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Thursday 21 October 2010

Journal des débats (Hansard)

Jeudi 21 octobre 2010

**Standing Committee on
Finance and Economic Affairs**

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

Children's Activity
Tax Credit Act, 2010

Loi de 2010 sur le crédit d'impôt
pour les activités des enfants

Chair: Pat Hoy
Clerk: Sylwia Przedziecki

Président : Pat Hoy
Greffière : Sylwia Przedziecki

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Thursday 21 October 2010

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 21 octobre 2010

The committee met at 0900 in room 151.

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will come to order. We are here for Bill 99, An Act to amend the Taxation Act, 2007 to implement the children's activity tax credit.

APPOINTMENT OF SUBCOMMITTEE

The Chair (Mr. Pat Hoy): We have a little bit of housekeeping business first. The first item would be the appointment to the subcommittee on committee business. Do we have a—

Mr. Kevin Daniel Flynn: Mr. Chair, I move that the following changes be made to the membership of the subcommittee on committee business: Mr. Barrett be replaced by Mr. Miller, Parry Sound–Muskoka.

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

SUBCOMMITTEE REPORT

The Chair (Mr. Pat Hoy): Now we'll have the report of the subcommittee on committee business. Mr. Arthurs.

Mr. Wayne Arthurs: Your subcommittee on committee business met on Tuesday, October 5, 2010, to consider the method of proceeding on Bill 99, An Act to amend the Taxation Act, 2007 to implement the children's activity tax credit, and recommends the following:

(1) That the committee hold public hearings in Toronto, at Queen's Park, on Thursday, October 21, 2010, from 9 a.m. to 10:20 a.m. and from 2 p.m. to 6 p.m.

(2) That the clerk of the committee, with the authorization of the Chair, post information regarding the committee's business on the Ontario parliamentary channel, on the Legislative Assembly website and with Canada NewsWire.

(3) That the deadline for receipt of requests to appear before the committee be 12 noon on Monday, October 18, 2010.

(4) That, following the deadline for receipt of requests to appear on Bill 99, the clerk of the committee provide the subcommittee members with an electronic list of all requests to appear.

(5) That, if required, each of the subcommittee members supply the clerk of the committee with a prioritized list of the witnesses they would like to hear from by 12 noon on Tuesday, October 19, 2010. These witnesses

must be selected from the original list distributed by the committee clerk.

(6) That groups and individuals be offered 10 minutes for their presentations. Any unused portion of the 10-minute time slot will be used for questioning by committee members.

(7) That the deadline for receipt of written submissions be 5 p.m. on Wednesday, October 20, 2010.

(8) That the research officer provide a summary of witness presentations by the morning of Monday, October 25, 2010.

(9) That amendments to the bill be filed with the clerk of the committee by 12 noon on Tuesday, October 26, 2010.

(10) That the committee meet on Thursday, October 28, 2010, from 9 a.m. to 10:20 a.m. and from 2 p.m. to 6 p.m. for clause-by-clause consideration of the bill.

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

So, Chair, your subcommittee report.

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

CHILDREN'S ACTIVITY
TAX CREDIT ACT, 2010LOI DE 2010 SUR LE CRÉDIT D'IMPÔT
POUR LES ACTIVITÉS DES ENFANTS

Consideration of Bill 99, An Act to amend the Taxation Act, 2007 to implement the children's activity tax credit / Projet de loi 99, Loi modifiant la Loi de 2007 sur les impôts pour mettre en oeuvre le crédit d'impôt pour les activités des enfants.

WHOLEPLAY

The Chair (Mr. Pat Hoy): Now we have our first and only presenter of the day, Wholeplay, if you'd come forward, please. Anywhere at all is fine.

Mr. Andre Picher: If it's okay with you guys, I've got just one little handout that I will refer to as I talk.

The Chair (Mr. Pat Hoy): Yes, the clerk will take that. You have 10 minutes for your presentation. Any time that you don't use could be used for questioning,

and that questioning would come from the official opposition in this case. Before you begin, just state your name and we can start.

Mr. Andre Picher: My name is Andre Picher. Members of the committee, thank you for this opportunity to speak in support of Bill 99, the Children's Activity Tax Credit Act. It's an honour and a privilege to be able to do so.

As I will attempt to explain, I believe the Ontario children's activity tax credit builds upon the important benefits of the federal children's tax credit and deserves to be commended for the support it gives to Ontario's families and businesses and to the province's health and financial well-being now and into the future.

