept or—

The Speaker (Hon. Steve Peters): Thank you. Supplementary?

Mr. Michael Prue: The point, Mr. Minister, is that last year the Ontario Energy Board issued a strong indictment of this government's implementation of its smart meter program in multi-unit buildings. I would have thought that with such a clear indictment of the plan, the government would have taken every opportunity to consult with the tenants affected. Instead, this government refused to consult. The result is a toothless piece of legislation that is being strongly condemned by tenant and anti-poverty groups across this entire province.

My question: Why did the government refuse to consult with the residents of 2 Secord even though they promised to do so? Why did it bring in such toothless legislation in response to the OEB indictment of its misguided plan?

Hon. Brad Duguid: I appreciate the member bringing forward the concerns and suggestions of the residents of 2 Secord, and we're happy to receive their advice as we are of advice from tenants right across the province.

I know that when the regulations go forward as well, there's going to be further consultation, and a lot of these

matters will certainly be resolved within the regulations. We'll be moving forward on consultations with regard to the regulations later this year.

But the big picture is that we're moving forward with metering and sub-metering, and we're moving forward on time-of-use initiatives because we believe in the importance of providing consumers with a greater ability to conserve. That's in the interest of the overall power supply system. It's something we know the NDP did not support when they were in power because we know they cut back on conservation programs.

We're building on our conservation programs. We've done a lot to date. There's still more to do, and we'll continue to consult as we move forward on these initiatives.

WORKPLACE SAFETY

Mr. Charles Sousa: My question is to the Minister of Labour. Minister, workplace health and safety is a top concern for workers in the riding of Mississauga South. I know that a lot of good work has been done in this regard, but until workplace fatalities and injuries in this province are eliminated, there's always more that can be done. That's why I was interested to hear that you have announced a review of workplace health and safety in Ontario. Many of my constituents are pleased to hear this news because it means that our government takes their safety at work seriously.

Would the minister tell us what this review will involve and what it will accomplish?

Hon. Peter Fonseca: I want to thank the member for Mississauga South for his advocacy on health and safety in the workplace.

If I've said it once, it bears repeating: Whenever there is a death or serious injury in the workplace, that is one death or serious injury too many. That's why I've asked an expert advisory panel to do a comprehensive review of our occupational health and safety enforcement and prevention systems in Ontario. Now, it's a fact that Ontario has a world-class system. We are a leader in workplace safety, but we can always do better.

This panel will be led by a respected individual, a champion of health and safety, Tony Dean, former secretary of cabinet and a former deputy minister. He will work with a group made up of labour stakeholders, academic professionals in health and safety, as well as employers to look at our health and safety system—the structure, the operations and the policies that we have—to make it better.

The Speaker (Hon. Steve Peters): The time for question period has ended.

USE OF QUESTION PERIOD

Mr. John Yakabuski: On a point of order, Speaker: Earlier in the day, the member for Thornhill had a question, and on his supplementary it was ruled out of

order. I would like to have the opportunity to request some clarification on that.

Based on standing order 37—and I have the question before me—you said that it didn't apply. The matter is of public importance. It's very, very significant in that order, and it's highlighted.

I also want to refer to Marleau, who says in his book here, "Members should be given the greatest possible freedom in the putting of questions that is consistent with the other principles," and also that they "ask a question that is within the administrative responsibility of the government or the individual minister addressed."

The Premier, of course, is the head of the government. If you look at the body of the question, it was specifically asking questions as to why the Liberal members are distancing themselves from policies of this government: the HST, the sweetheart Samsung deal, increased energy costs and higher fees.

1140

I would ask—the question was very much in order, based on the standing orders of this legislative body, and it should not have been ruled out of order based on simply requesting clarification on the Premier's composition of his cabinet. Those are also questions that the public is asking, not questioning the prerogative of the Premier in choosing a cabinet, but the standards by which he chooses that cabinet—the standards he has when choosing members of his cabinet. Those are questions that are being asked in the media and in the public domain as well. So I think that it is pertinent to question period, and it should have been ruled in order.

Mr. Peter Kormos: On the same point of order, Speaker: Very, very briefly, first, I want to indicate that the New Democrats join with the official opposition on this point of order; two, we're very mindful of standing order 38. We don't in any way intend or attempt to violate standing order 38.

It's a very sensitive thing. Look, the Speaker is in a very difficult role. He has to make instant decisions. He isn't given notice of these questions beforehand, as it should be and as tradition dictates. But it's our respectful submission to you, sir, that the overriding principle is one already referred to, and Marleau states it along with any other number of texts: "Members should be given the greatest possible freedom in the putting of questions that is consistent with the other principles."

The Speaker, as I recall it, made reference to the fact that that was not within the scope or ambit, if I recall correctly, of the Premier. With respect, sir, the standards that this Premier creates for who's in or out of cabinet are very much within the scope or ambit of the function of this Premier. It's my respectful submission that the question put to you related to that standard.

I hear the Speaker when he makes these rulings. We, however, need some assistance. That one hour of question period is the only time that opposition members have to hold the government to account, and we are as responsible for holding this government to account around its

standards for its cabinet ministers as we are any other governmental policy.

Hon. Monique M. Smith: On the same point of order, Mr. Speaker: Just very briefly, the member for Welland referred to standing order number 38 but did not in fact read it. It reads, “The Speaker’s rulings relating to oral questions are not debatable or subject to appeal.” To that end, we support you in your decision and feel that your interpretation of standing order 37, where “Questions on matters of urgent public importance may be addressed to the ministers of the crown but the Speaker shall disallow any question which he or she does not consider urgent or of public importance,” is relevant in this particular circumstance.

As well, I would refer you to 37(d), that “In putting an oral question, no argument or opinion is to be offered nor any facts stated, except so far as may be necessary to explain the same....” I would argue that in this case it was simply a question of stating their opinions, and there was no substantial question involved. So we support you in your decision, Mr. Speaker.

The Speaker (Hon. Steve Peters): I thank the honourable members from Renfrew–Nipissing–Pembroke, Welland and the government House leader for their comments on this. I too would just remind all members of standing order 38(a), which does read, “The Speaker’s rulings relating to oral questions are not debatable or subject to appeal,” and 37(a), that “the Speaker shall disallow any question which he or she does not consider urgent or of public importance.”

Both the honourable members have referred to Marleau and Montpetit, and I remind the members that we are now into volume two, which is now O’Brien and Bosc. In O’Brien and Bosc, they say that questions should not “concern internal party matters....” Many of the issues that the honourable member from Thornhill raised, in my opinion, concerned matters that related to internal issues of the party and of the Premier.

As well, I would just remind members that there have been numerous rulings that held that questions must relate to particular ministry or administrative responsibilities of a minister. I can go back to 2001 and 2002. Reverting back to Marleau and Montpetit, it does say, “the greatest possible” latitude “that is consistent with the other principles.” If you continue that quote, one of those other principles is that questions should not concern internal party matters.

I thank the honourable members for their comments.

Mr. Peter Kormos: On a point of order, Speaker: If I may, I appreciate your reference to Marleau and I’m well aware that there’s a second edition with new authors, but just because I have the new plain English version of the Bible doesn’t mean I throw away my King James. Let’s not toss Marleau and Montpetit into the garbage heap. It’s still a valuable and historic reference for this assembly.

The Speaker (Hon. Steve Peters): I thank the honourable member. I have the utmost respect for Marleau and Montpetit and the important role that it plays in

guiding Speakers in decision-making. I would remind the honourable member that in both Marleau and Montpetit and O’Brien and Bosc, the quotation is used.

There being no deferred votes, this House stands recessed until 3 p.m. this afternoon.

The House recessed from 1146 to 1500.

INTRODUCTION OF VISITORS

Mr. Mario Sergio: It is my privilege to welcome to the House today a live history-maker: Brian Warren, executive director of KidsFest.

A two-time Grey Cup champion and all-star honour player, Brian founded KidsFest 10 years ago, a non-profit organization that is dedicated to Canadian children living at or below the poverty line, enabling them to become valuable contributors within their communities. Its innovative Pathway of Hope features programs focused on academic achievement, physical fitness and social interaction.

KidsFest has, in a very positive aspect, impacted the lives of 40,000 children throughout Canada, as well as the riding of York West.

KidsFest gathers together people from business fields, police, local district school boards, professional athletes and university students to mentor, coach and instil positive belief structures and discipline in the lives of youth at risk.

Brian, once the official voice of the Argonauts for many years, is now the voice for those who cannot speak for themselves, advocating to eradicate modern-day slavery.

It is indeed a privilege to highlight an individual who has channelled his passion to do so much to relieve the suffering from, indeed, the most vulnerable children in our midst.

Brian is here. I’d like to say: Thank you for what you’re doing in our community.

Mr. Jeff Leal: I’m very pleased to introduce in the members’ east gallery today Dr. Charles Pascal. I know Charles very well—a former president of Fleming College in Peterborough. When I was a young city councillor after the election, Mayor Sutherland would engage Charles to do a facilitating conference for young councillors to get the feel of the job. He did a superb job, being the author of our early reading strategy and the introduction of full-day kindergarten in the province of Ontario. I’m very happy that there will be three of those schools in the Peterborough riding. So we certainly welcome Dr. Pascal with us today.

Hon. Margaret R. Best: Today, it’s my pleasure to introduce to the House—she’s not here as yet, but I expect her any time—Ms. Rosemary Sadler, president of the Ontario Black History Society.

I also want to take this opportunity to welcome to the House Ms. Noelle Richardson, who is the diversity officer with the OPS, and Mr. Cihak Thomas and Mr. Peter Slowly, whom I expect to join us today as well.

Interjection: There’s Peter now.

Hon. Margaret R. Best: Oh, he is here today, and I would like to take this opportunity to welcome all of them to the Legislature today.

The Speaker (Hon. Steve Peters): I want to take this opportunity, on behalf of the member from York Centre and my good friend Maryam Nazemi, to welcome members from North York Community House, who are joining us in the west gallery today. Welcome to Queen's Park.

MEMBERS' STATEMENTS

HOSPITAL FUNDING

Mr. John O'Toole: I'd like to recognize the outstanding hospitals in my riding of Durham. They include the Uxbridge Cottage Hospital in Uxbridge, the Lakeridge Health site in Bowmanville, as well as Lakeridge Health in Port Perry.

Our communities stand behind their hospitals and their dedicated health care professionals. Unfortunately, it would seem that this government is not equally supportive of community hospitals like mine and others, including Peterborough.

Many small Ontario communities have had to fight to keep health care services such as emergency wards operating. I was concerned to read in the local media earlier this month that the Uxbridge Cottage Hospital's extended care ward may be in jeopardy. The details are more than I can mention in this short statement.

This government needs to assure community hospitals that it is indeed committed to their success and to their continued operation. Sadly, the money that has been squandered recently on eHealth—the boondoggle—could have gone a long way to supporting front-line health care at community hospitals.

I urge this government to be fully accountable, so that community hospitals have the funds they need, when they need them, to maintain their existing services and to serve their ridings. Even now, as we speak, this morning's question period was all about the LHINs and the lack of funding to communities and to the hospitals. I urge the minister to look into this immediately.

ROSE CITY SENIORS ACTIVITY CENTRE

Mr. Peter Kormos: On March 3 of this year, the Rose City Seniors Activity Centre in Welland is going to be celebrating its 20th anniversary. That's a Wednesday, and I fear that I may not be able to join those folks, unless of course there's a prorogation of this House, and there may well be, in which case I'll be joining them down there on Lincoln Street in Welland.

If I can't be there, I'm going to say now the things I would say to them. I was so proud, as a city councillor down in Welland some 22, 23 years ago—a very young

councillor—to be involved in the planning process for this seniors' centre. There were some skeptics, but over the course of the last two decades it has demonstrated itself to be an incredible success.

There's a \$9-million, 25,000-square-foot expansion that's going to have a therapeutic pool and hot tub, an expanded kitchen, a billiards room, new fitness facilities and an updated workshop.

I'm a frequent visitor and guest there. I'm always overwhelmed by the generous hospitality of the folks who frequent the seniors' centre in Welland, whether it's for lunch or for a special event or for the bingo they host from time to time, or the workshop, where woodworking takes place, along with 1,001 other activities.

I'm proud of these seniors. These seniors worked hard all of their lives, building things. In their senior years they are taking advantage of this opportunity to work together in a sense of collegiality and with a sense of sincere hope for their future and their grandchildren's future.

BRIAN WARREN

Mr. Mario Sergio: It may sound confusing, but this is an opportunity for me to expand on my earlier statement. I have to bring to the attention of the House again the presence of Brian Warren. He used to be a football player with the Toronto Argonauts: the winner of two Grey Cups and a player of excellence.

He has left the professional playing field and has entered so willingly and with so much dedication the community field, helping underprivileged children. Since he has started that, I have to say that I wish we had more people like Brian Warren, with so much spirit, so much dedication and so much will to do so much with our underprivileged children.

In less than 10 years he has managed to help, assist and provide young people with the tools necessary to do better in their lives. Some 40,000 children have been touched by Brian Warren. I hope that his work will continue, because in my own area, especially in the areas with the most need, I know he is doing tremendous work.

I hope that he will continue to work in the professional as well as the community field, and do much more than he has been doing. I encourage him to continue and wish him all the support he needs.

ROTARY CLUBS

Mr. Gerry Martiniuk: As a former Rotarian, I'm proud to rise in the Legislature today on behalf of Tim Hudak, leader of the official opposition, and the Progressive Conservative caucus, to pay tribute to the Rotary clubs of Cambridge, Ontario, and Canada, as they celebrate the 100th anniversary of Rotary in Canada.

This evening the Rotary clubs in my riding will gather for their annual all-club meeting. But this year's meeting is especially significant, as it marks a century of service and fellowship at home and to those in need around the world.

1510

Cambridge is blessed to have three thriving Rotary clubs: Cambridge North, Cambridge Preston/Hespeler and Cambridge Sunrise, and I sincerely thank each member for their dedication to making our world a better place. I commend the Rotary Clubs of Cambridge across Ontario as they celebrate 100 years of Service Above Self. Our Rotarians have a record to be proud of.

PROVIDENCE HEALTHCARE

Mr. Lorenzo Berardinetti: I rise today to speak about Providence Healthcare centre in my riding of Scarborough Southwest. I recently visited the Providence Healthcare hospital. This hospital is changing and improving how they care for people in a very fundamental and positive way.

Over the past year, Providence Healthcare has been making changes to the way they deliver care, and the results are impressive. They're seeing more patients with better outcomes and helping more patients home after their rehabilitation. Providence is now ready to do much more.

Over the next four to five years, Providence Healthcare will transform the way they care for people and their families. Their new approach will alleviate pressures on the health care system by moving patients in from acute care beds sooner, at a moment in time that is better for patients. With a more timely transfer to Providence for rehabilitation, patients will return home sooner with ongoing follow-up and support after their discharge. This will help reduce the possibility of another trip to emergency. Good patient care is built on good patient flow.

We salute the entire team at Providence Healthcare, including the management team headed by Neil McEvoy, for their tireless dedication to excellent patient care. With the help and support of their local health integration network and community care access centre, Providence Healthcare is making a bold, visionary move to help change the system radically and for the better.

