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of Ontario

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**Official Report
of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Tuesday 25 March 2014

Mardi 25 mars 2014

Speaker
Honourable Dave Levac

Clerk
Deborah Deller

Président
L'honorable Dave Levac

Greffière
Deborah Deller

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**LEGISLATIVE ASSEMBLY
OF ONTARIO**

Tuesday 25 March 2014

**ASSEMBLÉE LÉGISLATIVE
DE L'ONTARIO**

Mardi 25 mars 2014

The House met at 0900.

The Speaker (Hon. Dave Levac): Good morning. Please join me in prayer.

Prayers.

ORDERS OF THE DAY

MPP SALARY FREEZE ACT, 2014

**LOI DE 2014 SUR LE GEL
DES TRAITEMENTS DES DÉPUTÉS**

Mr. Milloy, on behalf of Mr. Sousa, moved second reading of the following bill:

Bill 177, An Act to amend the Legislative Assembly Act/ Projet de loi 177, Loi modifiant la Loi sur l'Assemblée législative.

The Speaker (Hon. Dave Levac): Mr. Milloy?

Hon. John Milloy: It's a pleasure to put a few thoughts on the record on this bill. I just want to say at the outset, I'll only be speaking for a minute or two, and sharing my time with the parliamentary assistant of the Minister of Finance, who introduced this bill, the member from Vaughan.

Mr. Speaker, this bill is very simple; it's very straightforward. As part of our government's commitment to responsible fiscal management, this bill would extend the pay freeze for all MPPs until after the budget is balanced in 2017-18. I'm suspecting, I'm hoping, that we will have a very quick debate and quick passage of this bill. I suspect every member of the Legislature is in support of what's behind it.

I think we all understand that, like governments around the world, we have just gone through a very, very serious recession. All of us are facing tremendous fiscal pressure. I can speak as Minister of Government Services, who oversees the negotiations that go on with our many labour partners, that over the last few years, and certainly going forward, as we sit down at the table we are going to ask them in the negotiations that they recognize that they're taking place in a context of restraint. It's simply a time when all of us have to do more with less, when all of us have to recognize the fiscal realities. I think every member of this Legislature knows that it's hard for us to ask our partners who are employed by either the government or the broader public service, to ask our partners who receive funding from the government—which has been restrained and may be restrained going forward—we can't ask them to make those sacrifices without leading by example.

All it is, is us leading by example by stating that our pay will remain frozen until the budget is balanced several years from now. Mr. Speaker, it's a very, very straightforward bill. If you saw it physically, it's just a few lines, but I think it speaks volumes about leading by example.

I look forward to hearing the comments by my colleague the member from Vaughan, but I do hope, and I do call on all members—let's have a quick debate on this and let's move forward with this piece of legislation, which I imagine will garner unanimous support here in the Legislature. With that, I'd like to yield the floor to my colleague the member from Vaughan, who is sharing my time.

The Acting Speaker (Mrs. Julia Munro): The member for Vaughan.

Mr. Steven Del Duca: I want to begin by thanking my colleague the government House leader for his opening remarks in the discussion and the debate this morning. I want to begin by echoing some of the comments that the minister made with respect to this particular bill, Bill 177, otherwise known as the MPP Salary Freeze Act. This is a relatively straightforward undertaking on the part of our government, as the government House leader mentioned a second ago. This is simply a move to demonstrate that we continue to lead by example for the people of Ontario, who, generally speaking, have been wrestling over the last couple of years—working with our government to make sure that we bring the government of Ontario's budget back into balance, something that we've been working very hard on, but working very hard on it in a balanced and reasonable and responsible way. This particular bill, Bill 177, is simply a measure designed to demonstrate that those who have the privilege of serving as members of provincial Parliament take the opportunity to demonstrate the leadership that's important to the people that we represent and that the compensation for MPPs continue to be frozen until the province's budget is balanced, as the government House leader mentioned, in 2017-18.

I've said this many times in the past when we've discussed other somewhat similar or analogous legislation, that this is yet one more undertaking on the part of our government to demonstrate a fairly significant degree of leadership around bringing transparency and openness not only to the government's finances but generally with respect to how we govern the province. Many who are watching at home today or are in the galleries or in the House serving as members will know that, shortly after the 2003 election, this Ontario government decided to

proceed with creating legislation that would no longer make it possible for any future government in the province to go into an election campaign without having the books of the province open and exposed to the people for scrutiny, because of what had taken place prior to the 2003 campaign. There have been many moves undertaken by our government over the last decade or so to make sure that we are administering or producing that kind of balance and responsibility with respect to restraint, and making sure that we keep the government's fiscal House in good shape.

There have been some extenuating circumstances. Everyone, of course, will be aware of the worldwide economic, let's call it "crisis," that engulfed the globe back in 2008, something that governments of every stripe and every jurisdiction around the world wrestled with aggressively to ensure that a standard of living was maintained in their respective jurisdictions. Here in Ontario, our government—not always, but often in combination or in concert with the federal government—made decisions to invest significantly to keep the economy growing, to keep people employed and to provide stimulus with respect to the economy. Those measures obviously required a significant amount of deficit spending. We're now in a position, and have been since 2008-09, of gradually, slowly but surely reducing the deficit. As the government House leader mentioned, we are on track to balance the province's books by 2017-18.

What we're doing with this particular piece of legislation is to make sure that the people of Ontario, of whom we are asking a lot with respect to restraint not only in the public sector and in the public service but across the board, understand that the 107 women and men who represent them here in this chamber are walking in lock-step with them when it comes to restraint and when it comes to demonstrating that we have a balanced and responsible and reasonable approach to making sure that the government's books are balanced, and to make sure at the same time that we are not doing anything to threaten our economic recovery.

Now, I know that there will be discussion and debate coming from members of opposition caucuses, both the official opposition and of course the NDP caucus, the third party's caucus, and that's the way it should be. Certainly, over the last number of weeks—frankly for the 18 or 19 months that I've served here as the MPP for Vaughan—these kinds of bills and discussions have often descended into opportunities for opposition members to go off on significant tangents. While I respect the right that they have, the privilege they have, to represent their communities and to add their voice to the debate and discussion that takes place in this House, I would sincerely ask members on the opposition benches to provide us with constructive discussion today around what is actually being asked for in this bill, which is simply an extension of the MPP salary or compensation freeze that has been in place for a little while, and that we believe, on this side, should continue to be in place until the government's books are balanced, as I mentioned. I would

sincerely hope, as the government House leader said just a few moments ago in leading off the debate this morning, that opposition members would resist the temptation to try and turn this into something that it's not, and that they would resist the temptation—try not to grandstand on this issue.

0910

As the government House leader mentioned, it is a very straightforward bill. It is very straightforward legislation. It is simply trying to sincerely demonstrate that the 107 women and men who serve in this particular chamber, who have that—we all have that responsibility—take that responsibility seriously and demonstrate that we are going to move forward with continuing this freeze.

We've all had the opportunity, I'm sure, to have various conversations with the people that we have the privilege of representing in our respective communities; I certainly have. Just last night, for my riding of Vaughan, I was very proud and very happy to host a virtual town hall. It gave me the chance to hear, over the course of an hour last evening, from literally somewhere in the neighbourhood of 6,000 or 7,000 people who joined that virtual town hall from my community. Over the course of the hour, I had the chance to hear some very direct questions, questions that were all very pointed and from a very interested audience. I can tell you that, generally speaking, the notion that we're all in this together is something that's fundamental to the people out there who we have the chance to represent. Certainly, in the call in my virtual town hall meeting last night, and in other discussions I've had with people—not just families, but also business owners in my community—there is an understanding that as we continue to move, as I've said, in that balanced and responsible and fair way, back towards balancing the books over the next couple of years, again the target date being 2017-18, we will continue to work on this together. We are only here, in Bill 177, asking the 107 members of this Legislature to share in that restraint, which I think is a fairly straightforward request and I think something that's not only defensible, but something that's quite sensible and responsible, and it's the prudent and right thing to do.

Once again, I would strongly encourage the members opposite, as they join the debate today, to obviously do what they need to do to represent the views and the hopes and aspirations of their constituents, but at the same time I would ask that they understand what the larger picture is here. The larger picture is that this is a simple and straightforward measure that is simply asking us to work together, as I believe the people of our communities expect us to do, so that we can move forward and we can continue to extend the MPP salary freeze.

I sincerely do look forward to hearing what members opposite have to say with respect to this bill, but I would only point out once again that over the last decade we have consistently, on this side of the House, laid out a balanced and responsible path forward in all areas relating to the government's fiscal house but also all matters

relating to the economy. This is one more step in that direction.

I mentioned earlier the legislation we introduced back in 2004, I believe it was, regarding making sure that the province's books are held up to scrutiny before elections. We also made the decision to ban what previously had been fairly extensive partisan advertising that took place with taxpayers' dollars. There have been other measures that we've introduced in the past decade around various forms of restraint. This is part of that natural evolution; this is part of demonstrating that the people who have the opportunity to come here to Queen's Park to represent their communities, their neighbours, their friends, continue to show the leadership that the people of our respective communities expect.