I'm here today as a small business owner engaged in the field of promoting healthy early child development and as an interested citizen. If you'll allow, I'd like to begin with a brief description of my business and then address Bill 99 more directly.

The business that my wife, M.E., who is here with me, and I run is called Wholeplay. We work with parents and kids under the age of six. We're based in the west end of Toronto and operate out of leased space in a Toronto Parks facility. We offer a series of age-specific classes based on a progressive curriculum that addresses the various stages of development from birth through the age of six. We also offer one-on-one consultations for parents who need or prefer to receive individual help.

My wife is the brains behind the company. She has a master's degree in psychology, is presently studying to receive a second degree at OISE in developmental psychology and education, and has been a tireless worker in the field of family health over the past decade.

Wholeplay was really born out of her experiences working with a broad range of parents and kids in this field. These populations have tended to have acute and complex issues based on experiences of trauma, special needs, poverty, high-risk behaviour or other such exceptional circumstances. She has worked with the parents of these young kids to help them overcome challenges they faced in providing the healthiest possible start to their child's life.

Over time, she came to find there was a demand for special skills and services from parents and kids not just with acute needs but those who might be termed more everyday, average-type parents and kids. This population wasn't necessarily trying to deal with a past trauma, but was very much interested in better understanding what they might be able to do to foster healthy development in their young children. These parents were often told that they didn't meet the criteria for the programs that M.E. would be working under, most often publicly funded social services, and would have been turned away.

It was in response to that demand from everyday, average parents that we created Wholeplay. Based on her knowledge and experience, M.E. created a curriculum designed to help parents better understand, identify and respond to the developmental strengths and needs of their

children and thus help foster the healthy development that all parents so desperately seek.

To draw back to the point of my address, I'd like to express how valuable the federal children's tax credit has been to Wholeplay as a business and to the parents and kids we work with.

In your deliberations over this bill, you've rightly noted that the cost of child activities is high and can be prohibitively so to many families. In shaping our business, we were very aware of the many competing activities that are out there for parents to choose from and that family budgets are almost always exceptionally tight, all the more so when one parent is on leave from their job. In the end, parents want to do the best they can for their kids and seek out the best possible value to be able to do so. Our approach to creating that value for our clients has been to deliver a service that's second to none in quality, and to do so for the lowest possible cost. This is not always an easy task. With a highly educated staff, top-quality materials and small class sizes, our operating costs are significant.

For a business like ours, one of the best ways we have found to create value and keep our net costs low for our clients has been to ensure that most of our programs qualify for the federal children's fitness tax credit. We consciously structured our curriculum in content and duration to give parents that ability to qualify their enrolment costs for that credit. I personally consulted with Revenue Canada to ensure that our services met the requirements of credit eligibility.

0910

The response to this aspect of our program has been exceptional. Parents, again always being financially stretched, have been thrilled to know that these costs of our classes and services are mitigated significantly by this credit. We've been told by some that it was a decisive element in their choosing to enrol in our programs. Were it not for that credit, they would not be clients of ours.

Because of this, we've made our program's federal children's fitness tax credit qualification a prime element in our marketing materials and on our website. Other than the value of the content of the programming and the excellence of our facilitators and consultants, this is one of our chief selling features. I've brought you a sample of one of our posters to illustrate my point. You'll find towards the bottom of the page a large orange circle highlighting our eligibility.

In this context, you'll understand that we were very happy to hear about Bill 99. To our minds, there's much wisdom and value in this proposal, and we think it would do tremendous good in many ways for Ontario. We also believe that making it a refundable credit and one that applies to non-physical, health-promoting activities are improvements on the federal model.

The credit would be of great help to the province's families in that it would make the costly activities that kids need and parents want to provide more affordable and accessible. It's great for the province in that the

investments in early childhood health reduce future expenditures on things like health care and social assistance. It's also good for small businesses like us because we need to be able to provide excellent programs for kids while keeping them affordable to parents. The credit helps keep us in business and stimulates the economy. The tax credit goes a long way towards helping all of those positive ends be met.

If you'll allow me, let me say that I was glad to see that the last vote on this was unanimous. As well, in preparation for this morning, I took some time to go over the debates you've had in the House over Bill 99. It was a new experience for me, and I wish I could say that our discussions at Wholeplay were as colourful and spirited as yours here in the Legislature. I did find a great deal of merit in many of the arguments I read and found most of the sentiment expressed all around to be quite understandable. It would be informative to anyone who thinks that the decisions you have to make are easy or that solutions to complex issues can be simply found to take a look at those transcripts.