CHILDREN'S AID SOCIETIES

Mr. Garfield Dunlop: I'm pleased to rise and I am very happy that Minister Broten, the Minister of Children and Youth Services, is in attendance here this afternoon because I wanted to say thank you to her for helping in a partial resolution to a problem we had in the Children's Aid Society of Simcoe County last week. The children's aid society is running a \$4-million deficit, and the minister announced a \$2-million sum of money to be presented on behalf of the children's aid society. That does help them get through the rest of this year.

I wanted to put on the record, though, that it's a partial resolution in Simcoe county. I believe across the province the funding formula for children's aid societies is flawed. In Simcoe county, we get \$73 per day per child, and it actually costs \$89 a day to operate the children's

aid society, whereas in the GTA, children's aid societies get about \$103 a day.

I'm hoping that as we move forward towards the provincial budget, the minister and the cabinet members can find a resolution so that we don't have to go through this each and every year. These are the most vulnerable, the most marginalized and the most challenged, disadvantaged children we have in our society. I know that with these hard economic times, demands on the children's aid society only increase, and we haven't even seen the brunt of that yet.

I thank all the members of the board of the children's aid society, I thank the minister and I thank all the clients who they serve in the county of Simcoe. I'm glad we got this resolved here last week.

YOUTH SERVICES BUREAU

Mr. Yasir Naqvi: This year, the Youth Services Bureau marks 50 years of service in the city of Ottawa. I want to offer my sincere thanks to their hard-working staff and volunteers, my praise to all the young people who have found shelter from the storms in their lives and made a better way through with the help of YSB, and my heartfelt congratulations on such an extraordinary anniversary to everyone who has played a role in making YSB such a valuable part of our community over these 50 years.

YSB was founded in 1960 to promote the general welfare of youth and to act as a clearing house for youth needs and services. By 1965, it was an independent charity with a mandate to meet the complex needs of youth and their families, from shelter to mental health support. By 2010, YSB was providing a broad range of services and expertise, including: youth and family counselling; mental health programs; emergency shelters; supportive housing; employment programs; youth justice programs; a 24-hour crisis line; and a health clinic and a drop-in centre for street-involved youth.

Impressively, their 350 staff serve between 2,500 and 3,000 families a month.

I have been privileged to work closely with executive director Alex Munter, former board president Brian Ford, current board president Chris Warburton, the youth advisory committee and the whole YSB team for the last three years. I have always been impressed with their dedication, vision and compassion to make a difference for at-risk youth in our community.

Thank you to the entire YSB team for all their hard work and dedication. May the next 50 years continue the legacy of the good work you do every day for our young people.

EDUCATION FUNDING

Mr. David Oraziotti: I rise in the House today to celebrate new investments in education in my riding of Sault Ste. Marie. This past week, the education minister, Algoma District School Board officials and I launched construction on the first new high school to be built in

our community in nearly 40 years. The new state-of-the-art infrastructure will provide the best possible learning environment for our young people and give them the best chance to succeed.

Nearly \$47 million in funding is being provided to build this new school. It is part of a number of new education infrastructure projects in Sault Ste. Marie, including a new elementary school that will begin construction this year, an expansion at St. Patrick's Catholic elementary school and an expansion of K-12 at Notre-Dame-des-Écoles. In total, over \$70 million in new school infrastructure is being built, in addition to funding that has been provided for repairs and upgrades to existing schools. In fact, we're investing over \$4.8 billion through the Good Places to Learn program to build and repair Ontario's schools, the largest investment by any government.

But this isn't just about buildings and new construction, it's about building great learning environments so our children can reach their full potential. Locally, \$27 million in new funding has meant that per-pupil support has increased by nearly 50%. Dropout rates are down, graduation rates are up and the implementation of full-day JK learning will initially take place at nine schools in Sault Ste. Marie.

We believe that making these investments in education means we are investing in our youth, in their quality of life and in a stronger Ontario.

CANADIAN WOMEN'S HOCKEY TEAM

Mr. Charles Sousa: It's my great pleasure to rise today to speak about both the 2010 Winter Olympic Games under way in Vancouver and one of our local athletes.

Jennifer Botterill, a resident in the great riding of Mississauga South, is currently in Vancouver competing as part of Canada's women's hockey team. As I'm sure members of the House are aware, our exceptional women's hockey team is enjoying some success—and early success—at the games. On February 13, they took on Slovakia and won decisively, and then on the 15th they beat Switzerland by a safe margin, earning themselves a spot in the semi-finals. Tonight they will face the Swedish team. I'd like to take this opportunity to inform the House and those watching at home that they can tune in to watch the game and cheer on our Canadian team at 5:30 p.m. eastern time.

It takes a lot of hard work and dedication to get to the Olympics, and our athletes need all the support they can get. That's why I'm so pleased that Ontario is doing its part. Jennifer is one of more than 1,100 athletes who receive support from Ontario's Quest for Gold program. The province is investing \$10 million in 2009-10 to help Ontario athletes, as well as their coaches, compete for gold.

We in south Mississauga are very proud of Jennifer and her outstanding achievement. I'm sure all members of the House will join me in wishing her and her team continued success. And to all of our Canadian athletes: Congratulations, and good luck. Go, Canada, go.

REPORTS BY COMMITTEES

STANDING COMMITTEE ON THE LEGISLATIVE ASSEMBLY

Mr. Bas Balkissoon: I beg leave to present a report from the Standing Committee on the Legislative Assembly, pursuant to standing order 111(b).

The Speaker (Hon. Steve Peters): Does the member wish to make a brief statement?

Mr. Bas Balkissoon: I'll pass; the report is pretty self-explanatory.

The Speaker (Hon. Steve Peters): Pursuant to standing order 111(b), the report is deemed to be adopted by the House.

Report deemed adopted.

INTRODUCTION OF BILLS

FULL DAY EARLY LEARNING STATUTE LAW AMENDMENT ACT, 2010

LOI DE 2010 MODIFIANT DES LOIS EN CE QUI CONCERNE L'APPRENTISSAGE DES JEUNES ENFANTS À TEMPS PLEIN

Mrs. Dombrowsky moved first reading of the following bill:

Bill 242, An Act to amend the Education Act and certain other Acts in relation to early childhood educators, junior kindergarten and kindergarten, extended day programs and certain other matters / Projet de loi 242, Loi modifiant la Loi sur l'éducation et d'autres lois en ce qui concerne les éducateurs de la petite enfance, la maternelle et le jardin d'enfants, les programmes de jour prolongé et d'autres questions.

The Speaker (Hon. Steve Peters): Is it the pleasure of the House that the motion carry? Carried.

First reading agreed to.

The Speaker (Hon. Steve Peters): The minister for a short statement.

Hon. Leona Dombrowsky: I will make my statement during ministerial statements.

1520

MINING AMENDMENT ACT (RESOURCES PROCESSED IN ONTARIO), 2010

LOI DE 2010 MODIFIANT LA LOI SUR LES MINES (RESSOURCES TRANSFORMÉES EN ONTARIO)

Mr. Bisson moved first reading of the following bill:

Bill 243, An Act to amend the Mining Act to require resources to be processed in Ontario / Projet de loi 243,

Loi modifiant la Loi sur les mines afin d'exiger que les ressources soient transformées en Ontario.

The Speaker (Hon. Steve Peters): Is it the pleasure of the House that the motion carry? Carried.

First reading agreed to.

The Speaker (Hon. Steve Peters): The member for a short statement.

Mr. Gilles Bisson: You will know that the Xstrata smelter refinery is proposed to be closed this upcoming May. This particular bill aims to do what Newfoundland did in protecting those resources that are in Ontario to be processed in the province of Ontario. It's a similar bill to what was passed in Newfoundland when the Voisey's Bay mine was being planned to make sure that resources that are extracted from the province are processed within the province itself.

PUBLIC TRANSPORTATION
AND HIGHWAY IMPROVEMENT
AMENDMENT ACT
(NOISE REMEDIATION), 2010

LOI DE 2010 MODIFIANT
LA LOI SUR L'AMÉNAGEMENT
DES VOIES PUBLIQUES
ET DES TRANSPORTS EN COMMUN
(RÉDUCTION DU BRUIT)

Mr. Caplan moved first reading of the following bill:

Bill 244, An Act to amend the Public Transportation and Highway Improvement Act with respect to noise remediation / Projet de loi 244, Loi modifiant la Loi sur l'aménagement des voies publiques et des transports en commun en ce qui concerne la réduction du bruit.

The Speaker (Hon. Steve Peters): Is it the pleasure of the House that the motion carry? Carried.

First reading agreed to.

The Speaker (Hon. Steve Peters): The member for a short statement.

Mr. David Caplan: This bill amends the Public Transportation and Highway Improvement Act to require the Minister of Transportation to assess noise levels on highways after their construction, extension or alteration. In the case where noise levels exceed the acceptable level by five decibels or more, the minister or the ministry is obliged to take all necessary steps to reduce the noise to an acceptable level within three years. The bill also requires the minister to establish and publish standards for acceptable noise levels for the operation of highways.

Over the years, residents in Don Valley East, in my community, have worked hard to remediate noise increases that have resulted from road repairs and other works on Highway 401, Highway 404 and the Don Valley Parkway, all of these which intersect at the heart of Don Valley East. With this bill, I hope to complement their extensive work and lobbying and put an end to the frustration caused by noise levels on highways.

MENINGITIS AWARENESS
DAY ACT, 2010

LOI DE 2010 SUR LE JOUR
DE LA SENSIBILISATION
À LA MÉNINGITE

Ms. Pendergast moved first reading of the following bill:

Bill 245, An Act to proclaim April 24 in each year as Meningitis Awareness Day / Projet de loi 245, Loi proclamant le 24 avril de chaque année Jour de la sensibilisation à la méningite.

The Speaker (Hon. Steve Peters): Is it the pleasure of the House that the motion carry? Carried.

First reading agreed to.

The Speaker (Hon. Steve Peters): The member for a short statement.

Ms. Leanna Pendergast: The bill proclaims April 24 in each year as Meningitis Awareness Day. The purpose of the bill is to heighten awareness of meningitis and to share best practices, information and research, all essential to ensuring that no family loses a loved one to this terrible disease.

MOTIONS

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. James J. Bradley: I seek unanimous consent to put forward a motion without notice regarding private members' public business.

The Speaker (Hon. Steve Peters): Agreed? Agreed.

Hon. James J. Bradley: I move that, notwithstanding standing order 98(g), notice for ballot item 64 be waived.

The Speaker (Hon. Steve Peters): Is it the pleasure of the House that the motion carry? Carried.

Motion agreed to.

STATEMENTS BY THE MINISTRY
AND RESPONSES

FULL-DAY KINDERGARTEN
JARDIN D'ENFANTS À TEMPS PLEIN

Hon. Leona Dombrowsky: I believe that everyone here today, indeed all Ontarians, would agree that education has the power to change lives, that it is the key to empowering citizens and to building a better future for all of us.

Over the past seven years, our government has worked hard to improve Ontario's education system and to give every student the opportunity to succeed and develop the skills necessary for future success. Full-day learning for four- and five-year-olds is the next essential step in our quest to make Ontario's education system the best in the world.

In September, approximately 35,000 children in nearly 600 schools across Ontario will benefit from an enriched, integrated, full day of learning. By 2015-16 we hope to provide all four- and five-year-olds with access to this exciting new program. Working side by side, a teacher and an early childhood educator will help children learn, play and grow during the regular school day.

Parents will also have the option to enrol their child in integrated before- and after-school programs where an early childhood educator will build on the activities of the regular school day. This will give children a seamless day in one location with continuous staffing, familiar faces and friends, where they feel safe and encouraged to learn, play and explore.

Ce nouveau programme facilitera aussi la vie des familles ontariennes.

Too many parents have to juggle their children's schedules between school and child care while worrying about work and other responsibilities. In addition to being more convenient for families, the long-term economic advantage of full-day learning will give Ontario a competitive edge in this global society.

Studies have shown that the return on public investment for young children is at least seven to one. That's why the government is taking action today to establish the legislative framework that forms the backbone of our new full-day learning program.

I'm pleased to stand in the House today to introduce the Full Day Early Learning Statute Law Amendment Act.

If passed, this legislation would amend the Education Act to mandate full-day learning. It would give school boards the responsibility and authority to implement full-day kindergarten, staffed during the regular school day by a teacher and an early childhood educator. It would also give school boards the responsibility and authority to implement the before- and after-school programs for those young children, led by an early childhood educator. As well, it would give boards the authority and the duty to set, charge and collect reasonable fees to recover the cost of these programs. This legislation would also give school boards the authority to offer extended-day programs for children aged four to 12, plus offer programs on days that are not regular instructional days, such as the summer holidays.

The Full Day Early Learning Statute Law Amendment Act, if passed, would recognize the new and unique role that early childhood educators play in the full-day learning classroom, both during the regular school day and when they lead the before- and after-school programs.

1530

This legislation would give school boards, principals, teachers and early childhood educators the support they need to successfully implement this exciting new program. It would ensure that when the program is fully implemented, every single four- and five-year-old child in Ontario will have access to a stellar full-day early learning program led by qualified staff.

This legislation is an essential part of the full-day learning program. This program is essential for giving

our younger students a brighter future, for giving our families the support they need and for building a stronger Ontario for all of us.

BLACK HISTORY MONTH

Hon. Margaret R. Best: I rise in the Ontario Legislature today to acknowledge Black History Month in Canada and in our great province of Ontario, and I want to take this opportunity to welcome our distinguished guests, friends and relatives who have joined us today.

As an African-Canadian, it is a privilege indeed to speak about Black History Month in this esteemed, historic institution, the Ontario Legislature, for the second consecutive year. This is important because the history of persons of African descent included a time when we were to be seen and not heard, our voices muted, our experiences given validation only when spoken of by persons not of African descent.

To infuse this statement with an analogy to African culture and heritage, it is said that many can sing the blues but few have lived the blues. Persons of African descent have both sung and lived the blues. However, our history is much more than the blues. This is a fundamental reason for Black History Month.

Black History Month was a vision of Dr. Carter G. Woodson, an African-American historian known as the father of black history. Dr. Woodson felt it was critical to set aside a time to recognize the rich heritage of persons of African descent and to raise awareness of the historical legacy of their positive contributions to society at large.

In December 1995, in collaboration with the Ontario Black History Society, the first black woman elected to the Parliament of Canada, the Honourable Jean Augustine, built on Dr. Woodson's legacy by introducing a motion to officially recognize February as Black History Month in Canada. Senator Donald Oliver, the first black man appointed to the Canadian Senate, introduced a similar Senate motion in 2008. Ontario is pleased to continue this time-honoured tradition.

I take this opportunity to recognize Dr. Rosemary Sadlier and the Ontario Black History Society for their role in the celebration and perpetuation of the rich history of African-Canadians.

Ontario has a legacy of pioneering legislators and policy-makers of African heritage, including the late Leonard A. Braithwaite, the Honourable Lincoln Alexander, Senator Anne Cools, the Honourable Jean Augustine, Dr. Alvin Curling, Mrs. Mary Anne Chambers, Ms. Zanana Akande and former city councillor Dr. Bev Salmon.

Others across Canada include Her Excellency Michaëlle Jean, the Honourable Mayann Francis, the Honourable Lindsay Blackett, Ms. Hedy Fry, the Honourable Yolande James and the late Rosemary Brown.

But black history is about much more. It is about the past, it is about the present and the future of a people, a people of African heritage, and the important contributions that we have made and continue to make to our great province of Ontario and our country of Canada.