With that, again, I look forward to the discussion and the debate around Bill 177. I don't personally believe this is the kind of legislation that warrants extensive, never-ending, ongoing discussion and debate. Having said that, I do respect the rights that every member of this House has with respect to the comments they want to make, to whatever they would like to add to the discussion. I hope, again sincerely, that it will be high-level, that it will be constructive and that the discussion and debate today will be consistent with what the people of Vaughan—my community, and the people of all the communities that we represent—have in terms of the expectations that they have for the people who represent them.

With that, Speaker, I will take my seat by saying that I encourage everyone to support Bill 177, to get it moving forward so that we can continue to extend the MPP salary freeze.

The Acting Speaker (Mrs. Julia Munro): Questions and comments? The member for Pembroke-Nipissing—I've forgotten—

Mr. John Yakabuski: Renfrew-Nipissing-Pembroke. Proud to be here, but proud to be from there. Thank you very much, Speaker.

I appreciate the comments from the member from Vaughan on this bill. Of course we're going to support the legislation. I think we've indicated that from day one. But I think there is an opportunity to have some discussion about it, about how, perhaps, the government could have gone further. I mean, we have been advocating for some time about—if you really want to get the financial affairs of this province in order, you're not going to do it by freezing the salaries of 107 people. That's just not going to make a big enough difference, freezing them. There are 107 of us. We've got got hundreds of thousands of public servants. We have advocated for an across-the-board wage freeze for two years for everyone who is employed either indirectly or directly by the province of Ontario. That would have a \$2-billion impact, on an annual basis, on the budget of this province. That's significant.

I mean, this is largely symbolic. It is important for us to show that, as the legislators of this province, as the people who make the laws and the people who are supposed to lead, we're going to set an example. It is true, in

fact, that the members of the Legislature have not had an increase in their wages since 2008. When this is extended to 2019, that will be 11 years without an increase. I wonder how many people out there in the public sector would agree to an 11-year salary freeze. We're in fact doing that, as members of this Legislature, to show that we are going to take this head on, this issue of the financial malaise that the current government has us in. We're going to take it head on.

But the government could have gone so much further. Don't just make an example of members of the Legislature. Show some real leadership. Take control of the governance of this province and have a legislated wage freeze across the board.

The Acting Speaker (Mrs. Julia Munro): The member for Welland.

Ms. Cindy Forster: Thank you for the opportunity to be able to respond to the member from Vaughan with respect to this bill on MPP wage freezes.

The member talked about the government wanting all of the MPPs and parties to share in the restraint, and that the government has had a balanced fiscal house. They've been working on a balanced fiscal house over the last six to 10 years. You know, some of that I found to be very interesting, because, in fact, when we go back and we look at cancelled gas plants where we've spent \$1 billion of taxpayers' money, it's hard for taxpayers to want to share in that restraint, when the government has spent the last at least three years that I've been here actually wasting taxpayers' money.

Our job in this process is to hold the government to account. We're elected here to represent our constituents. We are elected to come out and debate issues, and there is a legislative process in place that when bills are tabled and come for first reading, they generally get passed, but at second reading we have the opportunity to actually debate issues. I think that we're going to debate this issue. We want to see it move along to committee where we can really have a fulsome debate on this issue.

Families in this province are feeling the squeeze and companies in the province are feeling the squeeze—small business. I think it's too bad that the Liberals aren't focusing, in this short time that we're here between March and June, on capping CEO salaries, and actually going out and having a look at all of those big CEO pays and big VP pays in public sector areas that—

The Acting Speaker (Mrs. Julia Munro): Thank you. The member for Ottawa South.

0920

Mr. John Fraser: I'm pleased to stand today in support of Bill 177. I think we all know that, as the member from Renfrew-Nipissing said, we need to lead by example. I also agree with the member for Welland that we do need to debate these things, but let's be realistic. This is simply an extension of a piece of legislation that freezes our wages. If we're going to lead by example, we need to do this.

Another thing I'd like to point out in terms of leading by example: We have Bill 179, which was introduced

yesterday, which is the Public Sector and MPP Accountability and Transparency Act. There are a number of measures in there that will allow us to lead by example. I can see nods from members on the other side that they agree, and I look forward to that being debated.

Mr. Todd Smith: We like our examples better than your examples, though.

Mr. John Fraser: Well, you know, we don't have a monopoly on good ideas, nor do others on the other side.

Again, to the member from Welland, whom I respect a great deal, we do need to debate these things, but it's fairly straightforward what we're talking about. We've debated this before. What we're talking about is an extension. It has to do with the 107 of us. The member from Renfrew–Nipissing is right: It's just 107. But if we're going to lead by example and lead the way, then we need to do this and we need to get this out of the way and dispense with it in a timely fashion. So if we all agree on this, let's not delay it, and that's what my concern is on this side.

I again appreciate the remarks from the member from Vaughan, the member from Welland and the member from Renfrew–Nipissing. There's no reason to delay this—

Mr. John Yakabuski: Don't forget Pembroke.

Mr. John Fraser: Pembroke, I'm sorry. My apologies, I'll withdraw that. Renfrew–Nipissing–Pembroke—and we should lead by his example.

The Acting Speaker (Mrs. Julia Munro): Further comments and questions.

Ms. Sylvia Jones: To carry on with the leading by example, I'm happy to lead by example. We've been doing that since 2009. But I must remind everyone, particularly the minister who just introduced this piece of legislation, that we began sitting in this session mid-February. If this is a priority, if this was important to the Liberal government, I would suggest to you that you would have wanted to introduce it, debate it and vote on it before the end of March. The fact that we want to talk about leading by example—again, there's no issue with it. As MPPs we have a responsibility to focus on the Ontario economy, to focus on how to build business and job creators in Ontario. I would suggest to you that that has not been happening under this current Liberal government.

If you want to talk about leading by example, maybe we have to actually talk about which examples we're referring to. Are we referring to the examples where so much money was spent in the Ornge scandal? Are we talking about so much money that was wasted in eHealth? Are we talking about a cancellation of \$1.1 billion on two gas plants? Which leading by example would you like to talk about? Because while the MPP salary freeze is good in and of itself, it is by no means going to deal with the systemic problem that we have here in Ontario under the McGuinty–Wynne leadership that talks about spending far more money than we can ever imagine recouping through taxes.

What we're faced with is a budget, some time off in the distant future—perhaps May, perhaps never—where

they will once again come to the taxpayers, come to the job creators and say, "We need more money." If you want to lead by example, let's talk about systemic issues and deal with that.

The Acting Speaker (Mrs. Julia Munro): The member for Vaughan has two minutes to respond.

Mr. Steven Del Duca: I want to thank everyone who stood to comment or ask questions, though I don't think I actually heard any questions, except for the last speaker, the member from Dufferin–Caledon, when I was asked, I guess, which "leadership by example" I was requesting. The leadership by example that's germane to the actual bill we're discussing today, just in case that wasn't completely clear to the member from Dufferin–Caledon. I think it's important early on a Tuesday morning to provide clarity. It's clear, Speaker, members of the official opposition are a little unclear as to the discussion that we're having. So no, I don't want to talk about the \$6-billion hidden deficit. I don't want to talk about Walkerton. I don't want to talk about the sale of the 407. I don't want to talk about any of that stuff. The clarity that I want to bring to the discussion today is Bill 177. It's actually what we're talking about.

I do want to thank the member from Renfrew–Nipissing–Pembroke for talking about symbolism. Symbols are important. They're important to people in my community. They're important, I'm sure, to the people of his community. I thank him for keeping the debate this morning and the discussion today at a certain altitude, let's call it. I also want to thank, of course, the member from Welland for her comments with respect to the right that she and the rest of us have in this House to debate and discuss and analyze legislation. She is 100% right. As my colleague, the member from Ottawa South, suggested in his debate, in his discussion and his comments, that is quite rightly the responsibility of all of us in this Legislature. I do look forward to the discussion.

I hope that I didn't imply in my opening comments that I didn't think we should debate and discuss. I just didn't want us to be in a world where the debate and discussion became circular and that that somehow delays passage of this bill—let's call it unnecessarily—given that it's relatively straightforward. But the member opposite is 100% right: We do have a responsibility to debate and discuss, but this is relatively straightforward.

To my colleague, the member from Ottawa South: I do want to conclude by saying thank you, not only for the comments today, but thank you for the leadership that you've shown with respect to increasing the accountability and the openness that we bring to all matters in this House.

The Acting Speaker (Mrs. Julia Munro): The member for Nipissing.

Mr. Victor Fedeli: I'll try to keep the first part with a semblance of a straight face after listening to that, talking about keeping it at a high level and then getting right into the usual mud from him.

