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Official Report of Debates (Hansard)

Thursday 6 May 2010

Journal des débats (Hansard)

Jeudi 6 mai 2010

**Standing Committee on
Finance and Economic Affairs**

Creating the Foundation
for Jobs and Growth Act, 2010

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

Loi de 2010 posant les fondations
de l'emploi et de la croissance

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
Greffier : William Short

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

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

Thursday 6 May 2010

Jeudi 6 mai 2010

The committee met at 0901 in room 151.

**CREATING THE FOUNDATION
FOR JOBS AND GROWTH ACT, 2010**

**LOI DE 2010 POSANT LES FONDATIONS
DE L'EMPLOI ET DE LA CROISSANCE**

Consideration of Bill 16, An Act to implement 2010 Budget measures and to enact or amend various Acts /
Projet de loi 16, Loi mettant en oeuvre certaines mesures énoncées dans le Budget de 2010 et édictant ou modifiant diverses lois.

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. We're here for clause-by-clause consideration of Bill 16. Is there any opening discussion? Mr. Miller.

Mr. Norm Miller: Mr. Chair, I'd just like to highlight the flawed process this government is taking with this very important budget bill. It contains some 31 schedules and of course it's been time-allocated, which limits what the committee can do. It's also an extremely tight time frame.

I would just like to highlight the fact that a major partner of government, AMO, the Association of Municipalities of Ontario, submitted comments on the bill that in fact came in after the deadline for comments—and after the deadline for amendments to the bill as well—with very serious concerns as to how this bill will affect municipalities and their costs, particularly as they relate to insurance. That was just one aspect of one schedule of this bill that they managed to catch.

I just would like to point out the flawed process that we are undertaking and raise the spectre that there may be many more things in this bill that the opposition and other interested parties are not aware of, or how it will affect them around the province.

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

Mr. Wayne Arthurs: I appreciate the opposition's perspective. This is not unique to legislation, to have it time-allocated. The budget process is a long process, a comprehensive process. We may not always agree on the outcomes.

I do appreciate particularly, though, his comments with respect to AMO. It's a matter that has been raised. There have been some discussions during the past week.

I think it's probably our collective intention to try to resolve that matter during the course of this morning's and this afternoon's deliberations by dealing with a couple of sections of the legislation that impact on the AMO submission.

Mr. Norm Miller: I would just like to say that, certainly in comparison to other jurisdictions, when you look at the budget as being the biggest, single most important part of the government's business in the year—it affects all ministries; it affects expenditures and revenue. When you look at other jurisdictions and compare what Ontario does, for example, with some of the American states, where they spend half their legislative year deliberating on budgets, this is certainly going the other way to the extreme. We had five hours for public hearings, which were mainly pharmacists coming before us because they became aware of some very serious changes in the budget that will affect their ability to do business and provide health services in the province; five hours and then just one day, with very tight restrictions on the process, for clause-by-clause.

I simply say that if the government was truly interested in making a better bill and improving it, they would have allowed a little more time and flexibility in the process so that those affected individuals, parties and businesses could become aware of the budget and make some positive suggestions for improving it.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, we'll move into clause-by-clause.

I wonder, can we get agreement to stand down section 1, section 2 and section 3 until we finish with the schedules? All in favour? Agreed.

There are no amendments to schedule 1, sections 1 to 13. Shall those sections carry? Carried.

Shall schedule 1 carry? Carried.

There are no amendments to schedule 2, sections 1 to 3. Shall schedule 2, sections 1 to 3, carry? Carried.

Shall schedule 2 carry? Carried.

There are no amendments to schedule 3, sections 1 through 2. Shall they carry? Carried.

Shall schedule 3 carry? Carried.

Now, then, we have no amendments to schedule 4, sections 1 through 2. Shall they carry? Carried.

Shall schedule 4 carry?

We do have an amendment to schedule 5, section 1. It is a PC motion. Mr. Miller, if you'd read it for the record.

Mr. Norm Miller: Certainly. Thank you. I move that section 1 of schedule 5 to the bill be amended by adding the following subsection:

“(0.1) Section 12.1 of the Drug Interchangeability and Dispensing Fee Act is amended by adding the following subsection:

“Transition re professional allowances

“(2.1) If, immediately before this subsection comes into force, a manufacturer provides professional allowances for interchangeable products to wholesalers, operators of pharmacies, or companies that own, operate or franchise pharmacies, or to their directors, officers, employees or agents, the manufacturer shall phase out the professional allowances within five years after this subsection comes into force.”

The Chair (Mr. Pat Hoy): Comment?

Mr. Norm Miller: Yes. If I may add some comments: We heard mainly in our five hours of public hearings from many small pharmacists who are concerned about the rapid change that the government is bringing to their business and the effect that will have on their ability to provide front-line health services to seniors and to families who depend on them. Pharmacists have requested a phase-in period, and part of the rationale is that the regulations immediately drop the price of generic medications. Pharmacists must purchase the medications first and then sell them. These medications come with a price, and the drop in prices overnight means the entire generic inventory will be sold at a loss. There needs to be a process to allow pharmacists to adapt to this new model. There needs to be a phase-in where they can obtain lower-cost inventory.