As we celebrate the 2010 Winter Olympics in Canada, it is apropos to recognize the late Harry Jerome, a black Canadian who set the standard as the world's fastest man of his time, representing Canada at two Pan American Games and Commonwealth Games and three Olympics. I was indeed privileged to visit the statue of Harry Jerome in Vancouver's Stanley Park.

It is about the black Ontario public service employees and their continued efforts to promote the important contributions of African Canadians to our great province.

Our history, the history of black Canadians, is enriched by our young people. Last year, I was pleased to meet extraordinary young Ontarians, including P.K. Subban, who made history in 2009, winning gold as a member of the gold medal 2008-09 Canada world junior hockey team; Ontario's Shelley-Ann Brown, an Ontario Quest for Gold athlete and a member of the Ontario 2010 Winter Olympic team; and Dr. Naana Afua Jumah, a Rhodes scholar, a graduate of Oxford University with a doctorate degree in medical engineering and a cum laude graduate of Harvard Medical School, who is presently completing her residency at the University of Toronto. These young people are but a glimpse into our future: a future built on historical legacies of African Canadians, a future bright with possibilities.

A black history is a rich culture, a way of life, a legacy that began in Africa, the motherland, prior to the middle passage and the bondage of slavery, segregation, racism and oppression, to the Underground Railroad, to freedom, voting rights, desegregation and integration. From pioneers of communities with strong African-Canadian historical ties—Dresden, Buxton, Owen Sound and Toronto—African-Canadians continue to work diligently to influence and shape the fabric of our great province of Ontario and beyond.

The history of African-Canadians is a shared history that knows no boundaries. It is informed, affected and shaped by our global neighbours. It is therefore fitting for us to recognize and continue to support our Haitian brothers and sisters as they regroup after experiencing a calamity of untold proportions.

In closing, I ask all members of this Ontario Legislature to join me in recognizing Black History Month. To paraphrase the words of a person of African descent who inspired millions, including our own Dr. Charles Pascal, who told me just today that he had the pleasure of meeting Dr. Martin Luther King, he said, "Now is the time to remind [all Canadians] of the fierce urgency of now." Now is the time not only to celebrate, but it is also the time to make a difference in shaping our future—the future of our province for persons of African descent—because what affects one of us affects all of us. We are inextricably joined by our ties to our home, this great province of Ontario in this great country of Canada.

The Speaker (Hon. Steve Peters): Responses?

FULL-DAY KINDERGARTEN

Mrs. Elizabeth Witmer: I'm pleased to respond on behalf of the Progressive Conservative caucus. I would

begin by saying that our caucus has always recognized the importance of expanding early years child development. In fact, we commissioned the early years report by Fraser Mustard and the Honourable Margaret McCain, and we did introduce programs subsequently to ensure that young children had the best possible opportunity to move forward.

Today, as I look at this, I'm also cognizant of the fact that not everyone in the province thus far is quite as optimistic about this program as we might like to think they are. We've certainly heard from trustees and some in the educational field that the development of this program has perhaps not been as carefully thought out as it might possibly have been. There are going to be children who are living in communities side by side where one may go to the separate school and another to the public school. Obviously one parent will have to continue to pay for child care and the other will not, and that is creating some concerns in communities throughout the province. I've certainly heard from those parents. They've also indicated that they don't know yet when their child will qualify for the program, and so they do feel there's some unfairness in the way the program is being developed.

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Certainly one of the concerns our party has also had is how the government is going to pay for this program. The program is going to cost the taxpayers of this province more than \$1.5 billion when it's fully up and running. That doesn't include the additional capital costs because additional physical space is going to be required. That is also causing some concern for school boards that simply don't have the physical capacity, and it's going to determine when certain areas in this province actually do have the space to accommodate children in the program. But it's also going to drive up the cost well beyond \$1.5 billion.

We have to remember that we have a deficit of almost \$25 billion. That's important to keep in mind, because at the other end of the spectrum we have unemployed and we have grade 12 students who are competing for post-secondary spots at our colleges and universities and entry into apprenticeship programs, and the government isn't providing the growth funding that's needed. Again, if we're going to grow our economy, if we're going to be competitive, we have to make sure that those who are unemployed and those who are graduating from grade 12 are given opportunities to access post-secondary education and apprenticeship.

There are some challenges that we face in the province today, and there are concerns about the cost of this program and the implementation or the fact that it probably wasn't as well considered as it could have been.

BLACK HISTORY MONTH

Mr. Ted Arnott: I too want to welcome and express our thanks to the Ontario Black History Society and its president, Dr. Rosemary Sadlier. It has been a pleasure to become better acquainted with Rosemary. She's an

outstanding Ontarian, and her volunteer public service is a model for the rest of us.

I had the pleasure of working with her in 2008 to introduce in this House a bill to recognize August 1 as Emancipation Day in Ontario. In fact, it was the very first bill introduced in this House standing in the name of two MPPs from different political parties. In a non-partisan spirit of co-operation across party lines, the member for Lambton–Kent–Middlesex and I co-sponsored Bill 111 and Dr. Sadlier got behind it. In fact, I believe Rosemary deserves as much credit as any MPP in this House for its passage. We are all very proud that one of the most significant milestones in black history in the British Empire is now enshrined in the laws of the province of Ontario.

The theme of this year's Black History Month, *The Time is Now*, is especially appropriate. There is no better time than the present to celebrate the outstanding and varied contributions made by Canadians of African ancestry. You have every reason to be proud as Canadians, proud of your heritage and proud of the important part you played in building one of the most admired nations in the world.

On behalf of our leader, Tim Hudak, and the entire Ontario PC caucus, please accept our warmest congratulations and best wishes for continued success in your important work to raise awareness of our shared history.

FULL-DAY KINDERGARTEN

Mr. Rosario Marchese: New Democrats support the implementation of full-day learning for four- and five-year-olds. We have stated that in the past; we continue to say it. We have said that we had this in our 1999 platform, so it would be an obvious thing for New Democrats to be supporting it when Liberals decide that they're going to introduce it. So that's not a big deal for us.

We know—and there is a “but”—that there is going to be a great deal of accommodation that has to be made between the regular teacher and the early childhood educators. They are uncomfortable, each with the other, in terms of having to share space, and each of the respective individuals is going to have to make some changes. We believe it will work. We don't know how the government is going to do it, because they haven't laid that out yet in terms of the distribution of the workload or how that's going to work. But I am optimistic that somehow it will, without any information from the government. We are optimistic that the government will lay this out so that the critic will be able to say, “Good job,” or, “No, you haven't done a good job.”

We've got a problem, and I've got to tell you: Capping was something that the Liberals introduced at the primary grades. They said that capping was something that was important to do. They tracked the early years and they did it well, but they didn't track grades 4 to 8, which proved that increased class sizes happen from grades 4 to 8 as a result of the capping, and that is a problem.

There are a number of other problems here that I want to speak to. We will have the time to be able to address them, but we want to give our leader enough time to be able to respond to the other statement.

BLACK HISTORY MONTH

Ms. Andrea Horwath: I regret that I only have a very few short minutes to respond to the statement on Black History Month, but it is a great honour for me to be able to rise and do that today.

Today we look back in celebration of more than 400 years of African-Canadian history. We also look ahead to the challenges that we still need to overcome.

The celebration of Black History Month ensures that we do not forget our proud shared legacy of living in a Canada whose shores have long meant the promise of safety, liberty and justice. This is the Canada that should give us a renewed sense of pride as we look back this month at the watershed events that forever shaped the history that we share.

At the same time, Black History Month gives us pause to remember that in pre-federation Canada, white people owned black slaves in this country as well. We can't forget that. The enduring story of the Underground Railroad is perhaps an easier one to tell, but the story of slave ownership in our own country is one we must remember also. Just as we remember Harriet Tubman, we have a responsibility not to forget that the first named enslaved African to reside in this country was a six-year-old boy who arrived in 1628 and was sold several times. This too is part of our history and should remind us of our continued responsibility to stand up against racism wherever and whenever we confront it today.

We must also embrace Black History Month as an opportunity to take on today's challenges. New Democrats recognize that Black History Month is an opportunity to remind ourselves of the work we still have left to do. Earlier this month, the United Way of Greater Toronto and Women's College Hospital were recognized with a DiverseCity award for embracing diversity at the highest levels of their organizations. United Way and Women's College Hospital were lauded because the people who hold some of those organizations' most senior positions reflect the same diversity we find in the communities that we live in.

These awards are a welcome challenge to all of us. Our Ontario is not yet fully representative of the diversity that we see across our province. We need to keep moving forward.

What are our challenges? In recent years we've received public reports that talk about the colour of poverty, public reports like the roots of violence report. What do these reports show us? They show us very clearly the racialization of poverty in the province of Ontario. They show us that racialized minorities are three times more likely to be poor in this province than anybody else. Any real strategies of poverty reduction have to talk to the issues of racialization of poverty. We

have to take this information and use it to make the real change.

We still have racial profiling in the province of Ontario. We have a Premier who didn't want to have black-focused schools in this province. These are the challenges that to this day we still face.

We know that a diverse, inclusive society of opportunity improves the lives of each of us. Racism, then as now, hurts us all.

As we celebrate Black History Month, let us reaffirm our commitment to building a society where the doors of opportunity are open equally, everywhere, for everyone.

PETITIONS

TAXATION

Mrs. Julia Munro: “To the Legislative Assembly of Ontario:

“Whereas the McGuinty government’s plan to ‘harmonize’ the PST and the GST will result in Ontario taxpayers paying 8% more for a multitude of products and services;

“Whereas the 8% tax increase will increase the cost of services such as housing and real estate services, gasoline, hydro bills, home heating fuel, Internet and cable bills, haircuts, gym memberships, legal services, construction and renovations, car repairs, plumbing and electrical services, landscaping services, leisure activities, hotel rooms, veterinary services for the family pet and even funeral services; and

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“Whereas Ontario taxpayers cannot afford this tax grab—particularly in the middle of a recession;

“We, the undersigned, petition the Legislative Assembly of Ontario to direct the government of Ontario to abandon the sales tax increase announced in the 2009 budget.”

I’m pleased to give it to page Colin.

RAIL LINE EXPANSION

Ms. Cheri DiNovo: My petition to the Legislative Assembly of Ontario reads as follows:

“Whereas Metrolinx, an agency of the government of Ontario, is planning an eightfold expansion in diesel rail traffic from 50 trains per day to over 400 trains per day in the Georgetown corridor, which cuts through west-end neighbourhoods including Liberty Village, Parkdale, Roncesvalles, the Junction and Weston; and

“Whereas this expansion will make this the busiest diesel rail corridor on the planet; and

“Whereas exhaust from diesel locomotives is a known danger to public health, linked to cardiovascular disease, respiratory disease, cancers and premature death; and

“Whereas diesel exhaust poses an especially potent danger to children and the elderly; and

“Whereas diesel trains are harmful to the environment and contribute to climate change and are also heavy, loud and disruptive to neighbourhoods and local quality of life; and

“Whereas over 250,000 people live within one kilometre of this line and 30,000 children attend one of more than 200 schools within one kilometre of the tracks;

“Therefore we, the undersigned are concerned citizens who urge our leaders to act now to ensure that the rail expansion in the Georgetown south rail corridor, including the air-rail link, be electrified from the outset and that there be no further expenditure on diesel technology.”

I absolutely agree with this and add my name to the thousands that have already been presented, and I will give it to Quinton to be delivered.

CLIMATE CHANGE

Mr. Phil McNeely: My petition is from a group at St. Mark High School. It’s to the Legislative Assembly of Ontario.

“Whereas the United Nations Intergovernmental Panel on Climate Change, in its 2007 report, concluded that without dramatic reductions in human-induced carbon dioxide emissions, climate change may bring ‘abrupt and irreversible effects on oceans, glaciers, land, coastlines and species;’ and

“Whereas no one group, country or continent is responsible for climate change, but where all human beings are collectively responsible for solving the problem; and

“Whereas the production of greenhouse gases in Canada has increased by 27% over 1990 levels; and

“Whereas our elected leaders have a responsibility to report to the public on their actions with respect to halting climate change for the sake of accountability; and

“Whereas youth in particular have a special interest in this issue, being those that will inherit this earth, our only home.

“We, the undersigned, petition the Legislative Assembly as follows:

“That the Legislative Assembly of Ontario swiftly pass Bill 208, An Act to increase awareness of climate change.”

It was submitted by Nancy-Anne Giroux, Justin Benoit and Leah Bertrand and many more. I’ll send this down with Jordan.

HOSPITAL FUNDING

Mr. John O’Toole: I did a statement this morning on health care and I’m reading petitions this afternoon on health care. It reads as follows:

“Whereas the municipality of Clarington passed resolution C-049-09 in support of Lakeridge Health Bowmanville; and

“Whereas area doctors, hospital staff and citizens have raised concerns that Bowmanville’s hospital could turn into little more than a site to stabilize and transfer patients for treatment outside the municipality; and

“Whereas Clarington is a growing community of over 80,000; and

“Whereas we support the continuation of the Lake-ridge Bowmanville site through access to on-site services, including emergency room, internal medicine and general surgery;

“Therefore we, the undersigned, request that the Legislative Assembly of Ontario and the McGuinty government take the necessary actions to fund our hospitals equally and fairly. And furthermore, we request that the clinical services plan of the Central East LHIN address the need for the Bowmanville hospital to continue to offer a complete range of services appropriate for the growing community of Clarington.”

A couple of signatures are from Mary Peldiak and Eddie Peldiak from Newcastle. Thank you to all the constituents, and I present it to Christopher.

DIAGNOSTIC SERVICES

M^{me} France Gélinas: I’d like to present this petition from the people of Sudbury and Nickel Belt. It reads as follows:

“Whereas the Ontario government is making ... PET scanning a publicly insured health service available to cancer and cardiac patients...; and

“Whereas by October 2009, insured PET scans will be performed in Ottawa, London, Toronto, Hamilton and Thunder Bay; and

“Whereas the city of Greater Sudbury is a hub for health care in northeastern Ontario, with the Sudbury Regional Hospital, its regional cancer program and the Northern Ontario School of Medicine;

“We, the undersigned, petition the Legislative Assembly of Ontario to make PET scans available through the Sudbury Regional Hospital, thereby serving and providing equitable access to the citizens of northeastern Ontario.”

I fully support this petition, will affix my name to it and send it to the table with page Jordan.

HEALTH CARE

Mr. Norm Miller: I have a petition to do with health care in Parry Sound–Muskoka, and it reads:

“To the Legislative Assembly of Ontario:

“Whereas Muskoka Algonquin Healthcare has undertaken an operational audit to identify efficiencies and reduce costs; and

“Whereas we recognize that the status quo is not an option; and

“Whereas rehab services are of paramount concern to the residents of the region where income levels exclude them from accessing other alternatives; and

“Whereas the deficit recovery plan will not balance the budget;

“We, the undersigned, petition the Legislative Assembly of Ontario as follows:

“That the Minister of Health provide additional operational funding of 5% amounting to \$3.4 million to ensure the continuation of services as described in the deficit reduction plan submitted to the North Simcoe Muskoka LHIN dated January 29, 2010.”

I’m pleased to support this and give it to Haleigh.