Speaker, thank you for the opportunity to address Bill 177, the MPP Salary Freeze Act, today in the Legislature.

As I stated in my remarks last week, it's our firm belief that all of us in Ontario have a part to play in turning our province around and getting our finances headed in the right direction again. Sadly, this government continues to feel that it's more important to appear to be doing something than actually taking real action. Our caucus continues to support an across-the-board public sector wage freeze, so the burden is shared equally. Instead, this government's failed wage freeze saw increases given to eight out of 10 contracts over the past three years.

Now, I know he enjoys reading my Fedeli Focus on Finance so much that, for the next section, I am actually going to read the entire first Fedeli Focus on Finance, which dealt with an actual wage freeze.

Mr. Todd Smith: This is volume 1, number 1.

Mr. Victor Fedeli: This is volume 1, number 1 October 16, two thousand—

Mr. Steven Del Duca: Is it leather bound?

Mr. Victor Fedeli: I could have it leather bound for you if you would—actually, you're going to see it printed in a small book form very shortly.

“Over one million people work for one of Ontario's thousands of government employers. These range from your local school and hospital to the provincial bureaucracy, our casinos and liquor stores. So it's not surprising that salaries and benefits for government workers are the single biggest expense in the provincial budget. Controlling these costs was the primary tool the government said it would use to wrestle down Ontario's historic budget deficits by 2017-18. However, recent research—using Ministry of Labour data—reveals the government has not succeeded in freezing wages for government workers. In fact, there are hundreds of examples of deals agreed to by the government that have resulted in wage increases.”

I go on to suggest seeing the accompanying spreadsheet. Those spreadsheets are available. They are only from the Ministry of Labour website and they show a surprising result. This is a quote from the Minister of Finance on July 20: “We can't manage the deficit without addressing what is the single biggest line in our budget—public sector compensation.”

Speaker, “Public sector compensation costs make up 55 cents of every dollar spent on programs. Prior to the recession the government had been exceedingly generous in handing out pay increases.” And we show the annual growth here in pay increase percentage from 1991 to 1995 of 1.9%; 1996 to 2003, up 2%; and then we get from 2004 to 2009, up 2.9%.

0930

“Instead of using legislation, the government sought to achieve its pay freeze through thousands of individual negotiations. Remember—there are 4,000 collective agreements in Ontario's government sector. Seven out of every 10 public employees are members of a labour union.

“The 2010 budget did legislate a freeze for non-unionized employees, which it claimed would save \$750 million. It was only revealed later by the Canadian Press that the government's freeze did not include things like

performance bonuses, which went to 98% of eligible managers.

“In the 2012 budget, the government reiterated its commitment to freezing compensation, estimating this would save \$6 billion over three years.”

There is an accompanying chart here, Speaker, with the backup showing how they estimated the \$6 billion in savings.

“However, without using legislation to enforce it, the freeze was always going to be difficult to implement. Even with respect to legislation used to freeze teacher compensation—known as Bill 115—approximately 40% of teachers continued to move through the salary grid, collecting pay increases. And in an effort to repair the relationship between the current government and Ontario's teachers' unions, the Premier promised elementary teachers they would receive a 2% wage increase next fall, without asking for concessions or offsets. According to the Globe and Mail, the deal ‘will cost the treasury \$112 million every year.’

“Numerous exceptions were made to the government's wage freeze, including:

“MPAC: Employees at the Municipal Property Assessment Corp. received wage increases of 2% in the first two years and 2.2% in the third and fourth years.

“Metrolinx: Workers at this provincial transit agency saw wage increases of 2% in each of the first and second years, and 2.3% in the final year.

“Ontario Medical Association: In November 2012, the government handed out a \$100-million compensation increase.

“LCBO: This summer, employees received ‘signing bonuses’ of roughly \$1,600 per employee.

“OLG Slots at Woodbine: A week after the LCBO deal”—naturally—“employees at OLG's Slots at Woodbine were given ... \$1,200 signing bonuses over two years.”

So despite saying one thing, as we've heard from this government, they actually do something completely opposite. They said that there's a wage freeze, but then they have all these exceptions.

The list of exceptions goes on and on: University of Windsor, OPG, Niagara Parks Commission, Royal Conservatory of Music, Alcohol and Gaming Commission, Ontario Teachers' Pension Plan board, the Pan Am Games committee—we've heard so much from our MPP from Barrie on that—Ryerson University, the Elementary Teachers' Federation, Hydro One—we've heard so much from our member from Nepean-Carleton on that one.

“Since a wage freeze went into effect in 2010, approximately eight out of 10 collective agreements in the broader public sector have included compensation increases.”

Again, I've asked that you look at the accompanying spreadsheets. You can go on fedeli.com and download the spreadsheets from there. I know you'll be rushing to do that—F-E-D-E-L-I.com—and you will be able to download the Focus on Finance numbers 1 to 6, and the

accompanying sheets. I know you're dying—you can head out right now and download that.

"A wage freeze is still necessary. The government set a target to eliminate Ontario's enormous budget shortfalls by 2017-18, but it never laid out a plan to do that.

"This work was contracted out to independent economist Don Drummond, formerly of TD Bank, who warned that, instead of balancing, the current plan would actually triple the province's debt to \$411 billion by 2017 if the government kept spending on such a huge scale."

Of course, since then, we have now seen that the budget deficit is even greater than was forecasted, and we're well on our way to reaching Don Drummond's sad projection.

"Even before the release of the Drummond report, the government had been warned its fiscal plan was unlikely to balance the budget by 2017-18."

Here's what the Auditor General had to say: "In past negotiated settlements, public sector salary increases have often exceeded the inflation rate. Even after the government's announcement in 2010 that it would not fund such increases, most collective agreements negotiated since have still resulted in wage increases."

"Provincial revenue forecasts are no better than when the government said it required a wage freeze to meet its balanced budget targets. No further expenditure restraint has been announced to offset these increases, and the government has already backed off of some of its existing plans.

"Before stepping down last year, the previous Premier and finance minister went so far as to draft legislation to provide a legal framework for enforcing the wage freeze, since negotiations weren't working. Entitled the Protecting Public Services Act, this 84-page piece of legislation has not been tabled by the current government. In fact, the 2013 budget removed all references to a wage freeze and instead proposed to 'work together' to achieve desired outcomes.

"Rather than a wage freeze, per se, the finance minister now says the government will 'advocate for wage constraint,' refuses to use the term 'wage freeze' and appears to be explicitly backing away from the policy of his predecessor."

Let's hear a little bit of then and a little bit of now. In budget 2012: "Where collective agreements cannot be negotiated that are consistent with the fiscal plan ... the government will consider all options to meet its fiscal goals, including intervention through legislation or other means." That was their budget plan.

Now, in the September 2013 document: "We're working closely with the stakeholders involved to administer negotiations within the pay envelope that we now have."

In the conclusion of this document, Speaker: "Ontario has a serious problem and the government is not being honest about it."

The key questions that remain are: "If the government's wage freeze has failed, does the province's fiscal plan still include the estimated \$6-billion savings from this measure?" And finally, "If the government's wage

freeze has failed, does it still expect to balance the budget by 2017-18?"

I have put those in as order paper questions, Speaker. You can only imagine the response that I received to both those important questions.

This past weekend, in fact on Saturday, the National Post published an op-ed piece that I penned. The original title was Ontario's Wynne-Loss Record, Wynne spelled: W-Y-N-N-E. I thought it was a catchy title but the National Post decided to change the title. Nonetheless, the column did run. It highlights the hole the Liberal government has dug us into over the past decade. I'd like to take a moment and go over it as it pertains directly to Bill 177.

"In the 2013 budget, the Liberals stressed they were 'on track' to balance the province's books by 2017-18." In fact, the Premier and finance minister "continue to repeat the claim. But much like the gas plant scandal, we're being misled by this government.

"Newly released internal documents confirm the government has no plan to stop their Greece-style accumulation of debt. One 2013 Ministry of Finance document stated that for 2014-15 and 2015-16, Ontario is 'not on track to meet 2012 budget deficit targets.'" Again, Speaker, I'm quoting from the National Post op-ed that I penned.

"The documents also show the government was at least \$3.6 billion off the pace needed to balance by 2017-18. Cabinet, which is well aware of that fact, knowingly decided to increase the shortfall to \$4.5 billion at its March 2013 pre-budget retreat."

Coincidentally, that difference is the same value of concessions made to ensure NDP support of the budget. Did the government and the NDP have a budget deal in place in March 2013, and is a similar deal already in place this year? Speaker, I asked the question: Why is that important?

Well, last week's Fraser Institute report illustrated that while California took necessary steps to improve their debt situation, "Ontario government spending remains out of control. Debt and deficits are a major and immediate threat to our ability to attract jobs as high taxes and user fees drive businesses out of the province. Without urgent action, Ontario will lose more jobs, and the government will not be able to afford our health and education programs.