We also had generic wholesalers arguing for a phase-in. I recall that there was one that had, I think, 70 employees in your riding, Mr. Chair. They talked about how this sudden loss of income by the pharmacy retailers increases the wholesalers' risk of bad debt. McKesson Canada noted that it provides, on an ongoing basis, through extended payment terms, about \$300 million of credit to pharmacies across the province. There's a real possibility that a number of pharmacies may go out of business because of the sudden changes, and pharmacies that go out of business leave their creditors unpaid.

Wholesalers extend a significant amount—\$150,000—of credit to each pharmacy. For every pharmacy that goes bankrupt, they must make \$1 million in new sales to make up for the loss, due to the extremely low margins. Also, to mitigate the risk of bad debt, they are forced to tighten the available credit to pharmacies, further exacerbating the financial pressure that they will face.

0910

The generic wholesalers also supported the phase-in of professional allowances, but this comes down to making a sudden change that would dramatically affect the ability, particularly of small, independent pharmacies that are often located in rural and northern areas or small towns, to deliver the front-line health care services that families and seniors depend upon, whether it's providing guidance in terms of chronic conditions like diabetes

monitoring or taking the time with a senior to look through the various drugs they are using, to provide guidance and, in many cases, to suggest drugs that are unnecessary, thereby saving the health care system.

By having such a sudden change, it does put at risk these small pharmacies.

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

Mr. Wayne Arthurs: As I understand this particular amendment, it would deal with those generic drugs that are being purchased in what I'll call the private realm, individually or through extended health benefits, as opposed to those being purchased in the public realm, with the Ontario drug benefit as the example.

The regulations that are out for comment at this time include a phase-in period for the elimination of the professional allowances. I believe that proposal is for a period of up to four years. So there's not an immediate impact. Subject to the regs, the impact will be extended over a four-year period for those matters dealing with those generic drugs purchased in the private realm as opposed to the public realm. This deals with those in the private realm, so we're satisfied that the regulatory process that's in place will provide for that phase-in over a four-year period, and thus we will not be supporting the opposition amendment.

Mr. Norm Miller: A recorded vote, please.

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

Mr. Peter Tabuns: Could I just have some clarity? Maybe I don't understand the mechanism. You're saying you have a proposed four-year phase-in for the private plans. What about the public plans?

Mr. Wayne Arthurs: The public plan, I think, is addressed in another amendment that will be brought forward a little bit later. In the public realm, the elimination of those professional allowances, for all practical purposes, will be immediate.

Mr. Peter Tabuns: That will be addressed in a separate—

Mr. Wayne Arthurs: Amendment.

Mr. Peter Tabuns: Fine.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, a recorded vote is requested.

Ayes

Norm Miller.

Nays

Albanese, Arthurs, Flynn, Sousa.

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

Mr. Norm Miller: Mr. Chair, I have another amendment to do with this section that I'd like to do verbally and pass on to you—I have it in written form as well—as recommended by the small pharmacies and the pharmacy association.

Interjection.

Mr. Norm Miller: Sorry, your timelines are impossible.

The Chair (Mr. Pat Hoy): “The deadline for filing amendments to the bill with the clerk of the committee shall be 12 noon, Tuesday, May 4, 2010.”

Mr. Norm Miller: I know that’s your draconian time-allocation motion. However, normally that’s for administrative purposes and you’re still allowed to do verbal amendments, and I do have a verbal amendment and it’s in written form as well.

The Chair (Mr. Pat Hoy): With time allocation, it is a firm timeline.

Mr. Norm Miller: There go your inflexible procedures again. Thank you, Mr. Chair.

The Chair (Mr. Pat Hoy): We’re guided by the House in these matters.

The motion was lost.

Shall schedule 5, section 1, carry? Carried.

Shall schedule 5, section 2, carry? Carried.

Shall schedule 5 carry? Carried.

There are no amendments to schedule 6, sections 1 through 13, inclusive. Shall they carry? Carried.

Shall schedule 6 carry? Carried.

There are no amendments to schedule 7, sections 1 through 23. Shall they carry? Carried.

Shall schedule 7 carry? Carried.

Schedule 8: There are no amendments to sections 1 to 2, inclusive. Shall sections 1 and 2 carry? Carried.

Shall schedule 8 carry? Carried.

Schedule 9: There are no amendments to sections 1 to 2. Shall they carry? Carried.

Shall schedule 9 carry? Carried.

Now we come to schedule 10. Mr. Miller?

Mr. Norm Miller: Section 10 is, I believe, one of the sections that the Association of Municipalities of Ontario has written about after the deadline, concerned about the transfer of OHIP and related costs to municipalities through the change proposed that will drastically affect their insurance premiums.