TAXATION

Mrs. Julia Munro: “To the Legislative Assembly of Ontario:

“Whereas the McGuinty government’s plan to harmonize the PST and the GST will result in Ontario taxpayers paying 8% more for a multitude of products and services; and

“Whereas the 8% tax increase will increase the cost of services such as housing and real estate services, gasoline, hydro bills, home heating fuel, Internet and cable bills, haircuts, gym memberships, legal services, construction and renovations, car repairs, plumbing and electrical services, landscaping services, leisure activities, hotel rooms, veterinary services for the family pet and even funeral services; and

“Whereas Ontario taxpayers cannot afford this tax grab, particularly in the middle of a recession;

“We, the undersigned, petition the Legislative Assembly of Ontario to direct the government of Ontario to abandon the sales tax increase announced in the 2009 budget.”

I’m pleased to give it to page Arusa, as I am in complete agreement.

TAXATION

Ms. Lisa MacLeod: It’s my pleasure to introduce a petition today to stop the Dalton sales tax.

“To the Legislative Assembly of Ontario:

“Whereas Dalton McGuinty’s plan to blend the PST with the GST into one 13% harmonized sales tax ... represents one of the largest tax hikes in Ontario history, at a time when families and businesses can least afford it; and

“This new tax, which we are calling the ... Dalton sales tax, will raise the cost of a long list of goods and services not previously subject to provincial sales tax, including”—but not limited to—“electricity; home heating oil and gas at the pump; haircuts; magazines; Internet; home renovations; heating; air-conditioning repairs; accounting, legal and real estate fees; condo fees; new home sales; rents will also go up; minor hockey registration fees will increase; and green fees and gym fees will also be taxed”—I think there might have been an error in this petition on one of the items, but this petition has been going on for several months;

“We, the undersigned, petition the Legislative Assembly of Ontario as follows:

“That the McGuinty government not impose this new tax on Ontario’s hard-working families”—their seniors—“and businesses.”

I 100% agree with this petition, and I’ll affix my signature.

Interjections.

TAXATION

Mr. John Yakabuski: I can’t believe these folks heckle petitions. We’re only representing the people of Ontario when we read these.

“Whereas the McGuinty government’s plan to harmonize the PST and the GST will result in Ontario taxpayers paying 8% more for a multitude of products and services; and

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“Whereas the 8% tax increase will increase the cost of services such as housing and real estate services, gasoline, hydro bills, home heating fuel, Internet and cable bills, haircuts, gym memberships, legal services, construction and renovations, car repairs, plumbing and electrical services, landscaping services, leisure activities, hotel rooms, veterinary services for the family pet and even funeral services; and

“Whereas Ontario taxpayers cannot afford this tax grab—particularly in the middle of a recession;

“Therefore we, the undersigned, petition the Legislative Assembly of Ontario to direct the government of Ontario to abandon the sales tax increase announced in the 2009 budget.”

I support this petition, affix my signature to it and send it down with page Jullian.

TAXATION

Mr. Norm Miller: I’m pleased to present a petition with regard to the McGuinty sales tax. It reads:

“To the Legislative Assembly of Ontario:

“Whereas the McGuinty government is planning to merge the 8% provincial sales tax and the 5% federal sales tax; and

“Whereas the new 13% sales tax will be applied to products and services not previously subject to provincial sales tax such as gasoline, home heating fuels, home renovations, haircuts, hamburgers, television service, Internet service, telephone and cell services, taxi fees, bus, train and airplane tickets, and dry cleaning services; and

“Whereas rural and northern Ontarians will be particularly hard hit by Mr. McGuinty’s new sales tax, as will seniors and families;

“We, the undersigned, petition the Legislative Assembly of Ontario as follows:

“That the McGuinty government should eliminate the new sales tax.”

I support this petition.

TAXATION

Mrs. Joyce Savoline: “To the Legislative Assembly of Ontario:

“Whereas Dalton McGuinty’s plan to blend the PST with the GST into one 13% harmonized sales tax (HST) represents one of the largest tax hikes in Ontario history, at a time when families and businesses can least afford it; and

“This new tax, which we are calling the DST (Dalton sales tax), will raise the cost of a long list of goods and services previously not subject to provincial sales tax. These are including: electricity; home heating oil and gas at the pump; haircuts; magazines; Internet and cable, home renovations; heating and air-conditioning repairs; accounting, legal and real estate fees; condo fees; new home sales; rents will also go up; minor hockey registration fees will increase; and green fees and gym fees will also be taxed;

“We, the undersigned, petition the Legislative Assembly of Ontario as follows:

“That the McGuinty government not impose this new tax on Ontario’s hard-working families and businesses.”

I agree with this petition. I will affix my name thereto and give it to page Colin.

CLIMATE CHANGE

Mr. Phil McNeely: I have a petition from St. Mark High School kids Michael McMeekin, Westin Manor and Heather Mackenzie.

“To the Legislative Assembly of Ontario:

“Whereas the United Nations Intergovernmental Panel on Climate Change, in its 2007 report, concluded that without dramatic reductions in human-induced carbon dioxide emissions, climate change may bring ‘abrupt and irreversible effects on oceans, glaciers, land, coastlines and species;’ and

“Whereas no one group, country or continent is responsible for climate change, but where all human beings are collectively responsible for solving the problem; and

“Whereas the production of greenhouse gases in Canada has increased by 27% over 1990 levels; and

“Whereas our elected leaders have a responsibility to report to the public on their actions with respect to halting climate change for the sake of accountability; and

“Whereas youth in particular have a special interest in this issue, being those that will inherit this earth, our only home.

“We, the undersigned, petition the Legislative Assembly as follows:

“That the Legislative Assembly of Ontario swiftly pass Bill 208, An Act to increase awareness of climate change.”

I support this and send it along through Jordan.

The Speaker (Hon. Steve Peters): The time for petitions has ended. Orders of the day.

Hon. James J. Bradley: Before I call orders of the day, I should note that John Yakabuski has a very special occasion today: He has a fundraiser at the Albany Club at 6 o'clock tonight.

Mr. John Yakabuski: That good Conservative club.

Hon. James J. Bradley: So for all Conservatives out there who don't know, they can attend.

ORDERS OF THE DAY

PENSION BENEFITS AMENDMENT ACT, 2010

LOI DE 2010 MODIFIANT LA LOI SUR LES RÉGIMES DE RETRAITE

Mr. Bradley, on behalf of Mr. Duncan, moved second reading of Bill 236, An Act to amend the Pension Benefits Act / Projet de loi 236, Loi modifiant la Loi sur les régimes de retraite.

The Speaker (Hon. Steve Peters): Debate?

Hon. James J. Bradley: I will be turning my time over to the parliamentary assistant for the Minister of Finance.

Mr. Wayne Arthurs: It's great to be back after our winter recess and to have the opportunity today to lead off the second reading debate on what will be an ongoing process—one that obviously is important to both retirees in Ontario and those in the workforce, who will someday retire from their employment—as well as an opportunity to reflect upon some of the good work that has been done by government and those appointed by government on this important file. I'm pleased to stand in the House today for the second reading of the Pension Benefits Amendment Act, 2009.

As outlined in the recent 2009 Ontario economic outlook and fiscal review, the current global downturn has had a significant impact on Ontario families and businesses. That's something that surprises none of us in this room or throughout the province of Ontario. Through no fault of our own, we are now living through the greatest economic downturn since the Great Depression of the late 1920s and early 1930s. That is why this government has been taking proactive steps to ensure that when the economy returns to normal, we'll be well-positioned to lead the rest of the world in recovering. One of the ways in which we can do this is to update our employment pension system.

First, I'd like to provide a bit of historical context on the pension system in Ontario, courtesy of the report of the Expert Commission on Pensions. It was titled *A Fine Balance: Safe Pensions, Affordable Plans, Fair Rules*. This will take a bit of time this afternoon, but think having the context is important both for those of us here and for Ontarians either in a pension system or contemplating one in the future.

"Ontario workers have been receiving" what we refer to as "'occupational' pensions, provided by their employers, since the middle of the 19th century." Some wouldn't think that the pension system in Ontario had been around for that long. "Reports and studies on the pension system can be traced almost to its inception, but at least as far back as 1889. A central theme of these studies, of pension policy debates throughout the 20th century and of current discourse has been the issue of whether pensions should be provided directly by the state" in the form of a government pension, "by employers under a legal obligation to provide them; or by employers acting either 'voluntarily' ... to faithful, long-serving employees, to aid the recruitment and retention of workers or to satisfy the" collectively bargained agreements within a unionized environment. "At stake, of course, were—and still are—issues such as" pension coverage, "how the pension system should be financed and by what means and to what extent it should be regulated.

"By the mid-20th century, occupational pensions were becoming more common in large unionized workplaces, especially in the public sector, and were increasingly available in large, non-unionized enterprises. Nonetheless, the controversy over who should provide pensions continued." Should it be the state, the employer or some combination involving employees? "In this province, it reached a crucial stage in 1960 when the Conservative government of that day appointed the Ontario Committee on Portable Pensions. The committee's reports in 1961 and 1962 made clear its conviction that no system, short of a universal, contributory system, would achieve desired levels of coverage or solve the problem of pension portability." It's some 50-plus years later, and the debate still continues. "However, instead of a state-administered scheme, the committee proposed that all employers with 15 or more employees be required to provide pension coverage to their employees, funded by contributions from both parties"—employers and employees. "To facilitate the operation of this scheme, it proposed the enactment of a pension benefits act and the establishment of two bodies. The first, the Pension Commission of Ontario (PCO), was to exercise regulatory oversight of the pension system. The second, the central pension agency, was to be a federally chartered, privately funded corporation, with a mandate to provide administrative and investment services in support of employer-sponsored plans and to facilitate pension portability.

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"The committee's recommendations were accepted and the legislation it proposed was enacted in 1963. But before the Pension Benefits Act could be implemented, the introduction in 1965 of the compulsory, contributory and universal Canada pension plan (CPP) radically altered the policy landscape. While CPP pensions were relatively modest (as were other age-related social supports), from this point forward it was generally assumed that, for better or worse, 'voluntary' occupational

pensions would continue to exist alongside the CPP rather than be replaced by it. Consequently, Ontario's pension system" emerged as "a number of independent plans sponsored by individual employers or groups of employers, governed by these sponsors either alone or in collaboration with workers and their representatives, and sometimes funded by member as well as sponsor contributions.

"Naturally enough, pressures arose to regulate those plans with a view to ensuring that they delivered the promised pensions. New regulatory measures were enacted to strengthen the financial integrity of the various independent plans." The debate continues, as we have it today, with some of the very same issues still facing governments and still facing pensions. "The PCO, established in 1963, was originally given a broad mandate to 'promote the establishment, extension and improvement of pension plans throughout Ontario,' and later acquired some policy-making capacity and extensive regulatory powers commensurate with its mandate.

"However, it soon became clear that not all problems relating to occupational pension schemes had been laid to rest by the enactment of the 1963 Ontario statute or the advent of the CPP in 1965. On the contrary; in 1977 the Commission on the Status of Pensions in Ontario (the Haley commission) was appointed to address, among other things, the very concerns identified by the 1960 committee"—adequacy of coverage and the portability of pensions. "The Haley commission ultimately endorsed the analysis of the earlier committee and recommended that Ontario adopt a universal, compulsory and contributory pension scheme—but its recommendations were not accepted.

"On the other hand, during the 1980s more pragmatic legislative initiatives were undertaken to protect the interests of active and retired members under occupational pension plans.... A revised Pension Benefits Act consolidated these changes in 1987, the last occasion on which the legislation was comprehensively reviewed and amended"—some 20-odd years ago.

"Controversies concerning funding began to dominate the policy agenda" as early as the 1980s, and continue to do so even today. "Sponsors and active and retired plan members have asserted conflicting claims to ownership or control of surplus funds; debated the propriety of contribution holidays; and expressed widely differing views on how rapidly, by what means, and to what extent funding deficits ought to be made good. Some of these controversies were resolved by ad hoc amendments, consolidated into the Pension Benefits Act 1987, and regulations."

Additional funding controversies were provoked by the restructuring of Ontario's public and private sectors during the 1990s, which triggered mergers, acquisitions, full and partial wind up plans, asset transfers, insolvencies, near insolvencies, and the often involuntary relocation of active members from one plan to another, or from a job with pension coverage to one without. Those of us in this place will recall some of those restructurings

that occurred and have dealt with, even in this place, some of those pensioners under the motions on the floor here in regard to pensioners who are yet trying to resolve pension-transfer issues.

Finally, though, turbulence in the financial markets, especially in the years following 2000, has raised many difficult questions concerning the funding status of plans and the adequacy of regulatory oversight and intervention. These controversies have had to be addressed within a legal regulatory framework that itself was experiencing rapid changes.

In 1998, the Pension Commission of Ontario was replaced by FSCO, the Financial Services Commission of Ontario, which, unlike its predecessor, regulates not only pension plans but also credit unions, co-operatives, and insurance, loan and mortgage companies—a much broader mandate. The result, some contend, is that pension law, policy and adjudication now reside within a regime whose primary focus is the regulation of financial markets. At the same time, the PCO's adjudicative functions were transferred to a quasi-independent body, the Financial Services Tribunal, whose mandate tracks that of FSCO.

At the same time, the elaboration of pension law and the interpretation of pension legislation has come to be shared with the courts. This occurred both in the context of judicial review proceedings brought against FSCO and the FST, and, following the Dominion Stores case in 1986, in the context of civil proceedings based primarily on the general laws of trust.

Furthermore, over the past two decades insolvency litigation has acquired increasing significance for pension plans, as many Ontario companies with plans have found themselves in difficulty in this new global economy. Judicial rulings have been seen by some as conferring new rights on plan members and imposing new obligations on sponsors, and by others as clarifying rights and enforcing obligations that have existed all along. However, quite apart from their substantive merits and precedential effects, some observers fear that increased recourse to the courts to determine pension rights has introduced new litigation-related costs and uncertainties into pension plan administration and its regulations.

The recent development of pension policy is further complicated by its intertwining, beginning early in the 20th century, with income tax policy and administration. On the one hand, the federal Income Tax Act, the ITA, by treating contributions as a deductible business expense, provided incentives to employers to establish and maintain occupational pension plans. On the other hand, by sheltering their deferred income from taxation until they retired, it provided incentives for workers to participate in such plans. Indeed, for some years, until 1991, when it levelled the playing field and introduced a more integrated retirement savings system, the Income Tax Act provided more favourable treatment to retirement savings based on defined-benefit plans than to other savings vehicles such as individual retirement savings plans.

Today, the retirement income system is comprised really of three pillars. Two programs, both administered by the federal government and financed out of general tax revenues, comprise the first of those three pillars: the old-age security system, or OAS, and the guaranteed income supplement, the GIS. The OAS and the GIS combine to provide a minimum income guarantee for older Canadians. Most provinces, though, provide income-tested top-ups to the OAS and the GIS.

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The Canada pension plan makes up the second of the three pillars. The CPP is a compulsory earnings-related program that replaces 25% of pre-retirement earnings up to average wages and salaries. When combined with the OAS and the GIS, the Canada pension plan allows a person with half average wages and salaries to maintain their standard of living in retirement.

For people with higher-level earnings, however, additional income is still needed from the third pillar to meet their objectives. The third pillar, made up of privately administered employer pension plans and registered retirement savings plans, is extremely diverse. Certainly, this doesn't take into account any individual savings or assets that one might acquire in addition to pensionable amounts or retirement savings registered plans.