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"California's debt is \$144.8 billion; Ontario's is \$267.5 billion. But as a percentage of GDP and per capita, Ontario's debt is five times greater than California's. The report warns that, 'Recent trends have put Ontario on an unsustainable trajectory of ever-higher debt'" and that "'spending restraint is the key to restoring fiscal sanity.'

"Economist Don Drummond warned the Liberals two years ago that we must change course"—in his words—"swiftly and boldly.' But only now is Premier Wynne planning another conversation on whether to take any of the urgent actions he recommended" two years ago, and thus Ontario staggers in the wrong direction.

Some “600,000 men and women woke up today without a job. Heinz, Kellogg’s and Caterpillar abandoned Ontario for greener pastures. They still make ketchup, cereal and earth-moving equipment—just not here. Skyrocketing energy rates, high taxes and crushing red tape are killing jobs and ripping families apart.

“The Premier can’t credibly insist she can balance the budget when her own internal documents show she has ‘no plans.’ This is irrefutable proof that this government can’t be trusted. We need a government that will implement a turnaround plan immediately.”

The Canadian Taxpayers Federation also chimed in on Bill 177, and I wanted to bring some of their concerns to the floor of this Legislature now. This was written by Candice Malcolm:

“The Wynne government announced again this week that it wants to continue its wage freeze on MPPs until the budget is balanced. If passed, the MPP Salary Freeze Act would stop the scheduled pay increases set for this April and would put off any wage increases until the public accounts confirm the budget is balanced.

“Not a bad idea. But why stop with just elected officials?” As the member from Nipissing–Renfrew–Pembroke said, why just 107 people? Candice Malcolm says, “Everyone knows the real driver of the deficit in Ontario is the broader public service and government employee compensation. Premier Wynne is freezing the wrong wages.

“There is little concern about runaway compensation for MPPs at Queen’s Park, who are already capped at earning 75% of their federal counterparts. MPPs have been under a wage freeze for eight of the past 11 years. And thanks to a compensation overhaul by former Premier Mike Harris, when MPPs leave office, they receive a defined contribution pension instead of the overly rich defined-benefit scheme received by most other government employees.

“While it is good news that taxpayers will not be obliged to foot the bill for big pay increases for politicians, this wage freeze will save taxpayers approximately \$390,550 in 2014. Heck, you could make every MPP work for free and it would only save taxpayers \$12.5 million. These are drops in the bucket of the \$11.9-billion provincial deficit.

“The real problem for taxpayers in Ontario is covering the tab for compensation packages of over 1.35 million provincial government workers in Ontario, and the vast benefits that exist in the Ontario public service. Employee compensation accounts for half of the provincial budget, without including most pension costs.

“On paper, the last two Ontario budgets have included a wage freeze for government workers. To quote the 2013 budget on government employees, ‘all aspects of compensation plans are frozen, and base salaries cannot be increased.’

“Unfortunately, the Wynne government continued to negotiate with unions, and caved on a number of deals leading to higher compensation through loopholes, blurred lines and broken promises. The government has

handed out signing bonuses, lump sum payments in return for deferred raises in 2015, and a flat out wage increase for the elementary teachers federation.

“The wage freeze in Ontario meant nothing.

“If the Ontario government were to actually, honest to goodness, freeze all government employees wages for the next year, it would save taxpayers an estimated \$2 billion. That would start to take a real chunk out of this year’s deficit—a deficit that sees no end in sight.

“New information on the state of Ontario’s finances came to light thanks to PC finance critic Vic Fedeli. Among other revelations, we learned that not only is this government well short of its projections to balance the budget by 2017-18, but they are not being transparent with their books.

“According to documents prepared for the Wynne government by officials in the Ministry of Finance, the ‘key actions to eliminate the deficit’ include ‘reducing pensions expense through agreements and pension reforms’ and ‘no funding for incremental compensation increases for new collective agreements. Salaries for designated groups frozen until 2017-18.’”

Candice Malcolm continues in her column: “These are their words. The Wynne government knows exactly what it needs to do to balance the budget. We just hope they eventually come to terms with their own advice.

“You cannot manage the deficit without addressing the largest line item in the budget: government employee compensation.”

Speaker, as you can see here, the government continues to tinker around the edges, and as we proved through their own documents last week, the government has no plans to balance the budget.

I’d like to go into some of those details with the latest Focus on Finance. For the member from Vaughan, it’s volume 1, number 6. You can look it up. It’s March 17, 2014.

Mr. Todd Smith: Saint Patrick’s Day.

Mr. Victor Fedeli: It was a lovely St. Patrick’s Day presentation.

Speaker, I will read from the published document:

“In the 2013 Ontario budget, the current government went to great pains to stress that it is ‘on track’ to balance the province’s books by 2017-18. In fact, the Premier and the finance minister have repeated this in the Legislature and put it in writing as recently as this month.

“However, there is much evidence that casts serious doubts about the validity of this claim. For instance, as raised in a previous edition of Focus”—the one I read earlier—“there was no mention in the 2013 budget of the \$6 billion of savings the government had previously booked from an across-the-board public sector wage freeze. There is no explanation as to whether this was still being factored into the government’s planning, or conversely, if it wasn’t, how the government plans to make up for that \$6 billion discrepancy.”

Speaker, we have now confirmed that the government is not being honest about the state of the province’s finances. This issue will highlight many other budget

shortfalls that have been released. This will prove what the government is saying publicly about eliminating the deficit and what they discuss internally are two very different things.

We have a serious financial challenge ahead of us. We know they're forecasting a deficit of \$11.7 billion this year, \$10.2 billion next year and \$7.2 billion the year after. Now, of course, we understand there's a further \$4.5-billion gap.

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As Candice Malcolm pointed out, the savings of this is \$390,550. She also calls it, again, a drop in the bucket of the \$11.7-billion provincial deficit. That's just the deficit forecast this year, never mind the fact that our deficit this year will be larger than every other provincial deficit and the federal government's deficit put together. That's how serious a crisis we're in. The government thinks they're going to solve it with a \$390,550 fix—a drop in the bucket. This is not going to do it.

In February 2013, the Ministry of Finance clearly identified the government is at least \$3.5 billion off the pace needed to balance the budget by 2017-18. That's another billion dollars in the 2014-15 budget and a further \$2.5 billion in the 2015-16 budget. The fiscal gap came from the existing ministry plans that fall short of managing within allocations. Even two days later, they grew that to \$3.6 billion. This is a tax-and-spend government that does not understand the serious implications that that taxing is having on its citizenry and the problems that are created by this massive spending.

The other provinces are beginning to balance. The federal government is forecasting to balance, and these guys are going from a \$9.2-billion deficit last year to a further forecasted \$11.7-billion deficit this year. Now, I'm quite sure that in the budget it will magically be reduced an amount, but they're going the wrong way—a \$10.1-billion forecast the year after, a \$7.2-billion deficit forecast the further year.

Now, cabinet was well aware of that extra \$3.6-billion gap when they went on their retreat in the third week of March last year. But instead of taking, as Drummond called it, decisive action on the problem that we have in Ontario—the problem that everybody understands—they went the wrong way. Instead of reducing the massive hole in their budgeting, cabinet actually increased the shortfall \$900 million more, as I said earlier, coincidentally, the same number that they gave in concessions to the NDP. This is a \$4.5-billion discrepancy. Instead of fixing the problem, these guys are adding to the problem. This is unconscionable. When you have a family where one of the family members may lose a job, that's like us losing our revenue. When one of the family members loses a job, you tighten the belt. You don't go out and put an in-ground pool in. That's what these guys are doing.

The Bank of Canada told us that we will not meet our revenue forecasts for 2013 and, by the way, we will not meet them for 2014 either. Like a family where one of the members loses a job, when their revenue is down, our revenue is down. Your family would cut back. These

guys went on a spending spree—another \$900-million spending spree with our money—tax-and-spend. “It needs to be noted that the difference in the shortfall pre- and post-cabinet retreat—\$900 million—is the same value of concessions offered to the third party in order to ensure passage of the budget (Canadian Press, May 2, 2013)”—put that number at \$900 million—a heck of a coincidence. “It raises the question of whether the government and third party already had a budget deal in place March 2013, if not earlier.”

Perhaps equally troubling is that there are still no projections in any of the government's numbers for 2017-18. In the fall economic statement, they gave us a document with a big hole. There were no numbers for any of the ministries, yet magically it balanced. We have to trust them. We have to believe them that it's somehow magically going to balance. This is unprecedented: a fall economic statement where the last two years has N/A. They just don't give you any numbers.

I've asked them in this Legislature day after day after day, what are you hiding? What is in those numbers that you don't want us to see? It's a fall economic statement without a statement. If you got your statement from your credit card and there were no numbers but just a total that said, “Send us \$7,000 this month,” why would you do that? You want to see those numbers. You want to see, “What numbers did you use? What line did you use for health spending? What line did you use for education spending? What line did you use for justice spending? What line did you use for social spending?” We want to know. They just say, “We're not going to give you any individual numbers,” just, “Here's the bottom line.” It balances in 2017-18, magically.