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

Mr. Kevin Daniel Flynn: I was at a meeting last night with a group of municipal leaders, including my own Mayor Burton and some other members of Oakville council, who raised this issue as well. Certainly, there’s a willingness on the government side to take a second look at this. That’s one I’d support. When municipal leaders bring forward points like this, we should pay attention to them. This gives us an opportunity to take a second look at the concerns that are being raised.

If there’s a mechanism for us to do that this morning, I’d seek your guidance or that of the clerk’s on how that might be accomplished.

Mr. Wayne Arthurs: Just a quick comment: The government members, I believe, will be voting against schedule 10. That’s how we will deal with that for this morning.

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

Mr. Norm Miller: Recorded vote, please.

The Chair (Mr. Pat Hoy): Shall schedule 10, section 1, carry?

Mr. Norm Miller: Maybe I could just ask for clarification as to which part of it—are you voting against the entire schedule 10, or which is the pertinent part of it?

Mr. Wayne Arthurs: That’s the only provision in schedule 10.

Mr. Norm Miller: Yes, okay. Thank you.

Nays

Albanese, Arthurs, Flynn, Norm Miller, Murray, Sousa, Tabuns.

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

Now we’re at schedule 10, section 2.

Mr. Norm Miller: Recorded vote.

Nays

Albanese, Arthurs, Flynn, Norm Miller, Murray, Sousa, Tabuns.

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

Shall schedule 10 carry?

Mr. Wayne Arthurs: Carried—no.

The Chair (Mr. Pat Hoy): No. It did not carry.

Schedule 11: Sections 1, 2, 3 and 4 have no amendments. All in favour? Carried.

Shall schedule 11 carry? All in favour? Carried.

Schedule 12, sections 1 through—

Mr. Norm Miller: I believe that’s another schedule that AMO was concerned about, on the same issues. Perhaps the government has something to tell us about that as well.

0920

Mr. Wayne Arthurs: As we understand it, through the consultations with AMO, that clause 2—and we’re in agreement that clause 2 is the problematic clause, which is on the second page of the schedule. So it would be the government’s intention to vote against clause 267.8, as identified on page 2 of the schedule—but would be supporting the other portions of the schedule. We just seek advice, as well, from the Chair on breaking down the schedule such that we can deal independently with clauses.

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

Mr. Norm Miller: Just, as the parliamentary assistant has asked, that there be clarity about how that section is voted upon.

The Chair (Mr. Pat Hoy): If members don’t want a section to carry, they would vote against it.

Mr. Norm Miller: Thank you. That’s very good advice.

The Chair (Mr. Pat Hoy): Mr. Flynn, you had a comment?

Mr. Kevin Daniel Flynn: Here again, this concern was raised by the members of Oakville council last night

at a meeting, and I understand that we've all received something from AMO. When we get the opportunity like this, when we receive some good advice, I think it's timely to take a pause and make sure that we get this right.

I will not be voting for this, and I just want that put on the record. I want to thank the mayor and the council of Oakville for bringing this to my attention.

Mr. Norm Miller: Mr. Flynn has pointed out why the whole process is flawed. We've just passed nine schedules of the bill—more than that, actually—and I would simply point out: What other details are people going to be learning about tomorrow, after this committee is done deliberating? What was in the lands agreement 1966 act that was just passed, for example, that those intimately involved would discover after it's too late?

The Chair (Mr. Pat Hoy): Are we ready for the question? On schedule 12, section 1, all in favour? Carried.

Now we'll do schedule 12, section 2. All in favour? Opposed? That's lost.

Schedule 12, section 3: All in favour? Carried.

Shall schedule 12, as amended, carry? All in favour? Carried.

We have no amendments for schedule 13, sections 1 through 8 inclusive. Shall they carry? Carried.

Shall schedule 13 carry? Carried?

Schedule 14: There are no amendments to sections 1 through 2. Shall they carry? Carried.

Shall schedule 14 carry? Carried.

There are no amendments to schedule 15, sections 1 through 2, inclusive. Shall they carry? Carried.

Shall schedule 15 carry? Carried.

We do have an amendment here. Look in your package. Page 2: PC motion, Mr. Miller.

Mr. Norm Miller: I move that clause 39(1)(a) of the Local Health System Integration Act, 2006, as set out in section 1 of schedule 16 to the bill, be struck out and the following substituted:

“(a) begin a comprehensive review of this act and the regulations made under it no later than September 1, 2010; and”

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

Mr. Norm Miller: As you know, the Local Health System Integration Act, 2006, had a requirement that there was to be a review of the local health integration networks by March 28, 2010. As we know, that time has now passed, and there was no review. So this amendment would give the government more time to be able to begin that review of the local health integration networks, and the date that they would need to begin by is September 1, 2010.

We certainly know that the local health integration networks are playing a key role in health care in the province. They're spending a lot of money. In the interests of transparency and accountability, the PC Party believes that this review should begin sooner, not later. Ideally, it should have occurred when the government

stated it would have occurred by, and that was March 28, 2010.