The third pillar is privately administered but receives government support in the form of special tax measures or special tax treatment. It also has substantive regulatory oversight. The employment pension plans may be either defined benefit or defined contribution. Those of us in this place are familiar with the terminologies and the distinctions. A growing number combine elements of both a defined benefit plan and a defined contribution plan.

Until just recently, male employees were more likely than female employees to be EPP members, but that's no longer the case. As we see more and more of the female workforce spending longer time in the workforce, we're finding more of them in pension systems.

The economy of our province receives tremendous advantages from a healthy pension plan. Our economy generally benefits from the ability of Ontario retirees having retirement incomes, as they can use their incomes to pay for goods and services. Their retirement income in turn generates jobs for younger Ontarians, and when Ontario retirees can pay for these goods and services with their own pensions, it helps to reduce the need for higher taxes.

Over the coming 20 years, the proportion of the population over 65 will nearly double, from the current roughly 13.5% to some 23%-plus in 2030, and continue to increase to over 25% by 2075. One in four of the population will be in retirement at that time. Thus, the success or lack thereof that is achieved in providing adequate incomes to the older and largely retired population will have an increasing impact on the economic and social well-being of the population in general.

As Ontario's population ages and more and more Ontarians reach retirement age, it is critical we take the

necessary steps to ensure that we do all we can to preserve the spending power of seniors. This is crucial to the health of our economy. More importantly, we have an obligation to create the strongest environment for the financial security of Ontarians in their retirement because they've earned that from their government. It is their hard work and dedication that has driven the economy of our province and made it such an attractive place to live and invest. Ontario's workforce has built the quality of life that we enjoy, and they've earned the right to continue to enjoy it upon their retirement.

I'd also like to point out that after the chartered banks, pension plans have become the largest single source of investment capital in Canada and almost certainly within Ontario. As such, pension plans are vital suppliers of the capital that increases productivity and stimulates long-term economic growth. It is therefore in our best interests to ensure that pension plans in Ontario remain healthy and solvent, to serve as partners for building and maintaining a strong future for this province, as well as to provide the essential financial support for hard-working Ontarians in their retirement.

This government recognizes that despite the vital importance of pension plans to the health of Ontario's economy, it has been more than 20 years since there has been significant pension reform in this province. This government recognized the need for significant reform, with the Honourable Greg Sorbara, then Minister of Finance, establishing the Expert Commission on Pensions in November 2006. The commission was set up specifically to examine the legislation that governs the funding of defined benefit plans in Ontario; the rules relating to pension benefits, deficits and surpluses; and other issues relating to the security, viability and sustainability of the pension system in Ontario.

The commission began with the release of a discussion paper in February 2007. This paper posed a series of propositions and questions about pension policy to all Ontarians: stakeholders, experts and interested citizens. The process continued through 11 days of public hearings in October and November 2007 in five Ontario cities. The participation was quite remarkable. There were 74 organizations and individuals that presented formal briefs. A further 53 individuals and groups made presentations informally to the commission staff at the hearings, electronically or by letter.

While the stakeholders' views were often very strongly held, virtually all of them voiced support for the efforts of the commission and offered co-operation in the process that would lead to outcomes that would be beneficial and acceptable not only to themselves but also to the other stakeholders. We wish to thank all of those who participated in that process for their commitment to making our employment pension plan system in Ontario stronger yet.

Finally, the commission incorporated non-partisan, high-quality research. After consulting with some 60 experts in the field at meetings in February, March and April 2007, it devised a research program comprising 17

studies by independent experts from across Canada and in several other jurisdictions.

As an aside, in his report Commissioner Harry Arthurs details the evolution of the pension system in Ontario. He states that “while the system we know has some continuities with the past, a good deal has changed. For one example, occupational pensions have come to be seen less as largesse conferred”—on employees—“by employers and more as entitlements earned by workers as part of the total compensation promised them in the wage bargain.” This is a much-altered perspective, and it has “led to pension plans achieving the status of virtual financial subsidiaries of the sponsoring firm, whose financial well-being may be intimately intertwined with that of the plan. And of course, in unionized workplaces, that has led to pensions becoming the focus at times of very intense negotiations. Another example: Pensions are increasingly perceived not just as a series of bargains struck in individual workplaces, but as a quasi-system whose fate has significant implications for the province’s social policy and economic well-being.”

Very recently during the current economic climate, we’ve had the opportunity to view, through the media and elsewhere, the implications of pension plans on the economic stability of this country and, might I say, the world.

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In one more instance, the role of the law and legal systems in regulatory institutions has become much more prominent. In 1961, the Ontario Committee on Portable Pensions could dismiss the issue in a few lines, saying that “while lawsuits arising out of pension trusts had occurred in the United States, it was not aware of similar litigation in Canada.” That could hardly be said today.

This government is grateful for the extensive work that was undertaken by the Expert Commission on Pensions. The research, expertise and recommendations of the commission informed this government’s proposed reforms contained in the Pension Benefits Act, 2009, and in further pension reform legislation that we will be introducing later this year. I think it’s important just to reinforce that this is one piece of legislation; there is other legislation to follow later in the year. This is not an effort to cover all of the bases in one fell swoop.

Indeed, one of the final conclusions of the report stated that, “Delay must be avoided if at all possible. The time for moving ahead is now. The commission’s engagement with stakeholders was extensive and arguably unprecedented; its research represents a significant increment to previous knowledge—though much remains to be done; its review of the issues is comprehensive in scope, if sometimes controversial; and the issues are ripe for resolution.”

This government agrees that the time for moving ahead is now. By introducing the Pension Benefits Amendment Act, 2009, we’re going to meet that particular challenge.

With the 2009 Ontario budget, the government committed to addressing the short-term economic challenges

that pension plans are faced with while moving forward with long-term reforms to strengthen the pension system for Ontarians and increase Ontario’s competitiveness. We continue to undertake these reforms while guided by the following principles:

- first, transparency: We want to ensure that mechanisms are in place for stakeholder feedback and posting proposed regulatory changes;

- secondly, balance: considering both benefit security and plan affordability;

- the third principle is one of co-operation: collaborating productively with federal and provincial partners, including harmonizing rules with other jurisdictions where possible;

- clarity: striving for clear, user-friendly rules;

- coverage: striving to expand pension coverage for Ontarians;

- competitiveness: ensuring that any changes position Ontario for long-term economic success; and

- flexibility: the capacity to respond to current economic challenges.

Indeed, since March 2009—and already we’re well into 2010—Ontario has taken a number of important steps to modernize Ontario’s employment pension system. For example, the government introduced a temporary solvency funding relief program to protect jobs and families. It has worked to simplify pension division when a marriage ends. It has initiated the first-ever actuarial study to examine the future of the pension benefits guarantee fund.

It has established the Advisory Council on Pensions and Retirement Income, whose mandate is to assist the Minister of Finance in the modernization of pension regulation by providing feedback on ministry proposals, by providing candid and practical feedback on implementation issues, and helping the ministry ensure that proposals for pension reform continue to be informed by a broad range of stakeholders.

This government also initiated technical discussions with the Canadian Institute of Actuaries about funding rules for defined benefit pension plans.

The government is also actively participating in a broader national discussion about improving the Canadian retirement income system. In this regard, Minister Duncan recently met with his provincial counterparts in Whitehorse, where they had productive discussions about the future of pensions for all Canadians. We expect and plan to continue these discussions early this summer.

As part of our plan for reforming the pension system in Ontario and building on recommendations from the Expert Commission on Pensions, this government has introduced the Pension Benefits Amendment Act, 2009. This reform package addresses many significant issues, while striking a balance between the concerns of all stakeholders, and delivers on the commitment that we made in the 2009 budget.

Specifically, the reforms included in the Pension Benefits Amendment Act would, if passed, provide for the restructuring of pension plans affected by corporate

reorganizations while protecting benefit security for plan members and pensioners. It would clarify the benefits of plan members affected by layoffs, and would eliminate partial windups. It would increase the transparency and access to information for plan members and pensioners, and would enhance regulatory oversight as well as improving plan administration and reducing compliance costs.

I wanted to take just a few minutes to provide some greater detail on each of these proposed actions to provide a little better idea of what is being proposed for the people of Ontario, particularly those in retirement or with retirement pending. The proposed amendments would provide for the restructuring of pension payments affected by corporate reorganizations—something we see pretty frequently these days—while protecting benefit security for plan members and pensioners. This could be achieved through the following ways:

First, requirements for asset transfers between plans as they relate to defined benefits would be clarified and simplified. Although an individual's specific benefit may be altered as a result of the transfer, the commuted value of a member's accrued benefits, pension or deferred pension could not be reduced.

If a transaction involves the transfer of a portion of the membership from one employer's plan to another, plan administrators would be permitted to agree to give individual plan members the option of transferring or not transferring their pension benefits to the successor plan. Bargaining agents could also exercise this choice on behalf of their members.

A prescribed portion of any surplus related to the assets being transferred from the previous employer's plan would be transferred to the successor plan. This government would consult with stakeholders prior to setting the size of this prescribed portion.

Asset transfers between plans would continue to require the FSCO superintendent's consent to protect the value of the benefits of members and other beneficiaries in both an old and new plan. Until July 1, 2013, pension plans affected by past restructurings could enter into agreements that would allow current individual plan members to consolidate their pension benefits in a single plan through an asset transfer based on value.

Secondly, we're proposing to clarify the benefits of plan members affected by layoffs and eliminate partial windups. Just to clarify, a pension plan windup occurs when the plan is terminated and all assets are distributed. A partial windup may occur when a significant element of the workforce is eliminated or a particular function or workplace is discontinued.

Under the Pension Benefits Amendment Act, 2009, if passed, new partial windups would not be allowed following a transition period planned to end on December 31, 2011. Partial windups with an effective date prior to that date would be permitted for a further period, after which no partial windups could be declared. At that point, no distribution of surplus would be required except on full windup of a plan.

Starting on January 1, 2012, grow-in benefits that enable qualifying employees to receive early retirement benefits from the plan would be extended to all eligible members whose employment is terminated by the employer, other than for cause, and would continue to be provided on full windup of a pension plan. Eligibility would continue to be based on age plus years of service, totalling at least 55.

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To balance these entitlements with those of other stakeholders, multi-employer pension plans and jointly sponsored pension plans could elect not to provide grow-in, according to a prescribed process.

Under our proposed changes, all accrued pension benefits, both past and future, would be vested immediately. A transition period would allow plan administrators to adjust to this change, and the amount for small pension payouts would be increased. This would reduce the vulnerability of newly hired employees.

The superintendent of financial institutions would be given the power to require valuation or other reports, as prescribed. As an example, after partial windups are eliminated, this power could be used to order an employer to file a report after an event that significantly reduced membership in a plan.

Plan administrators would not be required to purchase life annuities for pension benefits related to partial windups in progress, provided the benefits have not been annuitized and provision is made for the distribution of any applicable surplus.

Thirdly, our proposed amendments would increase transparency and access to information for plan members and pensioners, because we believe they have a right to know more about their pensions. We could achieve this by enacting the following:

—“Retired members,” those in receipt of pension payments, would be defined separately from “former members,” and their right to participate in pension advisory committees and receive prescribed information about their plan would be set out;

—New rules would make pension advisory committees easier to establish, allowing members and retired members to monitor plans on an advisory basis. Co-operation from plan administrators would be required, as specified;

—Plans would be required to give all members, including retired members, information about the funded status of the plan at prescribed times;

—Plan administrators and the regulator would be required to provide copies of specified documents on written request. Any related fees would be no higher than those charged by the regulator; and

—All pension plans would be required to provide members, retired members, and former members with notice of all plan amendments before they're registered with the regulator, with some prescribed exceptions. This would replace the current provisions related to “adverse amendments,” which only require plan administrators to inform certain members if an amendment would

adversely affect their rights. This seems to make a lot of sense: to provide members with information not just when it's going to affect them adversely, but on all amendments.

Next, we would enhance regulatory oversight by proposing to enact the following measures:

The superintendent would be granted the power to make interim orders in specified circumstances; for example, to order special valuations when there is evidence that a plan is at risk. These orders would not be subject to the notice of proposal process and could be appealed directly to the Financial Services Tribunal.

The superintendent would be granted the necessary power to approve arrangements as provided for under the federal Companies' Creditors Arrangement Act and Bankruptcy and Insolvency Act, subject to prescribed conditions.

Further, our proposed amendments would improve plan administration and reduce compliance costs by the following measures:

A number of changes would be enacted; for example, the filing of specified documents could be waived for prescribed classes of pension plans and the existing time limit for refunding employer pension contributions made in error would be expanded.

Members would also have the right, in specified circumstances, to transfer certain pension monies—for example, excess contributions or small pension payouts—to a registered retirement savings plan or a registered retirement income fund.

Finally, the proposed amendments would enact the following additional measures:

The implementation of surplus-sharing agreements on full windup of a pension plan would be facilitated where written agreements reached by employers, members and pensioners comply with the existing prescribed rules. If such an agreement is reached, no review of historical plan documents such as plan texts and trust agreements would be required.

And as announced in the 2009 budget, pension plans would be permitted to offer phased retirement.

In summary, a healthy employment pension system is necessary to ensure a healthy economy for the province of Ontario. It helps to ensure that our seniors can continue to live with dignity and financial security, and that the government is not necessarily required to commit additional resources for them to maintain that quality of life. Additionally, those seniors can be and should be an economic force in the province of Ontario. They should have the capacity to wield their strong purchasing power to provide stimulus to the economy.

This government has undertaken an exhaustive process to ensure that we implement the proper reforms. All stakeholders are in agreement that the status quo is not an option, yet we all recognize it is essential that we get this right to ensure that the quality of life of our seniors will continue in the future.

This act, as I said earlier, is the start of the first substantive pension reform in this province in more than 20

years. We are purposely embarking on this reform in stages, due to the broad array of issues, the challenges presented by the current economic climate, and the need for further consultation and additional information. This is a complex process that impacts the lives of individuals and their families in significant ways and for long periods of time.

The next stage of Ontario's pension modernization process is planned for later this year. The Pension Benefits Amendment Act, 2009, is the first step to ensure a better quality of life for Ontarians upon their retirement. That's why I would ask, when the debate on this matter is completed, that we have the support of all members of the Legislature to ensure that retired and retiring Ontarians are assured the quality of life they've worked hard for. They have provided us with the quality of life we have today.

Speaker, thank you for the time. I understand that this is a complex issue. Some of it is far more technical than we might normally hear in the House, but I think it's important that we and those who are listening today understand that this is a complex matter. The decisions will not be simple ones whatsoever, but they are matters we need to take seriously.

Just a few additional comments; we're through with the formal part of the presentation. We've had, over the past months—the past year and a half or so—the economic climate that we spend so much time talking about in here. We speak substantively to the changes that have occurred, to challenges that are there, to the employment disruption that has occurred, to our desire to grow the economy here in the province of Ontario. To do that effectively, pension reform, retirement income security, is an important part.

I had the opportunity for a couple of days in the summer to attend a meeting with Ted Menzies, who was leading the process of review for Minister Flaherty federally, and some others on behalf of the minister to sort of set the stage for the discussions that are now ongoing about retirement income security—I made reference to the minister's attendance at the meeting in Whitehorse and further plans in that regard.

It's crucial that not only Ontario be engaged in this file in an important way, but it's important for the federal government and provinces throughout the country to also engage in this file in a very, very substantive way. This matter is not isolated to the province of Ontario; it's a matter that's faced by Canadians throughout this country in each and every province.