Meanwhile, none of the other numbers this year are balanced. We have an \$11.7-billion deficit forecast, a \$10.1-billion deficit forecast the year after, a \$7.2-billion deficit forecast the year after that. Add about \$4.5 billion if these numbers are right. And it goes to balanced budget the next year. There, it's back at zero. Aren't we good?

Speaker, this is going to be an amazing transformation, especially in light of the fact that they did not implement the wage freeze they said they needed to implement to save \$6 billion to get them to that balanced budget. So no wage freeze, none of Drummond's serious, hard—

Mr. Todd Smith: Bold.

Mr. Victor Fedeli: —bold—thank you—items to implement. They didn't do any of that. But magically we're going to get to zero in 2017-18, and they say, “Don't worry. Trust us.” This is the same government whose numbers said that the gas plant scandal would only cost \$40 million when it cost \$1.1 billion. This is the same set of Liberal math and Liberal numbers.

Does the fact that there are no numbers mean the discrepancy is indeed larger than the \$4.5 billion? Remember, that \$4.5 billion is just above and beyond the other numbers. That isn't the total. This is above and beyond. That will put us at \$11.5 billion next year and \$9.4 billion the year after, but don't worry; we're at zero right away after that.

So in a previous Focus edition—I think it was number 4, for your reference, member from Vaughan—we highlighted the fact that the fall economic statement failed to include those medium-term outlook numbers. That would have included the tables showing how the revenue, spending and debt will look for the next three years. First this government missed the October 6 deadline last year for the first set of numbers. Under the Fiscal Transparency and Accountability Act, they had to publish those numbers last October 6. The act says that two years after an election you publish this set of numbers. They never came. Those numbers never came, Speaker. We have no numbers.

In the fall economic statement, a big hole in the budget—no numbers shown.

Last month, February 15, again under the Fiscal Transparency and Accountability Act, this government was to turn over their third-quarter numbers. No numbers. We got a letter saying, “You aren’t getting them.”

Where are their numbers? What are they hiding that they haven’t shown us numbers? If the October numbers were for the first two years, when is the last time we actually got any real numbers from this government?

We’re very concerned, as every Ontarian should be, as every member in the finance community should be, about not having any real numbers whatsoever.

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Speaker, in another set of documents, we realize that in order to balance the spending, reductions of between \$6.1 billion and \$6.9 billion are required outside of the core ministries of health, education, post-secondary, justice, and social services. Why hasn’t this government told us where those cuts are? They like to point fingers. They like to accuse all the other parties of what they would do, but this government is scratching their heads. They have absolutely no plan whatsoever to tell us how they plan to balance the budget.

They need a 9.6% reduction—a decline in spending—in 2016-17 and 2017-18 to get to that balanced budget, doing it their way. Where is that money coming from? Why won’t they tell us? Now, we know that they had planned to reduce pension expenses through pension reform. They failed to tell their members that. We know that they planned no funding for incremental compensation increases for new collective agreements. They plan to freeze salaries, they say, until 2017-18, but we’ve heard that before, and they didn’t come through. I wonder, have they spoken with Smokey Thomas about this planned wage freeze, and is that why we haven’t seen them implement the wage freeze? Is that the issue that we have here?

We also know that several other factors have occurred, that this government put revenue in the budget that is not going to happen. We also know there are greater expenses that have been incurred, that are going to affect their budget. These are basically the key items that will affect the budget. Pan Am—as I mentioned earlier, our MPP from Barrie has done a remarkable job in peeling

back this Pan Am scandal and trying to get to the root of it—where we see millions, then tens of millions, then hundreds of millions, and perhaps billions are over the Pan Am Games that we hear every morning are on time and on budget. The budget keeps moving—I guess if you just keep moving the budget, you’re going to be on budget. That money was not accounted for in the budget. There is a line for it, but it has far surpassed that already.

In the budget, the government planned on revenue from the OLG, the gaming organizations and lottery sales. They planned on 29 new casinos.

Mr. Todd Smith: How many of those are built?

Mr. Victor Fedeli: Well, there are none built.

They expected to save \$265 million—it’s in the budget, a savings of \$265 million—by having a fire sale of Ontario Northland. Thankfully, we brought the Auditor General in, at my request, who did an audit of the sale of Ontario Northland, and it turns out the government made yet another mistake. They’re not going to save the \$265 million that is in their budget. They’re going to spend \$820 million for this fire sale. So none of that is accounted for in the budget.

Now, whether they go through with part or all of the fire sale is unknown, so let’s give them the benefit of the doubt for five minutes and perhaps that entire \$820 million won’t be a budget hit, but we know for sure—we’ll stick with the facts—that they will not save \$265 million. Where is that accounted for in the budget?

Go back to those 29 casinos that were going to generate more than \$600 million in additional revenue between 2012-13 and 2014-15 and more than \$1 billion planned in their budget by 2017-18. Yes, that didn’t happen, Speaker. There is no casino opened in the GTA. The other 28 casinos that they planned—nobody’s rolling the dice at those casinos yet, so to speak.

There is another billion dollars that won’t show up on the revenue side of the budget, yet they’re still spending as if all that revenue is here. This is going to be solved by Bill 177, when we save \$390,550. Somehow, all the problems are going to be solved with that.

Speaker, the comments that I’ve read left some questions. The shortfall that we have found—a believable description of that shortfall will be the fact that they already did a deal with the NDP last year before the budget. That’s where the \$900 million came from. We already know that the government has failed to disclose their October 6 numbers, the medium-term outlook numbers in the fall economic statement, and the third-quarter results on February 15, as prescribed by the Fiscal Transparency and Accountability Act.

This government clearly has no plan whatsoever to balance the budget by 2017-18. This bill that they’re bringing—we will support it; I have said that right from the first, right off the bat—but it is more of your tinkering around the edges. This is all about sizzle and no steak. In the farm community in Chisholm, they would say, “This is all hat, no cattle,” because that’s exactly what this is: a \$390,550 savings so we can see the flag

being waved by this party as if they're actually doing something, when we know that they're not.

It has been very clear from the outset—in the two and a half years that I've been here—that they have no plan, no idea. The fact that we still have 600,000 men and women who woke up this morning without a job, still waking up without a job two and a half years later, is proof positive that they have no plan and they provide no hope.

Now, contrast that with our party. We have toured almost 30 communities since Christmas, many of us here. The member from—

Mr. Todd Smith: Prince Edward–Hastings.

Mr. Victor Fedeli: —Prince Edward–Hastings was at the hearings in Kingston, the pre-budget consultation hearings.

We heard three things loud and clear, and from all groups. We heard: skyrocketing hydro rates, high taxes and crushing red tape. No matter whether you went from Sarnia to Kenora to the Ring of Fire to Timmins to Cornwall and back to Toronto, and everywhere in between: skyrocketing hydro rates, crushing red tape and high taxes.

This government offers a 46% increase in hydro rates over the next five years, higher taxes coming, and even more red tape. This is what we understand from this government.

This is the government that, when they got into power—there was a Red Tape Commission. Former Premier Mike Harris formed a Red Tape Commission. It was a temporary agency that became a full-time agency to reduce red tape. They had a mandate and were doing a beautiful job. One of the first things this government did when they got into power was eliminate the Red Tape Commission. That's their idea of handling red tape: Get rid of the people who talk about crushing red tape in this province.

High taxes, skyrocketing hydro rates, and crushing red tape weren't only discussed by Liam McGuinty of the Ontario Chamber of Commerce. They weren't only discussed by Candice Malcolm of the Canadian Taxpayers Federation. They weren't only talked about by the Canadian Federation of Independent Business. They were talked about by social planning councils, community action groups and food banks. The skyrocketing hydro rates are hurting families. It's hurting businesses. It's killing jobs, but it's hurting families.

High taxes, and the future taxes we have coming, will cause businesses to scratch their heads and wonder whether to stay in Ontario. The crushing red tape, again, isn't just affecting businesses; it's also affecting the social planning councils. We heard from them, when they said, "We can't send our worker out to do casework at a family's home because they have six hours of computer work to do to satisfy some government forms that make no sense to us." We heard that over and over, Speaker. This government are the ones who cancelled the Red Tape Commission to try to solve at least one of these problems.

Our leader, Tim Hudak, has presented the million-jobs plan. Crushing red tape will be addressed. Skyrocketing hydro rates—we will cancel the feed-in tariff program that has caused your hydro rate to triple over the last 10 years—to double in eight years, to triple in 10 years, and it's going to go up 46% more. I don't believe that, by the way, Speaker. I believe they're going to skyrocket even further under this plan, and they will not tell us that. With the amount of wind turbines they plan to put on the grid, this is going to skyrocket. According to the Auditor General, the global adjustment, as a result of wind turbines, was \$700 million in 2011, on its way to \$8.1 billion. Who pays for that? Ratepayers. That's going to be added to your hydro bill. This is no 46% increase, Speaker. This is a monumental increase that's coming. That's their solution to it. Ours is to cancel the feed-in tariff program and bring some semblance to the hydro system again.