Through freedom of information, we have uncovered untendered contracts that have been entered into by the local health integration networks. We've seen a huge spike in the salaries over \$100,000 being paid by those involved in the local health integration networks. We have precious health care dollars that are needed around the province and unlimited demands, really, on health care services, so it's an important area that does need to be reviewed. In the case of one of the two LHINs that cover my riding, the North East LHIN, the CEO running it is making a substantial amount of money—\$260,000, I believe.

The government needs to review this new form of mid-level health bureaucracy to determine if we're getting good value for the money and to make sure that they're doing what they were intended to do.

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

Mr. Wayne Arthurs: There's no question that the government has proposed a delay in the review of the LHINs, or a review of the Local Health System Integration Act, 2006. This is principally to allow sufficient time for the LHINs to enter into long-term-care service accountability agreements, referred to as LSAAs, in the long-term-care sector, and for the long-term-care homes to implement some of the major system changes that are required for the Long-Term Care Homes Act, 2007.

This particular act doesn't come into force until July 1, 2010. Both the Ontario Long Term Care Association and the Ontario Association of Non-Profit Homes and Services for Seniors—together they represent almost all long-term-care homes—support the government's amendment to the time frame for the purposes of the review of the Local Health System Integration Act.

The government won't be supporting this motion. Principally, the advised timelines are to provide opportunities for the long-term-care sector to be able to get their legislation in place and implement, and work with the LHINs in that regard before that review starts.

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

Mr. Norm Miller: I would just simply say that it has been four years. When the bill was introduced four years ago, in 2006, obviously, the government thought that they would be able to have things in place and running and that a review would be conducted by March 28, 2010, or you wouldn't have put that timeline into the bill at that time.

I think it's quite reasonable. This amendment is not even saying it has to be completed by then. It has to be started no later than September 1, 2010, so it still leaves the government time to complete the actual review.

Perhaps the parliamentary assistant could say what the timeline is that is planned by the government. From what I understand, it's not going to be completed until after the next election, after October 6, 2011. In terms of accountability, we're held most to account at election time, so it

would seem to me that a review before the election, with a report, is important.

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

Mr. Wayne Arthurs: Let me just first say that I think the member opposite is correct in the context: When government set the legislation out with a review period, there was a desire at that point in time to see the LHINs fully in place to the point that that review could occur.

The long-term-care sector is a significant sector of our LHIN function and a significant sector of our communities. They have new legislation. Those organizations that represent the vast majority—almost all—of long-term-care homes support the government's initiative to extend the time frame before the review occurs, and the review is scheduled for July 1, 2012.

0930

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

Mr. Norm Miller: July 1, 2012, as I've pointed out, is after the next election, thereby not allowing the people of the province to know about the effects of the monies spent at the LHINs until after the election, so not providing the proper accountability for them.

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

Mr. Wayne Arthurs: From the government-side perspective, what's important to us is to ensure that the long-term-care sector has the opportunity to do the implementation under the legislation and that in the review process we have the appropriate and adequate information regarding the entire LHIN sector at that point in time. It's perceived that that time frame into July 2012 as a starting point is the right time to begin the review.

Mr. Norm Miller: To begin the review? I'm sorry; that's when you're going to begin the review? You won't be completed by July 1, 2012.

Mr. Wayne Arthurs: Correct.

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

Shall schedule 16, section 1, carry? Carried.

Shall schedule 16, section 2, carry? Carried.

Shall schedule 16 carry? Carried.

There are no amendments to schedule 17, sections 1 through 4. Shall they carry, inclusive? Carried.

Shall schedule 17 carry? Carried.

There's an amendment to schedule 18, I think it's 3 in your packet, a government motion. Mr. Arthurs.

Mr. Wayne Arthurs: I move that subsection 33.1(5) of the Mental Health Act, as set out in section 1 of schedule 18 to the bill, be struck out and the following substituted:

"Exception

"(5) Clause (4)(e) does not apply in any of the following circumstances:

"1. If a rights adviser has made best efforts to locate the person subject to the order, the person could not be located and the rights adviser so informs the physician.

"2. If the person subject to the order refuses to consult with a rights adviser and the rights adviser so informs the physician.

"3. If, for the renewal of the order, the public guardian and trustee is the substitute decision-maker for the person subject to the order."

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

Mr. Kevin Daniel Flynn: I can bring to the committee's attention that the issues surrounding this issue, the more global issue, has been the subject of some discussion at the all-party Select Committee on Mental Health and Addictions. Certainly, what I think is being proposed is a good balance between the rights of the patient, or the person involved who may be the subject of a community treatment order, society at large, the physician and the people who are the involved as a rights adviser or the public guardian and trustee. I think this brings some good balance to it.

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

Mr. Norm Miller: Perhaps there's an expert who could explain how this amendment is changing what is currently in the bill.

The Chair (Mr. Pat Hoy): If you'd just state your name before you begin.

Ms. Diana Schell: My name is Diana Schell. I'm legal counsel at the Ministry of Health and Long-Term Care.