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It's a matter that demands that we look not only at the legislation that we have before us here today: Bill 236, An Act to amend the Pension Benefits Act. It's going to demand, in the debate and discussions that will ensue, that we look at the broad array of retirement income security that Ontarians and Canadians expect. It's going to demand of us that we look at our own capacities as individuals to plan for our retirements in addition to pension plans and pension benefits. It's going to demand

of us that we collaboratively look at things like the Canada pension plan and the capacity of the old age pension system to support aging Canadians. We will have to look at the contributory pieces of that: what capacity we have to contribute; if it is adequate now; if it should be enhanced in some fashion. Certainly there are provinces that are already looking at parallel plans to the Canada pension plan. It's not something that I am aware is on our agenda, but there are provinces that have been looking at that as one of the things that is on the table for discussion with the ministers provincially and the federal government.

So we do have our challenges set out for us. I can't think offhand if there are things that will be more important to us as legislators here, in dealing with legislation, than how we could effectively deal, after a 20-year hiatus, with the needs of retirees and with the needs of those who are moving into retirement in this province, because once one has retired, that's going to be their income. They won't have the capacity to move readily back into the workforce and reconfigure their job market. The quality of life that retirees are going to have for the rest of their lives is going to be very dependent upon the success of what we do here.

The fact that we haven't had a substantive review in 20 years is probably indicative of the type of work that has to go into this type of legislation—or multiple pieces of legislation—and indicative of the need to get it right, because people are going to be depending on it for extended periods of time. It's not something that one would want to have to go back and tinker with in any substantive way in the short term; because of the complexity, one wants to try to get it as correct as possible. That's why there has been heavy engagement with stakeholders throughout the province. It's why the commission required the expertise of multiple studies, being done in Canada and elsewhere: to get a broad understanding of what's happening not only in Canada but what's happening in the rest of the world so that they were able to make their recommendations to us in a fashion that would give us as comprehensive and as accurate a view of the pension world as possible.

There have already been a number of actions in respect to the recommendations they brought forward. I anticipate that during the debate we will hear from around this place about matters that are either not in legislation yet or matters that members think are important and need to get the clarity of debate in this place as well.

I appreciate the opportunity, as I said, to be able to lead off second reading debate on behalf of the Ministry of Finance and on behalf of the minister. I look forward to the discussion as it ensues, during the course of this afternoon and in the days to come, and to a chance to respond on behalf of the minister when the opportunity arises for the Q and As we have—the short two-minute commentaries—as well as the opportunity to respond to the speeches of other members from all sides of the House. With that, Speaker, I think I'll take my seat and thank you for your indulgence.

The Deputy Speaker (Mr. Bruce Crozier): Questions and comments?

Mr. John O'Toole: I just want to comment to the member from Pickering–Scarborough East—and I agree with and respect many of the comments he read into the record. He's right: You've got to get it right. That's the real issue here.

If you look at the first principles in pensions to start with—I have a bit of history with that file as well. I think that if you look at the fundamental premise here, the actuarial assumptions themselves are actually wrong: They're outdated if you look at life expectancy as one, return on equity as another and the number of contributors to a group plan. Companies are downsizing and outsourcing, and there are fewer people paying. So the actuarial assumptions by the experts, not through their fault but through the changes in the economy and in the principles that the member from Pickering–Scarborough East stated—he talked about transparency, balance, security, co-operation, clarity, coverage, competition and flexibility. There are a hundred papers on this subject, and all of us should be very much engaged. I'm just going to explain one, the security.

Now, almost all of the people participating—I did attend a forum last night in Oshawa, and some of my constituents were there. There were 200 or 300 people in the room. The big thing here is, we're in the midst, as has been said, of the great recession. That's what I call it, the great recession. So if you take an evaluation of any plan today, public plans are in trouble: the teachers' pension plan, the OMERS plan. Look at the debate going on in Sudbury. Vale Inco: There's a deficit of \$4.5 billion in that plan, and that's the issue of the strike. The security is all based on the market, so if anybody, government or others, is going to insure or guarantee, then I want to invest in that plan, because security in the marketplace that we're talking about is anything but secure.

I will be participating in this debate later, but I look forward to our member from Parry Sound–Muskoka, who will be bringing some content to this debate as well.

The Deputy Speaker (Mr. Bruce Crozier): Questions and comments?

Mr. Paul Miller: First of all, I'd like to thank the member from the opposition for his comments, and also the member for his presentation.

From what I can see from the bill itself, yes, there are administrative controls to be added, which is good. Vesting is part of it, which is good. The windup options are beneficial. The accountability is hopefully there, the clarity, and the security.

However, what isn't there is the most important thing, which is the increase to the pension benefits guarantee fund from the present \$1,000 to \$2,500, which Mr. Arthurs recommended. He recommended that. That is the most critical thing to deal with the people who are already in trouble.

This is great maybe down the road, with other conditions being brought in the spring that may help our grandkids and their kids, but what do you do with the

millions of Canadians who are in trouble now? You can't keep hoping that CPP and OAS will cover that. I have my doubts if the federal government is going to double that. It's a bit of a wish list. I don't know what they're going to do until it comes out, but I'm sure it's going to fall short, because I don't know too many Canadians who can maintain their lifestyle and live in homes on \$1,200 or \$1,300 a month between their pension from CPP, if they have one, or their old-age or their supplement. It doesn't cut it, it won't cut it, and I don't see any movement in a direction to do immediate repairs to finances to help all the people. If you want to talk to the Nortel workers, they're talking about giving them \$1,000. Well, they were entitled to that under the pension benefits guarantee fund from before, and if I was getting \$3,000 a month before and now I get \$1,000, I'm not going to be too happy. So there's a long way to go.

The Deputy Speaker (Mr. Bruce Crozier): Questions and comments?

Mr. Yasir Naqvi: Thank you very much, Mr. Speaker, for giving me the opportunity to speak on this very important issue in relation to this legislation.

I want to congratulate the member from Pickering–Scarborough East for his very detailed analysis of what's encapsulated in this particular legislation dealing with pensions. This is a very complicated area, no doubt. This is a very important topic as well, especially in light of the current economic crisis we're living through and the impact it has on those who have pensions and those who do not have pensions. I think there are some valid concerns on both ends.

My involvement in this issue has been in Ottawa, obviously, as you know, through the Nortel workers who are going through a lengthy bankruptcy protection process right now, and the impact that would have on their particular pensions. I was very happy to see the Minister of Finance a couple of weeks ago making the announcement that the pension benefits guarantee fund will be funded, as it relates to Nortel workers, to make sure that their pensions, up to \$1000, are covered. The PBGF was an important part, and I was very happy to see that take place, because members from Ottawa have been advocating for some time that the minister consider that. But that just highlights the kind of issues that are embodied.

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This legislation is the first step in that direction to ensure that we are able to reform our pension system in the province of Ontario and make sure that pensions are protected. I think in the long term what we also need to consider are those Ontarians who don't have a pension. I know the Premier has spoken about having a pension summit. This is really a national issue which needs to be considered.

I congratulate the minister and his parliamentary assistant for moving on through this legislation.

The Deputy Speaker (Mr. Bruce Crozier): Questions and comments?

Ms. Lisa MacLeod: It's a real pleasure to be able to engage in this debate today on pension reform. Let me say at the outset—I just listened to the member from Ottawa Centre; he knows I have tremendous respect for him. I will make two points.

With the Nortel top-up, it was only when a by-election was called in Ottawa West–Nepean that the Liberal government decided it was going to assist pensioners who I have personally met with and who my colleague from Carleton–Mississippi Mills has personally met with. What bothers me is, I had some of these pensioners come to my office and to Norm's office with tears in their eyes because they had no idea how they were going to live out their retirement. What bothers me the most is that this Liberal government strung these seniors along until Bob Chiarelli decided he wanted to recycle himself and come back to the Ontario Legislature. By the way, he's going to have a fight on his hands if he thinks it's going to be an easy trip here. But the reality is, there could be nothing more callous and disappointing from a government that only decides to act when there is a by-election on, as we saw in Toronto Centre.

I want to make another point on the HST. How does this government think they're helping seniors when they are going to tax mutual fund expense ratios, when they are going to tax estate planning and when they are going to start taxing funerals? I don't know how they think they can be on the side of anyone with that terrible HST.

What we've seen here is a government that only acts when they think they can buy a vote and that likes to target people and then pretend they're working for them. I can tell you and I can assure you that Tim Hudak, the PC caucus and our finance critic, Norm Miller, are going to look at this bill, and we are going to ensure Ontarians have their say, because they won't—

The Deputy Speaker (Mr. Bruce Crozier): Thank you. The member for Pickering–Scarborough East, you have two minutes to respond.

Mr. Wayne Arthurs: I want to thank the members who took the time available: the member from Durham, the member from Hamilton East–Stoney Creek, the member from Ottawa Centre and the member from Nepean–Carleton as well. They certainly had the opportunity in their two minutes to express a range of views, some of them on the legislation, and some of them digressed a little from the legislation, probably more substantively than less substantively.

I was pleased that, in the early going, members acknowledged the complexity of the legislation and the provisions within the legislation that speak to matters of ensuring a level of transparency, ensuring that there's a high level of consultation and ensuring that there's engagement of retirees in the process, and that this is the first piece of legislation, a substantive piece of legislation, but it won't be the only piece of legislation that will come forward.

I think it's important again, and it was already referenced by others, that we extend our thanks to Professor Harry Arthurs for the work that he did to lead the expert

commission on the number of submissions were made throughout Ontario, both by individuals and by professionals and by those who were engaged to do professional research so that he had the best possible advice in front of him in providing his reporting to us—and that we've acted on a number of the initiatives that were identified within that report. I know that we are certainly going to have discussion and debate on other matters within those recommendations that haven't been acted on at this point in time.

I anticipate that members opposite will certainly want to raise those matters and look forward to that discussion all around the Legislature. Thanks to those members who took the time—

The Deputy Speaker (Mr. Bruce Crozier): Thank you. Further debate?

Mr. Norm Miller: I'm pleased to have the opportunity to discuss Bill 236 this afternoon, the pension bill, Pension Benefits Amendment Act, 2009. Certainly there's a lot going on in the world of saving for retirement and in pensions around the world these days. This bill has come out in large part because of the work of Mr. Harry Arthurs and the recommendations he's made.

The government has said they are going to bring forward two pension bills. This is the first one, and from the feedback I have had from pension experts, they describe this one as tackling the easy parts of the questions to do with savings and pensions, and they are leaving the harder stuff for the next bill. They describe it as being kind of tinkering around the edges. It is very technical, and I hope everyone is still awake at the end of the hour-long lead that I will be doing. So I'd like to begin the leadoff on Bill 236, the Pension Benefits Amendment Act, 2009.

According to the government's own press release, "Ontario is proposing to strengthen and modernize the employment pension system to help pension plans adapt to economic changes while balancing the need for benefit security." But most experts agree that the legislation cleans up some loose ends and tinkers around the edges with some technical amendments, and I will elaborate on those a little later in my comments.

I would just like to talk a bit generally about retirement incomes and what's going on around the world, starting off with Canada. The retirement income system in Canada is a blend of mandatory and voluntary arrangements, and responsibility for the provision of retirement income is shared among governments, employers, unions and individuals. Three main sources of retirement income are old age security and the guaranteed income supplement, Canada and Quebec pension plans and occupational pension plans, and individual savings, which are mainly in RRSPs. Recently, Canada was rated as being the fourth-best country in the world in terms of pensions and retirement benefits savings, so we're not doing too badly.

With no other income sources, a 65-year-old Canadian with maximum government pension benefits currently could receive \$19,776 in inflation-indexed income.

That's \$34,218 for couples. The typical recipient, however, receives only half the maximum CPP/QPP total, reducing the amount to \$16,760 for singles and \$28,202 for couples. Of Canada's 4.2 million seniors, 38% currently receive guaranteed income payments.

There are some important considerations in the pension discussion: 84% of public service workers have pensions; 78% of these plans are the gold-plated defined benefit pensions. However, only 25% of private sector workers have a pension plan, and of these, 16% are defined benefit pension plans. More than 11 million workers, or 60% of Canada's workers, have no pension at all; eight million, or 45%, have no pension or registered retirement savings plan.

The global economic crisis highlighted serious flaws in pension systems around the globe. Poor investment returns, bankruptcies, chronic plan underfunding and an aging population have pushed the pension discussion to the forefront. Consequently, pension studies and pension reform have been and continue to be top of mind around the globe.

Let's look at some of the pension studies and the outcomes.

Pension studies generally agree that reform should be based on four principles:

"(1) Pension plan designs should target a post-work standard of living that is adequate, achievable, and affordable;

"(2) All workers should have a simple, accessible, portable opportunity to participate in pension plans that have explicit post-work income replacement target;

"(3) All forms of retirement saving should receive equal tax, regulatory, and disclosure treatment across all sectors of the Canadian workforce"—and I point out that with the government passing the HST, they will in fact be taxing the management fees on mutual funds, which would be against this principle.

"(4) Pension management and delivery structures should be expert, transparent, and cost-effective."

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The pension discussion has two prongs. The first deals with defined benefit plans, their affordability and sustainability; and the second deals with the issue of the more than 60% of Canadians who have no pension savings. I'll start with defined benefit reforms going on around the world.

In Europe earlier this week, President Nicolas Sarkozy unveiled plans to reform France's pension system. He's seeking to open negotiations on raising the retirement age from 60, arguing that this is the only way to keep the system of generous benefits afloat. Like many other European countries, France is facing a funding shortfall in its state pension scheme due to a growing older population and fewer working-age people paying contributions. This year, the state pension plan is on track to reach nearly \$15 billion, according to government figures. Many other European countries are facing the same quandary—in the case of neighbouring Germany, raising the retirement age from 65 to 67. I note that in

Canada it has been the case, especially in the public sector, that the retirement age has been going down. It's in the 50s in Canada and Ontario.

In the Netherlands they've taken a different approach. In September 2002, the Dutch central bank, De Nederlandsche Bank, DNB, announced that on January 1, 2004, it would start regulating defined benefit plans in that country, using the same principles that governed the regulation of insurance companies and other prudential financial institutions. For a while, there was a great hue and cry in the Dutch pension management community. DNB was accused of everything ranging from destroying the Dutch retirement income system to sheer pigheadedness.

DNB prevailed, although it did grant a year's delay in the implementation. The Dutch pension sector eventually responded to this radical shift in the rules of the game by shifting their DB plans to collective defined contribution plans with nominal guarantees. The basic idea with these defined contribution plans is that while these new plan formulas still offer members a nominal pension guarantee, it is far below that of the final-earnings-based, fully indexed pension. Meanwhile contributions continue at 18% of pay, which, together with reasonable investment returns, should produce eventual target pensions well above the minimum guarantee, although those target pensions are no longer guaranteed.

Twenty-seven other European countries, such as Denmark and Switzerland, as well as Australia, have taken a different route to solving the pension coverage plan by requiring all workers to become members of funded workplace pension plans. The three-way bargaining culture among government, business and labour in these countries has played an important role in the evolution of these mandated full-coverage outcomes.

I ask the question: Are defined benefit plans the answer? According to Keith Ambachtsheer, defined benefit plans operate with an automatic pension formula based on a participant's salary and years of service, and require a series of annual contributions sufficient to fully pre-fund the plan. Typically, pension plans continue as long as the plan member or spouse is alive. Further, participants have no direct role in determining how the accumulated collective retirement savings of the plan are invested.