High taxes—we know that this government is going to increase taxes. We know they're going to increase business taxes in Ontario. We know that's coming. I don't think they're going to stop there. There's nothing these guys won't tax. We saw it very clearly when De Beers opened the Victor mine 150 kilometres west of Attawapiskat. After they had spent \$1 billion in the ground, getting the mine almost ready to open and in production, these guys smelled money. They implemented a diamond tax. Ontario's first and only diamond mine, and they said, "Oh, but don't worry. We're going to tax every diamond mine."

Mr. Todd Smith: How many are there?

Mr. Victor Fedeli: There's the one.

Mr. Todd Smith: Yes, that's what I thought.

Mr. Victor Fedeli: So we can see that this government is going to continue to tax and spend. This bill of theirs, Bill 177, is nothing more than window-dressing.

I see you're on the edge of your seat. Is my time up, Speaker? Then I'm going to sit down and say thank you for allowing me the opportunity to speak for—

Interjections.

Mr. Victor Fedeli: I'm sorry. I still have 12 minutes and 53 seconds. I guess we'll be back with more scintillating conversation. Stay tuned. Thank you, Speaker.

Second reading debate deemed adjourned.

The Acting Speaker (Mrs. Julia Munro): Thank you. It being close to 10:15, this House stands recessed until 10:30.

The House recessed from 1014 to 1030.

INTRODUCTION OF VISITORS

Mr. Victor Fedeli: I do want to welcome in the gallery today five different people from Sudbury: Paula Peroni, Bidy Farrell, Matt Southern, Lynne Raven and Chris Nerpin.

Ms. Cheri DiNovo: It's my pleasure today to introduce my nephew who is visiting us from Vancouver and

is a principal cellist with the Vancouver Symphony Orchestra, Ari Barnes.

Mr. Kevin Daniel Flynn: I'd like to welcome to Queen's Park today a very strong member of the business community in Oakville, Mr. John Vail.

Mr. Wayne Gates: I'd like to congratulate Jane Oleksiw for being assigned page captain for the day in the Legislature. Jane is a grade 8 student at St. Michael Catholic Elementary School in Virgil, just outside of Niagara-on-the-Lake in the great riding of Niagara Falls. Today I would also like to welcome her parents, who are up there in the gallery, Bob and Tina Oleksiw; their daughter Julia; and Jane's friend Anna Smyth. Thank you very much for coming.

Ms. Peggy Sattler: I would like to welcome to the gallery a group of students, many of them from the University of Toronto, who are engaged in a variety of research projects on post-secondary education for the Higher Education Quality Council of Ontario.

Interjections.

The Speaker (Hon. Dave Levac): We are introducing guests, and it would be nice to make sure that we didn't hear any heckling while we were introducing our guests.

Interjection.

The Speaker (Hon. Dave Levac): And that includes the member from Renfrew.

The member from Beaches–East York.

Mr. Michael Prue: I have six people I would like to introduce today. Ils sont ici à la législature pour écouter les questions : Anne Godbout, Gisèle Rousseau, André Choquet, Verity Crew-Nelson, Danielle Lamothe et Lynda Rinckenbach. Bienvenue à la législature.

Mr. Todd Smith: Point of order.

The Speaker (Hon. Dave Levac): A point of order from the member for Prince Edward–Hastings.

Mr. Todd Smith: I appreciate that. I know that today the Minister of Municipal Affairs is actually going to be officially resigning from the Legislature. We wish her the best of luck—

The Speaker (Hon. Dave Levac): That's not appropriate.

Minister of the Environment.

Hon. James J. Bradley: I would like to welcome the family of page Milana Thibodeau Morris: father, Rod Morris; mother, JoAnne Thibodeau; and sister, Arielle Thibodeau Morris. Please welcome them to the Legislative Assembly.

The Speaker (Hon. Dave Levac): We welcome our guests.

RELEASE OF DOCUMENTS

The Speaker (Hon. Dave Levac): On Thursday, March 20, 2014, the government House leader, having provided the required notice under standing order 21(c), rose on a point of privilege regarding a question posed to the Minister of Finance during oral questions on Tuesday, March 18. The government House leader alleged that the member from Nipissing, while posing his ques-

tion to the Minister of Finance, knowingly “disclosed the contents of a confidential committee document” and, as a result, had committed a contempt of the Legislature.

In making his submission, the government House leader argued that the member for Nipissing disregarded an order of the Standing Committee on Estimates which protected certain documents the committee received from the Ministry of Finance as confidential. The House leader also stated that this potential breach of privilege was raised in the House because the Standing Committee on Estimates “is not currently sitting,” and that it was brought forward at the earliest opportunity, given the need to verify the accusation.

The member for Nipissing, in both his written and oral submission on this matter, contended that the information contained in his question was sourced from a set of “redacted documents that were to be made public” by the committee under the same committee order referred to by the government House leader. He also argued that this issue should have been properly raised at the Standing Committee on Estimates and that, in his opinion, it was not raised in a timely manner.

I am not concerned with the time taken to raise this matter and find that it was reasonable in the circumstances, and for the reasons given by the government House leader.

However, after reading and hearing the submissions made on this point of privilege, the Speaker is in the end presented with conflicting opinions, but without the means to reconcile them. This power rests with the Standing Committee on Estimates, which, as the custodian of the documents in question, is best able to decide if the allegation of improper disclosure is correct, and it can bring this matter properly before the House by adopting and presenting a report, if it chooses to do so.

As to the assertion that the Standing Committee on Estimates is not currently sitting, in fact, standing committees are struck for the duration of a Parliament. Although this committee has completed its consideration of last year's estimates, it can meet on a matter as important as members' privileges, and it is the proper starting point if this matter is to be pursued.

The government House leader's point of privilege not having been preceded by these necessary steps, I must find that it has been prematurely brought to the attention of this House.

Interjections.

The Speaker (Hon. Dave Levac): Order, please.

It is now time for oral questions.

ORAL QUESTIONS

FISCAL ACCOUNTABILITY

Mr. Victor Fedeli: My question is for the Premier. There is a disturbing scenario playing out right now. Last October 6, your government failed to deliver the long-

range assessment of Ontario's finances as obligated under the Fiscal Transparency and Accountability Act. We were told that they would be in the fall economic statement, but they weren't. In fact, there were no individual ministry expense numbers listed—just the total program spending, which magically falls in 2017 to balance the budget. On February 15, the transparency act also requires you to publish third-quarter results. Again, nothing.

Premier, you continue to keep any real numbers from this Legislature. Is it because any one of those numbers would demonstrate you're not on track to balance the budget?

Hon. Kathleen O. Wynne: I invite the member opposite, when this year's budget comes out, unlike last year, to actually read the document, because he obviously has a number of questions. I'm not sure whether he actually read the fall economic statement but, again, I would ask that he read the fall economic statement because, as I've said, there is information in that document that makes it clear what our intentions are, what the numbers are. I hope that he will take the opportunity to do that.

But, Mr. Speaker, I will say this: We will be bringing the budget forward. We will be making it clear that we are on track to eliminate the deficit by 2017-18, but we will also make it clear that we are intent on making the investments in people, in infrastructure and in a strong business climate to make sure that we have a prospering and growing economy—investments that the member opposite would not be willing to make.

The Speaker (Hon. Dave Levac): Supplementary?

Mr. Victor Fedeli: Premier, it's too bad that you didn't tell the bond-rating agencies last May that you had a \$4.5-billion gap in your budget. That's above and beyond your planned deficit of \$11.7 billion this year, above your planned deficit of \$10.4 billion next year and above the \$7.2-billion deficit the year after. Your annual deficits are larger than every other province plus the national deficit combined. It's clear you can't manage our money, so while other provinces are putting people back to work, your cabinet was told, "There are fewer jobs relative to our population and more unemployed," and "Per capita output of the economy remains below its pre-recession benchmark."

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Premier, you're failing Ontarians. You can't make the tough decisions, and the ones you do make turn into scandals. If you won't bring a plan to turn Ontario around, will you at least—

The Speaker (Hon. Dave Levac): Thank you.

Interjections.

The Speaker (Hon. Dave Levac): Stop the clock. Be seated, please.

Premier?

Hon. Kathleen O. Wynne: The plan that the member opposite and his leader are putting forward is to cut and slash across government. It's to fire education workers, fire health care workers, and drive good jobs out of the

province by undermining labour. If the member opposite is asking, will we take that path? We absolutely will not. That is not in the best interests of the people of this province. It is not in the best interests of the economy of this province.