Mr. Miller, the change that's being made in this motion would be to require that the public guardian and trustee continue to get rights advice on the issuance of a community treatment order, but not for renewals.

Mr. Norm Miller: Okay. I know that there was at least one group that came before the committee that made that request. In fact, the opposition was working on an amendment to further that request. Thank you for that explanation.

Ms. Diana Schell: Thank you, sir.

The Chair (Mr. Pat Hoy): Any other comments? Hearing none—

Mr. Norm Miller: Recorded vote.

Ayes

Albanese, Arthurs, Flynn, Norm Miller, Murray, Sousa, Tabuns.

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

Shall schedule 18, section 2, carry? Carried.

We'll go back to where we had the previous motion carry. Shall schedule 18, section 1, as amended, carry? Carried.

Shall schedule 18, section 3, carry? Carried.

Now we have another motion, a government motion on page 4 in your packet. Mr. Arthurs.

Mr. Wayne Arthurs: I move that clause 39.2(10)(a) of the Mental Health Act, as set out in section 4 of schedule 18 to the bill, be amended by striking out "provide for the person's care and treatment" at the end and substituting "provide for the patient's care and treatment."

Just very briefly: It's simply technical. It changes the reference from "person" to "patient." It's a drafting error.

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

Shall schedule 18, section 4, as amended, carry? Carried.

Shall schedule 18, section 5, carry? Carried.

Shall schedule 18, section 6, carry? Carried.

Shall schedule 18, as amended, carry? Carried.

Schedule 19, the PC motion: Mr. Miller.

Mr. Norm Miller: I move that schedule 19 to the bill be amended by adding the following section:

"0.1 The Ministry of Revenue Act is amended by adding the following section:

"Transfer of employees to Canada Revenue Agency

"6.2 A person who ceases to be employed in the ministry or in the Ministry of Finance is deemed not to have been dismissed under section 39 of the Public Service of Ontario Act, 2006 if he or she becomes an employee of the Canada Revenue Agency by accepting an offer of employment in connection with the Comprehensive Integrated Tax Coordination Agreement referred to in section 50 of the Retail Sales Tax Act."

The Chair (Mr. Pat Hoy): For the committee members, I would rule that this amendment is out of order as it is beyond the scope of the bill. The subject matter is not dealt with in any of the schedules to the bill as introduced.

Mr. Norm Miller: If I may just comment. Dalton McGuinty had previously said that—

The Chair (Mr. Pat Hoy): Mr. Miller, there's no debate permitted on a decision of the Chair.

Mr. Norm Miller: Mr. Chair, can I appeal your decision?

The Chair (Mr. Pat Hoy): Yes.

Mr. Norm Miller: I can appeal your decision to the House? Under standing order 121(b), "If the majority of the members of a standing or select committee appeal the decision of the Chair of the committee to the Speaker, the Chair shall at the next meeting of the House present a report which accurately states the matter on which the Chair decided, the arguments raised by members of the committee and the decision made by the Chair, and the Speaker shall confirm or vary any decision of the Chair."

The Chair (Mr. Pat Hoy): Shall the Chair's ruling be appealed to the Speaker?

Mr. Norm Miller: Is there any debate on this?

The Chair (Mr. Pat Hoy): There is no debate.

Mr. Norm Miller: There's no debate

Mr. Norm Miller: I'd just like to point out that—

The Chair (Mr. Pat Hoy): I'll put the question. Shall the Chair's ruling be appealed to the Speaker? All in favour? Opposed? The motion is lost.

We will move on. Shall schedule 19, section 1, carry? Carried.

Shall schedule 19, section 2, carry? Carried.

Shall schedule 19 carry? Schedule 19 carries.

There are no amendments to schedule 20, sections 1 through 3, inclusive. Shall they carry? Carried.

Shall schedule 20 carry? Carried.

Schedule 21: There are no amendments from sections 1 through 13, inclusive. Shall they carry? Carried.

Shall schedule 21 carry? Carried.

Now, 22; we have a PC motion. Mr. Miller.

0940

Mr. Norm Miller: I move that section 1 of schedule 22 to the bill be amended by adding the following subsection:

"1 (0.1) Section 11.5 of the Ontario Drug Benefit Act is amended by adding the following subsection:

"Transition re professional allowances

"(2.1) If, immediately before this subsection comes into force, a manufacturer provides professional allowances for listed drug products or listed substances to wholesalers, operators of pharmacies, or companies that own, operate or franchise pharmacies, or to their directors, officers, employees or agents, the manufacturer shall phase out the professional allowances within five years after this subsection comes into force."

Again, this is to do with the pharmacists and the sudden changes proposed by the government to their way of doing business and their ability to cope with that sudden change so that they'll be able to continue to provide the front-line health care services that seniors and families depend on.

The thought behind this amendment is to provide a five-year transition, as was asked for by the many small independent pharmacies that came before the committee in the five hours of public hearings that were held so that they would have more time to be able to adjust their business model and to work with the government. They certainly expressed an interest, in their comments to the committee, about being in favour of lower generic drug prices and of doing away with the current model of professional allowances.