I won't pretend any greater wisdom than any of you here in knowing exactly how much money the province should direct to this sector or that, or in what exact way. If you'd allow me, though, I'd like to finish my remarks by saying that the money this province invests in its very youngest kids, particularly those in the vital early years from zero to four, is an investment that multiplies over and over through the years and delivers the richest return on our collective well-being as a province and for each and every one of Ontario's families.

Thank you very much for giving me the opportunity to speak to you today.

The Chair (Mr. Pat Hoy): Thank you for the presentation. We have about three minutes. Mr. Barrett.

Mr. Toby Barrett: Thank you for that presentation. Actually we had originally scheduled up until 6 o'clock this evening for deputations and discussion.

Mr. Andre Picher: I feel lonely up here, just being one.

Mr. Toby Barrett: Yes. The Maytag man, eh? I actually find this a little awkward.

I might suggest—I know that Mr. Miller has some questions and some comments, but given that we have so much time I would certainly be willing to share time with the NDP and the Liberals.

The Chair (Mr. Pat Hoy): There is only about two and a half minutes now.

Mr. Toby Barrett: Originally we had till 6 o'clock tonight. That's how this committee works, I guess.

Mr. Norm Miller: If other people want to ask questions, we're happy to share, but I just have a couple of questions.

First of all, seeing as you're the only presenter before the committee, how did you learn that the committee proceedings were occurring?

Mr. Andre Picher: I first learned of the bill through the news. In the operation of our business we communicate in a number of ways with our clients, and one of

those is a newsletter. When I looked at the bill, I saw that—as I expressed, I thought it was a positive building on the federal model, and in our newsletter we expressed that we hoped our clients would support the idea behind the bill, and then I was interested to follow the process along.

Mr. Norm Miller: Specifically, though, as you probably heard from the subcommittee report, we advertised online and—so I'm interested in specifically how you heard of it.

Mr. Andre Picher: Specifically, I got in touch with the—I forget the person's name. I'm sorry; I forget the person's name, but it was someone who schedules, to whom you have to submit your desire to speak to—

Mr. Norm Miller: The clerk?

Mr. Andre Picher: The clerk, was it? I apologize.

Mr. Norm Miller: But did you learn from the online website, the legislative website, about the actual proceedings? Do you remember how you—

Mr. Andre Picher: I'm sorry, I don't.

Mr. Norm Miller: Okay. I'm just trying to determine the most effective way of publicizing these things for future, seeing as you have obviously paid attention—

Mr. Andre Picher: I don't. It's just that, if you can understand, it's something that I obviously feel very strongly about, so when I saw that you guys were debating it, I followed along.

Mr. Norm Miller: You went out of your way to find out.

Can you just briefly talk about—obviously, you're a specialist in activity for really quite young children.

Mr. Andre Picher: That's exactly right. It's more my wife who has the specialty in that field. I work more on the business and administrative side of the business.

Mr. Norm Miller: And I guess, briefly, why it's important for kids up to six years old to be physically active, as compared to older kids.

Mr. Andre Picher: I will do my best to answer that. Again, it would probably be better answered by my wife, who has more of the scientific knowledge behind it. Would she be able to? Is that okay?

Mr. Norm Miller: Sure, yes.

The Chair (Mr. Pat Hoy): Just state your name, and then you can begin.

Ms. Mary Elizabeth Picher: My name is Mary Elizabeth Picher, but I go by M.E. for short.

There's been a lot of research done, particularly in the last decade, about the importance of early childhood development. All the research is pointing to how crucial it is to promote early intervention and prevention as a means of promoting health in children and families. Basically the research says that the earlier you can stimulate this growth, the better it is for child development. That stimulation comes, oftentimes, in the form of parent-child connectedness and developing a strong attachment and a healthy bond. That is the basis for subsequent development.

My curriculum really focuses on parent-child connectedness, and the way that the curriculum focuses on it

is oftentimes through physical play. Physical play is extremely important in the first couple of years of development. It actually lays down the neurological pathways that are necessary to create healthy brain development. Along with that goes playful touch and songs and movement and that type of thing. So my classes tend to be extremely physical, because young children are extremely physical, and the more that you can enhance that physical activity, the better it is for their development.

Mr. Norm Miller: Thank you.

The Chair (Mr. Pat Hoy): Anyone else have a question? Seeing none, or hearing none, thank you for your presentations before the committee.

Mr. Andre Picher: Thanks for having us.

The Chair (Mr. Pat Hoy): That concludes our business for this morning. We are adjourned.

The committee continued in closed session at 0916.

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