We will bring our budget forward. We will make the investments that are necessary. We will partner with business. We will work with key industries to make sure that they can expand, like the announcement I made yesterday at Fiera Foods, where there will be more jobs created because of our partnering with that business. We will continue to do that work.

It would be wonderful if the member opposite joined with us, because it is in the best interests of the people of this province that we make those investments and put that support in place.

The Speaker (Hon. Dave Levac): Final supplementary?

Mr. Victor Fedeli: Premier, it seems there's no limit to your planned revenue tools. You're going to tax hard-working families, you're going to tax business; maybe a tobacco tax, a transit increase. Your own finance ministry proposes another way to kill jobs while restocking your coffers. Here's what they had to say about your "partnering with business." This is a quote: "Development charges are a great idea. The developers of condos make a killing (presumably, given how many condos are always being built)."

This is how you view the business community: just another pocket to pick. "They make a killing. Let's go after them." Never mind that they actually put people to work. Why not kill that industry, too, just as long as you get a few bucks from them before they leave? Is that how you plan to budget, Premier—kill the golden goose?

Hon. Kathleen O. Wynne: Minister of Finance.

Interjections.

The Speaker (Hon. Dave Levac): Be seated, please. Thank you.

Minister of Finance?

Hon. Charles Sousa: The member opposite has engaged in rhetoric and trash talk about the good work that Ontarians have been doing over the last number of years since the recession. He hasn't read the reports over the last year, for that matter.

Don't take it from us. The C.D. Howe Institute, someone that they always respect, has come out and said very clearly that Ontario leads all provinces right throughout Canada on transparency and on integrity of our numbers. We rated an A because of the work that we've done. They, however, did not.

We'll continue to do what's right for Ontarians. We'll continue to put on a very wholesome and strong plan to create jobs—and it has created jobs. You guys keep wanting to destroy the well-being of our economy by the reckless cuts that you're making. On this side of the House, we're making investments, and we're being positive to all of Ontario and for Canada.

GOVERNMENT'S RECORD

Ms. Lisa MacLeod: My question as well is to the Premier. Over the weekend, you touted the line called "What leadership is." Now, I can tell you what it isn't: It's two OPP investigations into your government. It's losing 330,000 manufacturing jobs. It is using a billion dollars of taxpayer money to save five Liberal seats. It's breaking international law. It's withholding information from the electorate on the \$4.5-billion hole in your budget. So they've demonstrated what leadership is not.

I can tell you what leadership is. It is testing your policies and your record with the electorate. So we ask, on this side of the House, will you do that? Will you finally table a budget, and will you put it to a vote, not only in this assembly but also with the electorate?

Hon. Kathleen O. Wynne: I thank the member opposite for the question. I'm just going to talk a little bit about some of the things that have happened over the previous few years.

When we came into office, 68% of students in this province were graduating from high school; now, 83% of kids are graduating from high school. When we come into office, the energy system was in disarray. We have invested in transmission. We have a stable energy grid. We have generation of clean, renewable energy in this province.

Interjection.

The Speaker (Hon. Dave Levac): The member from Prince Edward–Hastings will come to order.

Hon. Kathleen O. Wynne: When we came into office, there was no measurement of wait times in the health care system.

Interjection.

The Speaker (Hon. Dave Levac): The member from Bruce–Grey–Owen Sound, come to order.

Hon. Kathleen O. Wynne: We led the way in measuring wait times, and those wait times that we have measured have come down.

From my perspective, those are all impacts on the lives of people in this province that will have a huge difference. That's what leadership is.

The Speaker (Hon. Dave Levac): Supplementary?

Ms. Lisa MacLeod: This is a Premier who has led the way on a few things—innovation, for example, in scandals. The Premier knows full well that this recent scandal with her budget is actually the gas plants 2.0.

I'm going to run down the formula. It's actually something we can now count on with this government. First, it's desperation by a government that is about to lose everything. Second, you're going to find documents from bureaucrats cautioning them against the Liberals' preferred course of action. Third, it's that they developed spin lines and media diversions to manipulate the media and the press, like tanning beds—

Interjection.

The Speaker (Hon. Dave Levac): Minister of Energy, come to order.

Ms. Lisa MacLeod:—like accountability bills, to throw us all off. Fourth, we go back to those documents put forward by the bureaucrats and we find that they either redact them or they destroy them. Five, when all else fails, they try to shut down debate by either prorogation or trying to censor a member who has exposed them for what they are. That's not leadership. The government has an opportunity. The Premier has an opportunity. Show some leadership. Demonstrate it with a budget. Table it here.

Interjections.

The Speaker (Hon. Dave Levac): Be seated, please. Thank you.

Premier?

Hon. Kathleen O. Wynne: We actually will table the budget here; we will not go to Magna or anywhere else. We will table the budget here. I look forward to the member opposite reading that budget.

Let me just outline the kinds of things that we are going to be focusing on in order to grow the economy, because I really think that is critical at this juncture. We are going to invest in infrastructure. Unlike the party opposite, we believe that having a plan to invest in roads and bridges and transit is very important to the growth of the economy. We're going to be investing in skills and training, because we know that businesses come here and businesses tell us over and over again that the educated workforce is a huge benefit to business in this province, and it draws them here. We're going to continue to invest in a youth strategy—30,000 young people getting placements. Already, more than 9,000 young people have an opportunity. That's the kind of work we're going to be doing.

The Speaker (Hon. Dave Levac): Final supplementary.

Ms. Lisa MacLeod: Sadly, 330,000 manufacturing jobs have left the province under your watch. We have the highest industrial hydro rates in North America. People are leaving—to Quebec, to Manitoba, to New York—to actually set up shop rather than stay here in the great province of Ontario. In fact, if you look at the confidence of that plan, she has lost seven MPPs as of today from her government. I believe, for a new Premier, that is actually unprecedented.

So I just ask the Premier—she will have a day of reckoning whether she wants it or not. At some point in time, there will be an ability for the opposition and the public to look at her books, either when she's out of power or before then. On that day, Ontarians will know the true cost of her premiership and we will know why so many MPPs in her own party do not have confidence in her and have decided either to leave now or leave later. She's desperately clinging to power. She has a choice. Table the budget now. Let Ontarians know what's in it and where that \$4.5 billion is. Will she do it?

Hon. Kathleen O. Wynne: I just want to say: I have the best team in the province. I am so proud of the people that I work with and I am so proud of the people who have done their service and are moving on to other

things—the best team. We, as the member opposite knows, passed the legislation that would open the books before an election. We're the government that brought that in. We brought that legislation in because of what had happened under the previous government, where there had been a \$5.6-billion hidden deficit. We brought in legislation that requires government to open the books. We will do that and we have been doing that.

I just want to say that the investments that we are going to make, the balance that we are going to strike between fiscal responsibility and investment, is critical. Roger Martin said that, "Closing the prosperity gap cannot be done without making meaningful and targeted investments in productivity-enhancing resources and tools." We are going to take that advice.

1050

GOVERNMENT'S RECORD

Ms. Andrea Horwath: My question is for the Premier. After spending months claiming that she's offering real change, this weekend the Premier declared that her new goal is defending the status quo of Dalton McGuinty. For families worried about job loss, that's very concerning. They know that more of the same strategy of sky-high hydro rates and no-strings-attached corporate tax loopholes is going to leave them looking for work.

Just weeks ago, the Premier said people were looking for change. Why is it she is now so determined to offer more of the same?

Hon. Kathleen O. Wynne: I think what I said on the weekend was that this is a very important time in the history of the economy in Ontario and that what we need is to make sure that we make the right decisions. From my perspective, that means playing to our strengths. It means making the investments where they are most necessary, and strategically. That's investing in the talent and skills of our people. It means investing in infrastructure and, I would say to the leader of the third party, that includes transit. It includes making investments in transit, roads, bridges and infrastructure across the province.

It means working with business. It doesn't mean making business the enemy, whether that's small business or large corporations. It means working with them so that they can expand and create jobs. That's what I talked about this weekend, and that's the work that we have been doing and will continue doing.

The Speaker (Hon. Dave Levac): Supplementary?

Ms. Andrea Horwath: The Premier spent the weekend talking about Liberal hands, but for families across Ontario, the only thing steady about the McGuinty legacy is a steady flow of money out of their pockets and the steady flow of jobs out of Ontario.

Those hands brought us the gas plant scandal and billions of dollars in waste. Those hands left Ontario with some of the highest hydro rates, the highest auto insurance rates and an unemployment rate stuck above the national average for years.

Does the Premier really think that offering more of the same is good enough?

Hon. Kathleen O. Wynne: I would suggest that what our hands have wrought is not the status quo. We're on track to meet our goal of an average 8% reduction in auto insurance by August 2014. We've increased funding to home care and community services by \$260 million in 2013. That's a 6% increase over last year, and it's \$185 million for CCACs to provide home care services. That's a huge investment in the transformation of the health care system.