I know that many of the pharmacists who came before the committee pointed out the archaic system the government has in place and the fact that the government, just a couple of years ago, passed a bill that supported professional allowances. That's the business model they've been operating under—a crazy one in which it costs them \$14 to dispense a drug that they're paid \$7 for on the Ontario drug benefit plan part of it.

I know that many of them made suggestions and showed a willingness to work with the government. This five years would allow them the time to work with the government to come up with savings for the health system in general, but it would also allow them to continue to be able to stay in business and provide front-line health care services and advice to seniors and families around the province.

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

Mr. Wayne Arthurs: As I mentioned earlier, this particular amendment deals with the public sector, the public-dollar component of the professional allowance. It

is the government's intention to eliminate those professional allowances imminently. I don't know the exact date—I'm going to suggest mid-month, but I don't have the date in front of me—so for all practical purposes, immediately. I don't believe the government members will be supporting a provision that would extend that for a five-year period.

We are paying too much for generic drugs in Ontario. I think there's pretty common agreement that the professional allowances need to go. The difference that we're having across the floor today is on whether that should happen immediately for the publicly supported drugs or whether it should be extended over a period of time of some five years.

It would be the government's position that we should act on this at this point in time, and thus we'll not be supporting the amendment.

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

Mr. Norm Miller: Much in the way this committee is rushing through its business, it's also rushing in this change that would dramatically affect the provision of front-line health care services in small-town Ontario and rural and northern Ontario, and affect the very viability of small pharmacies across the province. This provision is to provide a little time to those pharmacies, which are working under the model the government set up with its last drug bill, which I believe was Bill 102, which set rules to do with professional allowances.

They want to work with the government to do away with professional allowances over time, to lower generic drug prices, but still to be able to continue to provide the services that they do provide and the services that the province values so much.

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

Mr. Peter Tabuns: Mr. Chair, it came out in a number of presentations to us that pharmacists didn't like the way the current system worked. They consistently called for an end to professional allowances, but they wanted to have an accommodation with the government that didn't put them into a crisis at the point at which they were terminated. People came here saying that they would have stock that they had bought at a higher price that they would have to sell at a lower price, putting them into a lot of difficulty.

You don't have in place the systems to compensate pharmacies for the services that they might provide. You are asking to give yourself an awful lot of rope on this legislation, and you may well not only hang yourselves but also hang a lot of pharmacists.

I'm not going to support this resolution. We've supported the end of professional allowances. What we felt was critical was a process of negotiation with the pharmacies that allowed both the government and the pharmacy sector to come out with a program, an approach, that would allow everyone to save a lot of money and benefit the public as a whole.

I'll point out to you, Mr. Arthurs, that when Dr. Charles Hastings in Toronto first brought in pasteurization at the beginning of the 20th century, he got a

resolution through city council to bring in pasteurization but, in meetings with the farmers who would have to pasteurize their milk, actually gave several months of transition, notwithstanding the health issues at play, so that the farmers could actually implement the change in an orderly way. I say to you, because you will have the regulatory power and the negotiating power, it is a lot better to have a transparent system of payment for services than the professional allowances, but if you don't have that in place and you don't allow for losses to these pharmacies, you will cause quite a lot of damage. It'll be on your hands and it'll be on your head.

I understand the purpose of the amendment. Five years seems an awfully long transition time to me, but you, having this statutory power, are going to have to, I think, re-look at how you deal with pharmacies unless you want to have a very ugly situation in this province.

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

Mr. Wayne Arthurs: Chair, I'll just make a couple of very quick points, the first being that the savings that are being projected at this point in time are intended to be, obviously, reinvested in the system for access to drugs that might not otherwise be available as well as supporting pharmacists, particularly in smaller-town and rural pharmacies where access isn't as ready. Some of the provisions are to accomplish that.

The issue of the phase-in, I think we dealt in part with that in our first amendment. I don't want to rehash things, but when a significant amount of the activity is on the private side, as opposed to the public side, there are provisions there for phase-in to occur. So there is some balance.

I appreciate the comments that are being made. We know that change of this nature is substantive and that there will be considered and continual debate. I know the minister looks forward to the opportunity to sit down with the appropriate associations to be able to have that direct conversation, which I guess hasn't occurred quite yet.

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

Mr. Norm Miller: Recorded vote, please.

Ayes

Norm Miller.

Nays

Albanese, Arthurs, Flynn, Murray, Sousa.

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

Shall schedule 22, section 1, carry? Carried.

Shall schedule 22, section 2, carry? Carried.

Shall schedule 22, section 3, carry? Carried.

Shall schedule 22 carry? Carried.

There are no amendments to schedule 23, sections 1 through 4, inclusive. Shall they carry? Carried.

Shall schedule 23 carry? Carried.

There are no amendments to schedule 24, sections 1 through 15, inclusive. Shall they carry? Carried.