Unfortunately, what seems too good to be true is actually the case. For example, many people who change jobs during their careers do not do well in DB plans because vesting provisions usually delay plan participation. Lack of portability is another problem. DB plans are also complicated and expensive for employers to administer.

These are not the only DB plan problems. Fundamentally, most defined benefit plans operate as incomplete contracts that do not fully spell out the respective rights and responsibilities of the parties in the DB contract, such as pensioners, active workers, shareholders, current and future taxpayers, unions, management and pension plan trustees.

Thus, in times when the DB plan balance sheet is in surplus—that is, when assets exceed liabilities—it is often unclear who owns that surplus. The result is that all balance sheet stakeholder groups will lay claim to it. Similarly, when the balance sheet is in deficit, it is often unclear how that deficit should be remedied. Typically, all stakeholder groups attempt to pass the parcel to somebody else.

This would be irrelevant if DB plans were immediately vested and fully funded at all times, with protracted pension payments matched by an asset portfolio of high-quality bonds, but that is not how the DB balance sheets are managed. Usually they are subject to material asset-liability mismatch risk based on a convention that took shape during the 1980s and 1990s, which assumed that risk eventually leads to additional asset returns that in turn can be used to make expensive DB pensions affordable. The two serious equity market setbacks during this decade in 2001-03 and in 2008 are now forcing DB plan stakeholders to re-examine this convenient but faulty risk-equals-return convention.

The global adoption of fair value accounting rules is accelerating this reality check in the corporate sector. Similar disclosure forces are at work in the public sector. As a result, sponsors of DB plans in the public sector are increasingly being persuaded to disclose the true cost of employee pension promises accruing at the federal, provincial and municipal levels of government. Using discounted rates that reflect the high quality of these promises often based on final earnings and indexed for inflation, their true costs today, as noted, can exceed 30% of current pay. I might point out that if you're saving on your own and not part of one of these DB plans, the most you can contribute toward a registered retirement savings plan is 18%. The public systems are almost double that, over 30%. Despite recent increases, actual pension contribution rates are still well below these true costs. As Laurin and Robson point out, the result is a steady shift of wealth from future generations of Canadians to current public sector employees.

Meanwhile, in the corporate sector, the re-examination of the risk-equals-return convention has already led many employers to close their DB plans or to consider doing so. New employees typically are offered a defined-contribution-based capital accumulation plan to which the employer makes contributions, so that now we are back in the behavioural finance world in which human failings defeat elegant theory.

So, what about those without a pension?

I would like to speak a bit about what's going on in the United Kingdom, because they have taken a different approach. The United Kingdom is proceeding with its plan under the Personal Accounts Delivery Authority, PADA, which will cover the seven million private sector workers without workplace pension plans who are judged not to be saving enough for retirement. PADA will reach out to more than a million employers and is slated to become operational in the fall of 2012. PADA created NEST, the National Employment Savings Trust program,

which is a new, low-cost pension scheme that any employer can use to meet new workplace pension duties, starting from 2012. The scheme is being designed specifically to meet the needs of low-to-moderate income earners and their employers. Among its key features, targeted workers will be auto-enrolled in the plan, with an option to opt out. Those not in the targeted group will be able to opt in. The scheme will be focused on the low-to-moderate earners who don't currently participate in a workplace pension scheme with an annual contribution limit of C\$6,000 at 2005 levels.

Employers can use the personal account scheme in different ways, but in most cases there will be headroom under the limit for employers and/or members to contribute more than the minimum and to structure their contributions in different ways.

For example, where an employer makes contributions on the minimum band of earnings required by the Pensions Act, 2008, an 8% contribution for an average earner—that's approximately C\$40,000—would be approximately C\$2,560 per year. Alternatively, an employer might choose to make contributions on a broader band of earnings; for example, basing them on the first pound—remember this is England—of pay.

Transfers in and out of the scheme are banned except in some special circumstances, such as at retirement. The scheme provides a portable and flexible option for members who change jobs frequently, where there are different employers, to choose the personal accounts scheme to meet their auto-enrolment duties. The scheme will be open to any employer of any size or sector that wishes to use it to fulfill their auto-enrolment duties.

That's kind of like a supplemental system that you're automatically signed up for that's being run nationally in Great Britain.

So, reform in Canada: Why is it necessary? Nobel Prize winners Herbert Simon and Daniel Kahneman were among the first to point to the cognitive difficulties most humans have in making decisions involving choice overload and uncertainty. They point out that our minds often go mushy, leading to simplistic, faulty rules of thumb in decision-making or to making no decision at all.

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"In their public policy book *Nudge: Improving Decisions About Health, Wealth, and Happiness* ... Richard Thaler and Cass Sunstein accept these informational asymmetry and human frailty realities, and show that carefully designed choice architecture can nudge people toward better decisions without restricting their freedom of choice.... Applying their behavioural findings to saving for retirement, Thaler and Sunstein note that although governments have created strong savings incentives through tax deferral measures, people seldom take full advantage of them." Authors Fear and Pace in 2009 "confirm the validity of this observation in the Australian context and find that Australia's 2005 Choice of Fund legislation is not leading to better outcomes for retirement savers; rather, Australians are choosing not to save."

You need to solve the retirement savings problem—and I should give credit to Keith Ambachtsheer for this information. According to Keith Ambachtsheer, "The life cycle theory of why people should save for retirement (and how much) is both elegant and conceptually simple. Financially, people progress through three life phases: pre-work, work and post-work. The theory requires people to save during their working years so as to maintain their desired standard of living during the post-work years." The question is how much to save.

That sounds simple, but it just isn't. "Just project how much you will earn during your working years, how long you will work, what return your savings will earn, and how long you will live." Plug these figures "into the right formula and, after some number crunching, your required savings rate appears...."

"Behavioural financial experts point out ... that the theory's widespread application requires three things to be true: first, that ordinary people can solve complex mathematical problems; second, that they can model adequately the future uncertainties in their lives; and third, that they have the willpower to implement the resulting savings plan. Unfortunately, none of these requirements squares well with reality. Most people are not capable of solving complex mathematical problems. They have difficulty dealing with future uncertainties such as their work-income trajectory over future" years. "Finally, even if they could, we know from observation that most people do not possess the willpower to see the resulting savings plan through an implementation period of 30 to 40 years."

There is a fourth problem: "Even if people could conquer the complex math problem, deal with future uncertainties, and had the willpower to deal with the savings part of the plan, they could still be easily stumped by the technically and emotionally challenging investment part. In short, human failings prevent the elegant theory of life cycle personal finance from waving its magic wand."

The four nudges—recognizing human nature. "A central implication of behavioural finance is that choice architecture matters: People can be nudged toward making better decisions without restricting their freedom of choice. Here's how this powerful idea can be applied to the design of more effective pension structures.

"First, determine the target savings rate. This is a tough one. The elegant personalized answer, as noted above, is to decide what kind of post-work standard of living you want, estimate how long you will work, what your salary path will be, what your retirement savings will earn, how long you will live after you retire and what your government pension benefits will be. Because most people will suffer a brain freeze when faced with such a daunting list of questions, choice architecture requires a series of thoughtful default answers. The target post-work standard of living is the most fundamental and difficult question to answer. The best a conscientious choice architect can do is set a transparent, reasonable default target, which then, along with the other assumptions (including the government pension programs)

produces the default retirement savings rate—say, 7% of income—required to hit that pension target. With this formula, it is easy to give people who desire a higher income-replacement rate or a shorter working life the appropriately higher target-savings-rate implications.

“Second, increase plan enrolment. Research confirms that human inertia stops us from doing many things we ought to do, especially if the rewards from doing so are a long way off. Voluntarily joining a well-designed pension plan is one of those things.” So what is the choice architect solution here? “Change the default choice from non-enrolment to auto-enrolment, with an opt-out option.”

The fourth suggestion is to build in annuitization: “Annuitization provides a simple, effective strategy for ensuring, by pooling longevity risk, that individuals do not outlive their retirement savings.” Those suggestions are put forward by Keith Ambachtsheer.

William Robson, of the C.D. Howe Institute, points out that one of the key sources of stress on voluntary and occupational retirement savings in Canada is a pre-occupation with what he calls two “flawed” models; that is, traditional single-employer defined benefit plans on one hand and individual account plans such as defined contribution pension plans and RRSPs on other. Robson says that Ottawa should provide more tax deferral room for both RRSP savers and members of employer-sponsored defined contribution pension plans: “Using the federal public service plan as a benchmark suggests raising the contribution limit from 18% to 34% of earned income,” as well as almost doubling the current \$22,000 maximum to \$42,000.

As I mentioned previously, if you’re trying to save in an RRSP right now, you’re limited to 18% of your income. I met earlier with the Association of Canadian Pension Management people, and they suggested no limit on how much you make put into an RRSP but a lifetime limit. That sounds look a reasonable approach to me.

The paper entitled *Cutting Through Pension Complexity: Easy Steps Forward for the 2010 Federal Budget* also recommends raising from 71 to 73 the age at which people lose access to tax-deferred saving and must start withdrawing funds. Robson also suggests giving holders of registered retirement income funds and life income funds the same spousal income-splitting opportunities as recipients of annuities from pension plans. The government also should make the pension credit available to those drawing income from RRIFs or LIFs regardless of age, as it is to recipients of annuities from pension plans.

Further changes to the Income Tax Act would make retirement-related services more readily available to employees of small organizations and to the self-employed, Robson suggests.

The big suggestion is to bring RRSPs and defined contribution plans to closer parity with the traditional defined benefit pensions, which are enjoyed primarily by the public sector. Unfortunately, fewer and fewer in the private sector are benefiting from defined benefit plans.

Currently, savers in defined contribution RRSPs “get less generous tax deferral than do most defined benefit participants,” Robson writes. That’s because the Income Tax Act, which is federal, uses a pension adjustment, shown on T4s, to estimate how much savings people without defined benefit plans need to undertake in order to accumulate the same amount of wealth as those with defined benefit plans.

However, the pension adjustment assumes relatively high returns and overlooks important provisions often found in public sector plans, and so tends to underestimate the required amounts of saving. As a result, annual contribution limits for defined contribution plan members and RRSP owners are set relatively low.

Similarly, larger contributions for past service are possible in defined benefit plans than in defined contribution plans and RRSPs. When defined benefit plan assets fall short of liabilities, the tax act lets employers rebuild the plans with no limits, a practice encouraged by regulators and which many companies implemented after the crash. But as millions of Canadians hurt by the 2008 meltdown know, when values fall in defined contribution plans and RRSPs, annual contribution limits “make no accommodation,” Robson says.

Therefore, the first step is to boost tax deferral room for RRSP and defined contribution savers. Ultimately, a lifetime pension saving limit would help those individuals recover from setbacks, but the first step would be the recommendations made in the report.

The report makes no mention of tax-free savings accounts, which were another C.D. Howe recommendation long ago, when they were called tax prepaid savings plans. Nor does the report mention the suggestion of actuary Malcolm Hamilton that tax-free savings account contribution room be made retroactive to age 18, or a similar lifetime TFSA contribution amount be implemented, in order to similarly help those whose RRSPs and defined contribution plans were hurt by the crash.

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Let’s bring the discussion back to Bill 236. I’ve been talking a lot about what’s going on around the world. Obviously, a lot to do with pensions and saving for retirement involves federal changes. I would argue that the best approach is actually a pan-Canada approach. But we do have Bill 236 before us, which I described at the beginning as being the first of the government’s two pension bills, one that pension experts have told me is tinkering around the edges, although still very technical, as we will see as I go through some of its provisions.

The bill comes out of the work done by the Expert Commission on Pensions, which was established in 2006. Its mandate was to examine the legislation related to the funding of defined benefit pension plans and related issues in Ontario. According to William Robson, the commission’s mandate was to explicitly promote defined benefit plans.

On November 20, 2008, the government received the report of the Expert Commission on Pensions, entitled *A Fine Balance: Safe Pensions, Affordable Plans, Fair Rules*. It was done by Harry Arthurs. The Arthurs report

made 142 recommendations, chief among them the appointment of a pension champion and all necessary boards and tribunals to support such an advocate.

Arthurs also commented on the 30% to 40% of Ontarians without a pension plan. Despite Arthurs's recommendation to the government to act quickly, it took until now for the government to finally act.

I would like to talk at length about the key elements of the legislation, starting with partial plan windups. After December 31, 2011, partial plan windups are to be eliminated, with the result that (1) no partial windup valuations will be required, and (2) surplus will no longer be required to be distributed on a partial windup. The input I've had from the experts is that that's a good thing. However, the two other consequences of partial windup—(1) grow-in and (2) immediate vesting—are going to apply broadly, with potentially significant cost implications to some plan sponsors.

From the feedback I'm getting, this grow-in provision is something that is very concerning. It could be very expensive for plan sponsors. So let me talk a bit about that.

Grow-in benefits are being extended in Bill 236. Currently, in the event of a partial or full windup of a pension plan, members with 55 or more age-plus-service points are entitled to grow into a pension plan's subsidized early retirement provisions. The grow-in provisions will be extended to all terminations of employment for members who meet the 55-points requirement, except for termination for cause, with or without a plan windup.

This will be costly for plan sponsors and administratively burdensome. No other jurisdiction in Canada, other than Nova Scotia, has such rules. The pension review panel in Nova Scotia, which has recently completed its work, has recommended against making such rules mandatory.

One of the things that the Association of Canadian Pension Management is pushing for is harmonized rules across the country, and yet Ontario could end up being the only jurisdiction in the country with this grow-in provision.

Looking at the historical context of grow-in benefits: "Grow-in rights entitle certain employees of wound-up plans not only to the pension benefits that they had earned up to the windup date but also to the early retirement benefits that they would have 'grown into' had both the plan and their employment continued. This legislation was a reaction to several high-profile manufacturing plant shutdowns in which plan members had lost part of their benefits because of funding deficits...."

"Comments from Wells Bentley, the superintendent of pensions in Ontario in 1980"—which is when the original legislation came in—"also suggested that grow-in rights were a regulatory afterthought. In an interview with the *Globe and Mail* at the time, Bentley did not mention that Bill 214 gave employees early retirement benefits that they had not fully earned. At the time the

bill was introduced, he focused solely on the need for better funding of windup benefits.

"In hindsight, it is easy to see how such legislation could have been introduced without much resistance, even if it had been highlighted. The economic picture in Canada was very different in 1980. Interest rates were over 12%, inflation rates were over 10%, and both were going north. People were worried about the effect high rates would have on the economy. Further job losses seemed almost inevitable. Any actions to mitigate the pain of job losses—including a bill that helped pension plan members—seemed defensible.

"The political landscape was also different. Governments were more interventionist and taxpayers by and large did not seem to mind. For example, in a poll conducted in Ontario in December of 1980, 51% of respondents favoured wage and price controls." So it was a different world at that point.

"A common perception at the time was that some companies were deemed to be too big to fail. However, in the same week Bill 214 became law, a government bailout of fabled manufacturer Massey Ferguson was being deliberated...."

"Grow-in rights are an idea whose time has passed. They are fundamentally flawed and should be repealed. Apart from Ontario and Nova Scotia, there is no other jurisdiction in Canada that imposes similar rules. Rules on plan windup should do no more than preserve the early retirement benefits that members had earned based on their service and earnings up to the windup date.