Shall schedule 24 carry? Carried.

We will do schedule 25, section 1. Shall it carry? Carried.

0950

Schedule 25, section 2: Shall it carry? Carried.

Now we have a government motion at section 3.

Mr. Wayne Arthurs: I move that paragraph 2 of subsection 3(3) of the Public Sector Compensation Restraint to Protect Public Services Act, 2010, as set out in schedule 25 to the bill, be struck out and the following substituted:

“2. Local boards as defined in subsection 1(1) of the Municipal Act, 2001. However, this exclusion does not apply with respect to boards of health.”

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

Mr. Peter Tabuns: Would you explain why?

Mr. Wayne Arthurs: The particular motion clarifies that the legislation applies to boards of health, which are 75% funded by the province. That might be distinct from things like emergency services, which are on a 50-50 cost-share basis.

Interjection.

Mr. Peter Tabuns: If you have a question, go ahead.

Mr. Norm Miller: Just for further explanation, so that we understand exactly what’s happening: Does the restraint apply to public boards of health that are funded 75% by the province?

Mr. Wayne Arthurs: Yes, it—sorry; if I can, Mr. Chairman: The approach is consistent with the intent of the proposed legislation to capture employers who receive the majority of their funding from the province.

Mr. Peter Tabuns: If I might speak on this, I disagree with the whole section, but this is also an impractical piece. Perhaps in some smaller centres, the board of health staff will be segregated from the general municipal employees. I can speak only of the city of Toronto, where I have familiarity. They are part of the unions that represent the workers at the city of Toronto. They are fully integrated with the workforce. Their payroll comes from the central payroll. To treat them as though they were a separate entity and organization within that city does not make sense.

I don’t think that you can, in fact, do this practically. If you do go forward with it, you’re just asking for all kinds of grief. Just set aside the ideological differences: From your perspective, this is not a practical step to take. I don’t think you should go forward with it.

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

Shall schedule 25, section 3, as amended, carry? Carried.

Shall schedule 25, section 4, carry? Carried.

Now we have a PC motion on page 8. Mr. Miller.

Mr. Norm Miller: I move that the Public Sector Compensation Restraint to Protect Public Services Act,

2010, as set out in schedule 25 to the bill, be amended by adding the following section:

“Unionized hospital employees

“4.1(1) If a collective agreement applies to employees of a public hospital on March 24, 2010, this act applies to those employees when their collective agreement expires.

“Effective date

“(2) For the purposes of this act, the effective date of the restraint measures for those hospital employees is the day before their collective agreement expires.”

If I can add some comments, the hospital association advises that “non-union professionals will be more likely to leave their current hospital to work in one where their job is unionized, thus avoiding the effect of Bill 16 while receiving union-negotiated wage increases.”

They gave examples. For example, “At the Hospital for Sick Children, the legislation in its current draft has already played a major role in CUPE’s drive to certify the hospital’s non-union employees. The union has touted the fact that unionized employees are exempt from the legislation and are not subject to the two-year wage freeze.” In this case, “The vote to unionize or not is scheduled for tomorrow,” they said when they made their presentations.

“Hospitals may have difficulty recruiting new employees for non-unionized positions at” what would then be “lower rates of compensation than those offered at neighbouring, unionized hospitals, thus exacerbating existing hiring shortfalls.”

I think they gave examples within their own one hospital, where basically the same people doing the same job, because some were unionized and some were not unionized, would end up with very different pay rates after a couple of years. This would be difficult to correct in the future.

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

Mr. Wayne Arthurs: Briefly, Chairman: Certainly it’s not the intent of the legislation to interfere with collective bargaining. The government does not support changes to the legislation which would interfere in any way with the collective bargaining of hospital workers.

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

Mr. Peter Tabuns: No one will be surprised around this table, but I disagree with this. Frankly, if employees are enterprising enough to look for a way to defend their wages by joining a union, then we shouldn’t be driving down union wages as a way of discouraging their enterprise. I will be voting against this amendment.

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

Mr. Kevin Daniel Flynn: I had a busy evening last night. I was talking to the CEO of my hospital, as well, who raised this issue with me, with Halton—

Mr. Peter Tabuns: Really?

Mr. Kevin Daniel Flynn: Yeah, I didn’t get any sleep. He was raising this issue with me and said that within his own organization—he’s CEO of Halton Healthcare Services, which covers off a number of

hospitals—they have the same situation, where some of the workforce is unionized and some of it isn't. I understand that it also applies to Credit Valley, Trillium, Sick Kids and Markham, I think, around the province. I don't think this is the solution to it, but it certainly is a situation that has been noted by myself and, I believe, by the government. It's an issue that, obviously, warrants some further investigation, I would think.

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

Mr. Norm Miller: Well, Mr. Chair, given my track record with government supporting my amendments so far, I'm at least pleased to hear Mr. Flynn say that they recognize that there's a problem, and the government may look at other solutions to the problem.

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

Shall schedule 25, section 5, carry? Carried.