"The primary problem is that grow-in creates a heavy funding burden, one that did not exist back in 1980."

As it relates to multi-employer pension plans and jointly sponsored pension plans, they will be able to elect not to provide grow-in benefits. Additional powers—to order evaluations and/or reports—are granted to the superintendent to avoid certain inadvertent results occurring due to the lack of a partial plan windup.

As a transitional matter, partial windups can still be ordered prior to what will apparently be the effective date of the grow-in changes. The grounds for such partial windups are essentially unchanged from the current rules. In addition, the current rules relating to partial windups continue as part of these transitional provisions. However, while partial windups continue to exist, annuities will not be required to be purchased for any partial windup after April 1987. Additional conditions may be prescribed by regulation where annuities are not purchased.

The second point I'd like to talk about is full-plan windups. Three changes are made in the pension reform bill to when the superintendent can order a full windup: (1) the test for when employee terminations can cause a full-plan windup will be when "all or substantially all" of the employees are terminated; (2) similarly, a sale of "all or substantially all" of a business will permit a full-plan windup to be ordered where the purchaser or successor does not provide a pension plan; and (3) a full-plan windup cannot be ordered simply because a specific

location is closed. These changes are all consistent with the elimination of partial-plan windups.

Asset transfers between pension plans: The pension reform bill contains extensive changes to the provisions of the PBA relating to plan mergers, plan splits or divisions and the transfer of assets between pension plans on the sale of a business. In most cases, these changes would come into effect on a date to be proclaimed by the government, which means that they could come into effect on a staggered basis following royal assent to the new legislation.

It is not clear whether the new legislation will apply on a retroactive basis to pending asset transfers and plan mergers. This is because much of the detail has been left to the regulations—so, the devil is in the details and that will be in the regulations—which have yet to be released by the government. In some cases, as discussed below, there could be certain advantages to plan sponsors in being able to rely on the new asset transfer and plan merger rules. For both business sale asset transfers and plan mergers, the prior consent of the superintendent will still be required.

The proposed legislation will accommodate the provision of different “pension and other benefits” in the successor plan pension plan in the case of a business sale asset transfer or in the merged or importing plan in the case of a planned merger, provided the commuted value of the benefits of the transferred plan members is protected. Interestingly, however, if the assets to be transferred relate to the provision of defined benefits in the original plan, the transferred assets must be used to provide defined benefits in the successor plan. Finally, there will also be prescribed requirements relating to the transfer of surplus.

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While the pension reform bill generally expands the notice requirements for pension plan amendments, requiring prior notice of plan amendments to be given to members, retired members and others of all plan amendments, amendments relating to the transfer of assets authorized by new sections 79.1, 80, 80.1, 80.2 or the amended section 81 are specifically exempted from this requirement.

General asset transfer provision: The effective date of the asset transfer is to be determined in accordance with the regulations. Presumably this will mean the date as of which liabilities and related assets are transferred from one plan to another.

The transfer of assets will be subject to prescribed funding requirements to be set out in the regulations.

If either the exporting pension plan or the importing pension plan has a solvency deficiency or going concern unfunded liability at the effective date of the transfer, the transfer of assets in this circumstance would be subject to additional requirements to be prescribed under the regulations.

New section 79.2 also provides two important deeming and discharge provisions. In particular, the new legislation will provide that where assets have been transferred in accordance with the new legislation, the

transferred assets will become part of the assets of the pension fund of the successor pension plan and will cease to be identified as assets of the original pension plan. Transferred members, former members, retired members and other persons entitled to payment under the original plan will have no further claim against the original plan. This appears to be consistent with the recommendation in the expert commission’s report that the legislation should address the problems that result from some of the case law—for example, *Aegon Canada Inc. versus ING Canada*, and *Sulpetro Ltd. Retirement Pension Plan Fund versus Sulpetro Ltd.*—on whether the use of assets in the importing or successor plan is restricted because of restrictions imposed on trust assets in the exporting plan. The proposed legislation appears to provide that the historic terms of the exporting plan, and any related trusts, are not carried forward into the successor or importing plan.

If the transfer of assets is made on consent of the transferred members, retired members or other persons, the administrator of the original or exporting plan is discharged. Seemingly, a distinction is drawn in the proposed legislation between a discharge of the administrator (where transferred-member consent will be required), and clarification that the transferred assets are no longer subject to the terms of the original or exporting plan (where transferred-member consent is not required).

Transfers upon sale of a business and plan mergers: The new transfer upon sale of a business and plan merger provision contains four important changes:

—The administrator of the two pension plans must have agreed upon a “valuation” of the assets to be transferred. This may be a more significant practical consideration where the transfer is to be effected in kind and some of the assets are not traded publicly or easily valued.

—If the original pension plan has a surplus as of the effective date of the asset transfer, the value of the transferred assets must include a portion of the surplus which is to be determined in accordance with rules to be provided in the regulations.

—The superintendent will have the discretion to waive the funding requirements that could otherwise be applicable to the transfer under new section 79.2, including where either of the original pension plan or the successor pension plan has a going concern unfunded liability or solvency deficiency at the effective date of the transfer.

—Persons or other entities (other than the employer or successor employer), to be identified in the regulations, again, will be permitted to apply for consent to transfer assets from one plan to another. It will be interesting to see who is in this broader category.

There are in this Bill 236 special transitional rules for transfers upon sale of a business. There’s a change that may be of assistance to the broader public sector pension plans previously affected by privatization. It permits, until July 1, 2013, pension plans affected by past restructuring to enter into agreements that allow individual plan members to elect, subject to certain conditions, to consolidate their pension entitlements into a single pension

plan, i.e. the successor employer's plan, with a likely increase in the value of their pension entitlement due to the effect of final earnings on the pension entitlement. Given that this will result in cost increases, it is not clear how many such agreements will occur, but a large number of submissions were made to the expert commission relating to this issue, and apparently the government has attempted to respond to this concern. I might point out that my colleague Mr. Wilson from Simcoe-Grey has come to me in support of this provision, having talked to some constituents.

Increase transparency and access to information for plan members and pensioners: With certain limited exceptions, plan administrators would be required to provide advance notice of all amendments before the amendments can be registered. It appears that the notice does not have to be given before the amendment can become effective. Provisions of the Pension Benefits Act permitting and requiring amendments to be administered in accordance with the amendment as filed pending registration or notice of refusal of registration are not effective. Also, there are no changes to the provisions which permit retroactive amendments.

The new advance notice requirements seem to require notice to be given to all plan members, former members, retired members and applicable trade unions for all manner of amendments except amendments requiring to implement asset transfers and for other exceptions that will be described by the regulations.

Disclosure-of-information changes in Bill 236: Section 27 of the Pension Benefits Act currently requires an annual statement of pension benefits to be given to members. The pension reform bill will expand section 27 to require the administrator to provide other statements containing prescribed information to members, former members and retired members when required by the regulations. Provisions of the PBA relating to information that must be disclosed upon request will be expanded to grant disclosure and inspection rights to retired members and their spouses. In addition, rules will be introduced to ensure that members, former members and retired members obtain ongoing information about the funded status of the plan.

The pension reform bill also amends the PBA to permit electronic means to be used to send statements, notices and other information to plan members and others, but only where the administrator has the person's permission to do so. Exceptions to electronic communication may be provided under the regulations. The pension reform bill also contains a provision whereby the superintendent will not disclose records if it is of the opinion that the disclosure could reasonably be considered to prejudice the commercial interests of the employer or its competitive position.

There will be advisory committees under this bill. Under the existing rules, members are entitled to monitor plan administration by establishing an advisory committee. However, there are no rules requiring the administrator to facilitate the establishment of such a committee or its work. Where members wish to establish

an advisory committee, the pension reform bill requires an administrator to assist them by making available names and addresses of members and retired members of the plan and providing such other assistance as would be prescribed by the regulations. Once an advisory committee is established, the administrator will have ongoing obligations that are to be prescribed to assist the committee. In keeping with other changes proposed in the pension reform bill, retired members will have the right to appoint at least two representatives to the advisory committee.

There will be enhanced regulatory oversight. The pension reform bill includes amendments to the PBA which will allow the superintendent to issue interim orders. Specifically, new subsection 87(6) will allow the superintendent, in prescribed circumstances, to order a plan administrator, an employer or any other person to prepare and file a new actuarial report or another prescribed type of report in respect of a pension plan if, in the opinion of the superintendent, there are reasonable and probable grounds to believe that (1) there is a substantial risk to the security of the benefits payable under the pension plan, or (2) there has been a significant change in the circumstances of the pension plan.

The corresponding regulations which will prescribe the applicable circumstances of the types of reports for purposes of the new subsection 87(6) have not yet been released. It is notable that an order under subsection 87(6) can require the administrator, employer or any other person to pay all or part of the cost of preparing the report. The current PBA provisions which allow the superintendent to order the preparation of new reports do not include the power to determine who is to bear the cost of such reports.

Orders issued under subsection 87(6) would take effect immediately. They will not be subject to notice of a proposal process but will be subject to a right of appeal to the Financial Services Tribunal. An appeal will not automatically stay the order, but the FST may grant a stay until it disposes of the appeal.

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Authority to approve arrangements and proposals of insolvent employers: The pension reform bill introduces new provisions to the PBA which grant the superintendent the authority to approve certain agreements governing payments to a pension plan by an employer which is under protection from its creditors pursuant to the Companies' Creditors Arrangement Act, Canada, the CCAA, or the Bankruptcy and Insolvency Act, Canada, the BIA. Both the CCAA and the BIA allow an insolvent employer to enter into an agreement with its creditors and other relevant parties under which certain payments which would otherwise be required to be contributed to the employer's pension plan pursuant to a compromise or arrangement under the CCAA or a proposal under the BIA, as applicable, can instead be made on terms set out in the agreement. This gives the parties some flexibility in determining the timing and amounts to be contributed to the pension plan. However, both the CCAA and the BIA require such agreements to be approved by the

relevant pension regulator in order to be effective. Currently, it is not clear that the superintendent has the authority under the PBA to grant such approvals.

I can see I'm getting close to running out of time. I guess I will continue.

Hon. James J. Bradley: Out of time or out of ideas?

Mr. Norm Miller: There's a little bit of heckling going on from the government members. I was sure you were asleep, but—

Interjections.

Mr. Norm Miller: Continuing with my presentation, it would also improve plan administration and reduce compliance costs with limited compliance exemptions. The pension reform bill introduces several changes which are intended to simplify the filing requirements for plan administrators in specified circumstances or in respect of prescribed classes of pension plans, which will be set out in regulations. The pension reform bill will permit the enactment of regulations which eliminate the requirement to file some or all of the documents set out at subsection 9(2) of the PBA in an application for the registration of a pension plan; eliminate the requirement to include some or all of the information set out at subsection 10(1) of the PBA in the pension plan documents; eliminate the requirement to include some or all of the documents set out at subsection 12(2).

I have detail on many other aspects of it, but I can see I'm getting close to running out of time. So rather than going through it all, I would like to hone in on a couple of aspects of the bill which are a challenge, that is, in particular, the grow-in provisions of the bill. That is a concern because it would be an additional cost. I met earlier with the Association of Canadian Pension Management people. They said that we should be aiming for harmonized rules across the country.

Hon. James J. Bradley: Harmonized?

Mr. Norm Miller: Harmonized rules across the country. Yet in Ontario we may end up the only jurisdiction in Canada that would have these grow-in benefits. So that is obviously not something that's harmonized.

Speaking of harmonized, another negative aspect of the government's plan is, of course, that they're planning on having a harmonized sales tax apply to management fees on mutual funds, which will make it much more difficult for people—that big segment of the population that don't have defined benefit plans—to save toward retirement. I might point out that we're unique in the world of value-added taxes to have that tax applied to management fees on mutual funds.

But on the grow-in provision, which is probably the provision of this bill that I'm most concerned about, I'd like to refer to an article written by Mr. Fred Vettese, *Outgrowing Grow-ins*. He is talking about the history of them, pointing out that it came to Ontario in 1980. He says, "For that reason, plan sponsors should agitate for the removal of grow-in rights.... Grow-in rights entitle certain employees of wound-up plans not only to the pension benefits that they had earned up to the wind up date but also to the early retirement benefits that they would have grown into." He goes on to say—and I won't

have time to get the whole thing in—going back, that "they are fundamentally flawed and should be repealed. Apart from Ontario and Nova Scotia, there is no other jurisdiction in Canada that imposes similar rules. Rules on plan windup should do no more than preserve the early retirement benefits that members had earned based on their service and earnings up to the windup date." I agree with that.

"The primary problem is that grow-in creates a heavy funding burden, one that did not exist back in 1980."

He goes on to say, "Grow-in rights do not help the average citizen. They help only the lucky minority that happens to be in the right type of pension plan.... Employment standards legislation is a more appropriate place to deal with this problem."

He points out that unions are most likely to object to the removal of grow-in rights—and maybe that's why it's in this bill, because we know the cozy relationship the current government has with many unions. That's probably why we're becoming unique. But as I point out, the Association of Canadian Pension Management people feel that the ideal would be to have the same rules across the country.

A lot of the solutions to the bigger problems to do with pensions are not necessarily provincial. There are requirements for income tax acts. Perhaps some of those solutions are more federal in nature.

I know that the Association of Canadian Pension Management believes that you could provide several large plans operating multi-jurisdictionally that would provide the flexibility and choice of a savings option that employers and individuals need. They're against having a government-mandated payroll tax. It's not what the economy needs, they say. They're not in favour of a CPP supplemental plan, as is more or less what's being done in England. They suggest that private sector creativity and expertise are the best way to give choices to Canadians.

But there's a lot that has to happen to improve the environment for people to save in this country. A lot of it, I would say, needs to happen at the federal level—as I say, many changes to the Income Tax Act so that there aren't penalties for those people who are trying to save in an RRSP.

We need to promote plans that have auto-enrolment, to get past that situation where people just put off trying to save for retirement and don't make that decision. I would be in favour of some sort of plan. Looking at some private sector models makes sense as well.

Getting back to Bill 236, and being just about out of time, I would say it is a bill that—as I say, the government said they're going to have two bills. This one, even though when you get into it, as anyone listening would note, is very technical, it is described by the experts as tinkering around the edges, dealing with some of the more straightforward, less controversial issues—although the one aspect of it that I do have great concerns about, and I know that a lot of people who are involved in pensions have concerns about, is this grow-in provision. It's also making Ontario unique.

The other thing that makes Ontario unique in the country is that we have a pension benefits guarantee fund. Of course, recently the government just decided, funnily enough, with a by-election happening in Ottawa, to back up and add an extra \$100 million to \$200 million to backstop the pension benefits guarantee fund, as a by-election is going on that happens to have a lot of retired Nortel workers in that constituency.

Ontario is unique in the country, again, in terms of having a pension benefits guarantee fund, so if you're following the advice of the pension experts, you would question why we have that in the province of Ontario as well.

I've probably used up pretty much all of my time. I thank you for the opportunity to make some comments on Bill 236. We will look forward to seeing the bill go to committee so that those people who really are experts on pensions will get an opportunity to make comments on some of the more technical aspects of this bill.

Second reading debate deemed adjourned.

The Deputy Speaker (Mr. Bruce Crozier): It being 6 of the clock, this House is adjourned until Thursday, February 18, at 9 of the clock.

The House adjourned at 1759.

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