Shall schedule 25, section 6, carry? Carried.

Now we've got a new amendment: PC motion number 9. Mr. Miller.

Mr. Norm Miller: I move that the Public Sector Compensation Restraint to Protect Public Services Act, 2010, as set out in Schedule 25 to the bill, be amended by adding the following section:

“Compensation freeze for unionized hospital employees

“6.1(1) If a collective agreement applies to employees of a public hospital on March 24, 2010, the total compensation payable to each employee under the collective agreement is frozen until March 31, 2012, and the collective agreement remains in effect until March 31, 2012 or such later date as the agreement may provide.

“Same

“(2) Subsection (1) applies despite any provision to the contrary in the collective agreement and despite subsection 4(2) of this act.”

If I may explain that: Non-union, public sector employees in hospitals include front-line health professionals, such as laboratory and radiation technologists, as well as registered nurses at some hospitals. The hospital association believes that the goal of maintaining equity within and across hospital-based health care professionals is important. We aren't going to have that with the current situation, the way the government is implementing its restraint measures. A suggested alternative is to extend the life of the existing collective agreements with unionized hospital staff for a period of two years, with a freeze in total compensation over this period. I believe it was the Ontario Hospital Association that made that recommendation.

The reality of this situation in Ontario right now is that the province is facing, at last count, a \$21.3-billion deficit. They have, I think, an eight-year plan, which goes beyond two elections and probably a boom-and-bust cycle to perhaps get the government back to a balanced situation. With that reality in mind, there definitely needs to be restraint. It needs to apply to all workers, whether unionized or non-unionized, across the government.

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

Mr. Wayne Arthurs: Just to be on the record in respect to the amendment, the government caucus does not support the amendment. It's not our intention to interfere with collective bargaining of hospital workers, nor the intent of the legislation to interfere with that collective bargaining.

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

Mr. Peter Tabuns: Again, I oppose this amendment, for the reasons that I set out in my earlier comments.

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

Mr. Glen R. Murray: This is the first time I've spoken before committee. I think the government's position is very coherent and very positive. We are not opening up or ripping up collective agreements. We've honoured every one of them, as has been suggested that we do earlier in the meeting. I think that kind of credibility with labour is absolutely essential to this.

The other piece is that there's an opportunity, I think, and a shared commitment, particularly from unions like CUPE, to protect public services. My partner is a nurse who certainly understands that I'm taking a pay freeze, and most of his colleagues don't have any concerns about that, but there's a real concern that we not hack and slash and that we not open collective agreements. I think that's where our government has tried to distinguish a credible position going into negotiations.

I don't think it's naive. I was mayor of a city and negotiated, during a period of great restraint, with CUPE with a fellow who was the local president and is now the national president of CUPE under very similar circumstances, a very beneficial agreement that resulted in helping the city I was mayor of alleviate its financial crisis. You require maximum flexibility and goodwill to our negotiators. I don't want to see us prescribe something in advance like this that would take the flexibility away from our negotiating team.

I have huge respect for both members opposite who bring different perspective to this, but I think that we've built this on two pillars and we can't mess with this or else we're going to undermine our credibility and our sense of good faith with the people we'll be bargaining with in the coming years.

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

Schedule 25, sections 7 through 23: There are no amendments. Shall they carry, inclusive? Carried.

Shall schedule 25, as amended, carry? Carried.

There are no amendments to schedule 26, sections 1 through 12, inclusive. Shall they carry? Carried.

Shall schedule 26 carry? Carried.

Schedule 27: Sections 1 through 9 have no amendments. Shall they carry? Carried.

Shall schedule 27 carry? Carried.

Schedule 28, sections 1 through 4, inclusive, have no amendments. Shall they carry? Carried.

Shall schedule 28 carry? Carried.

Schedule 29: Sections 1 through 8 have no amendments. Shall they carry? Carried.

Shall schedule 29 carry? Carried.

Schedule 30: Sections 1 through 33 have no amendments. Shall they all carry? Carried.

Shall schedule 30 carry? Carried.

Schedule 31: Sections 1 through 5, inclusive, have no amendments. Shall they carry? Carried.

Shall schedule 31 carry? Carried.

We'll go back to where we were at the first point this morning.

Shall section 1 carry? Carried.

Shall section 2 carry? Carried.

Shall section 3 carry? Carried.

Shall the title of the bill carry? Carried.

Shall Bill 16, as amended, carry? Carried.

Mr. Peter Tabuns: Recorded.

The Chair (Mr. Pat Hoy): They already voted.

Shall I report the bill, as amended, to the House?

Mr. Peter Tabuns: No, I didn't already vote. You said, "Will the bill be carried?" Mr. Arthurs said, "Carried," and I called for a vote.

The Chair (Mr. Pat Hoy): You asked after I called the section.

Shall I report the bill, as amended, to the House?

Mr. Peter Tabuns: No.

Mr. Wayne Arthurs: Yes.

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

We are adjourned.

The committee adjourned at 1004.

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