We've created the \$100-million Small, Rural and Northern Municipal Infrastructure Fund. That means that those investments in roads and bridges in our northern and rural communities can go ahead. We know that those small economies, those local economies, are dependent on that kind of infrastructure investment.

Recently, four more companies in southwestern Ontario will receive support through the Southwestern Ontario Development Fund. That's not the status quo, Mr. Speaker. That's investment in economic growth.

The Speaker (Hon. Dave Levac): Final supplementary.

Ms. Andrea Horwath: The Premier won her Liberal leadership talking about change and possibility, but it's more and more clear she's offering the same Dalton McGuinty status quo that brought us sky-high hydro rates, a gas plant scandal and left Ontarians down over 300,000 manufacturing jobs.

People want to see action to lower their hydro bills and make life more affordable. People want to see action that creates jobs. Why is the Premier insisting that the same old ideas are somehow working?

Hon. Kathleen O. Wynne: Let me just continue on the things that we have done that are actually new. I know that the leader of the third party will know that there was a big discussion about the minimum wage, which she did not take part in, but we are raising the minimum wage as of June 11, and then we're bringing legislation. We've brought legislation, that I hope she will support, to index the minimum wage to CPI.

We've introduced legislation to strengthen the Employment Standards Act, and that will provide more protection for vulnerable workers. I would hope that the leader opposite would support that new initiative.

We passed the Local Food Act. As part of that, there's a \$30-million Local Food Fund which is helping to make investments in the agri-food industry to help that industry grow. I hope that the leader of the third party understands that that's a very important thing.

We've passed the Stronger Protection for Ontario Consumers Act. Those initiatives protect consumers, and I hope that the leader of the third party understands how important that is.

We passed the Supporting Small Businesses Act. It increases the employer health tax exemption. So that is change.

ENERGY POLICIES

Ms. Andrea Horwath: My next question is also for the Premier. If we want to see where Liberal hands have steered us into the ditch, we don't have to look much farther than our hydro system. The Premier insists that the system is working, but people like Grant, from Renfrew, for example, disagree. He wrote, "I'm on a fixed income with an older home, and hydro bills are affecting my life." He's upset that his family is paying costs that he calls "way too high," so that others can "make money exporting what we pay for with no return for us."

Why is the Premier so determined to defend a hydro system that leaves people like Grant paying more and more, and lagging behind?

Hon. Kathleen O. Wynne: I know that the Minister of Energy will want to speak to this in the supplementary.

I also know that the people of this province want an electricity system that they can rely on. I understand that there are challenges—and the minister will speak to some of the initiatives we've taken to make sure that we reduce those costs for people, particularly those who are having trouble making ends meet—but when we came into office, the electricity system was in disarray. It was absolutely critical that the neglect that had been in place for years was tended to.

We have done that. We have made those investments, and on top of that, we have moved to a much cleaner and more renewable energy supply. We are very proud of that, and we are going to continue to do that work, at the same time recognizing that there need to be programs in place to help people to deal with their energy costs, and I know the leader of the third party makes sure that her constituents know about all those programs.

The Speaker (Hon. Dave Levac): Supplementary?

Ms. Andrea Horwath: John, from Sudbury, is working hard to minimize his bills, but he's clear when he says, "We should not be exporting power if we cannot afford to keep rates reasonably low at home.... We should know by now that privatization does not save citizens money. High management costs ... usually end up costing more."

In Manitoba and Quebec, businesses pay literally half of what we're charging Ontario businesses, and they are selling their exports for nearly twice as much. Is the Premier ready to take the waste out of the hydro system and take action to lower rates in Ontario instead of lowering them in the US?

Hon. Kathleen O. Wynne: Minister of Energy.

Hon. Bob Chiarelli: Mr. Speaker, let's talk about Charlie, from Hamilton, or let's talk about Ann, from Toronto, who were having multiple, multiple smog days every single summer. We had a dirty system and we had a deficit of supply. We invested in new generation. We took the opportunity to clean our air.

That party doesn't care that we had to spend additional dollars for clean energy as opposed to dirty coal. Cheap, dirty coal is what you sound like right now. We cleaned our air, and we have healthier people in our community

right now. I hope I have the opportunity in the next question to talk about electricity prices, because your plan is a scam.

The Speaker (Hon. Dave Levac): Final supplementary?

Ms. Andrea Horwath: Speaker, it's sad to see a Minister of Energy joke about the real struggles of the people in this province. Hydro bills aren't just numbers, he might need to know. People are wondering how they're going to be able to keep up.

Helena, from Hamilton, wrote us to say, "We are a senior couple with limited income and no way to increase our income. The hydro bill keeps increasing, and while we are still able to pay it, my concern is, what happens when one of us dies, and all these expenses of the house will have to come out of one income. Raising the cost of hydro affects all of us, and the country, and we need sensible heads to see how things like funding the export of hydro is affecting those who can least afford it."

Now, is the Premier ready to admit that her hydro plan isn't working and it's time to take the waste out of the hydro system so people like Helena aren't worried about their future and the future of their families?

Hon. Bob Chiarelli: We're talking about an election these days, and the opposition is asking for an election. There will be a day of reckoning when that party is going to have to stand before the people of Ontario and tell them what they will do.

Mr. Speaker, they don't want new—

Interjections.

The Speaker (Hon. Dave Levac): Stop the clock, please.

Interjection.

The Speaker (Hon. Dave Levac): No, I would, and I did.

I'm going to ask members to, again, not refer to anyone other than by their title or their riding. That's the kind of heckling that causes the escalation of emotions, and I want it to diminish.

Laughter.

The Speaker (Hon. Dave Levac): No, it's not funny; it's serious.

Interjection.

The Speaker (Hon. Dave Levac): That's too bad.

Please finish.

1100

Hon. Bob Chiarelli: They talk about creating an energy system that will be beneficial to people in Ontario, yet they will not build new nuclear and they will not refurbish the existing units. There's 50% of our electricity generation that they would cut off at the knees. What are they going to replace it with, how long will it take, what will the cost be and what will that do to increasing prices?

Mr. Speaker, we have comparative prices on electricity costs: Ottawa, 12.39 cents per kilowatt hour; Edmonton, 13.9—

The Speaker (Hon. Dave Levac): Thank you. New question.

AIR AMBULANCE SERVICE

Mr. Frank Klees: My question is to the Premier. At the root of the Ornge scandal, according to the Auditor General's 2012 report, were the following findings: First and foremost, the Ministry of Health failed in its oversight responsibilities. It failed to get proper information relating to patient pickup and response. There was a lack of transparency surrounding the financial affairs of that organization. There were questionable procurement practices that are now under criminal investigation.

That was in 2012. We now have a recent audit report issued by the Ministry of Finance that made 48 findings of Ornge that included the very same issues that the Auditor General identified in 2012. My question to the Premier is: Is she aware of that report? How is it that under new management, a new board, a new CEO and a new amended performance agreement, we have the same issues—

The Speaker (Hon. Dave Levac): Thank you. Premier?

Hon. Kathleen O. Wynne: Minister of Health.

Hon. Deborah Matthews: I'm very pleased to say that Ornge has already implemented 39 of the 48 recommendations outlined in the report and that progress is being made on the remaining nine. We will continue to work with Ornge as they implement the remaining recommendations.

I can tell you that this work builds on other accountability measures that have been undertaken by Ornge's new leadership. They've released their strategic plan; they've submitted their first quality improvement plan; they're posting salaries of senior leadership online; they're activating the new whistle-blower hotline; they're establishing a conflict-of-interest protocol; they've got their first patient advocate in place; and they've got a travel and business expense policy that requires submitted expenses to be appropriate.

Ornge is on the right track, and I look forward to the member opposite supporting Bill 11.

The Speaker (Hon. Dave Levac): Supplementary?

Mr. Frank Klees: Speaker, you see, we don't believe any of that because under that new board, under the new CEO, under the minister's new oversight branch, under the minister's new amended performance agreement—this audit report was conducted over an entire year under that new management, under that new board, and the same issues appear.

Here they are: a lack of documentation of board decisions; a lack of board approval of significant policies, including procurement, travel and expenses, the compensation system and performance pay; under the new board, contracts valued at between \$100,000 and \$750,000 were not signed in accordance with Ornge's signing authority; reaction/response times are not being properly reported.

I'd like to know from the Premier—because the list goes on; the incompetency continues—how come the

same minister continues to have the responsibility to oversee Ornge and our air ambulance service?

Interjections.

The Speaker (Hon. Dave Levac): Be seated, please. Thank you.

Minister of Health?

Hon. Deborah Matthews: I think any independent observer would recognize that Ornge is well into—

Interjections.

The Speaker (Hon. Dave Levac): The member from Prince Edward-Hastings will come to order and the member from Durham will come to order.

Hon. Deborah Matthews:—a new chapter under the new leadership of Dr. Andrew McCallum and Ian Delaney. They have put together a very strong team. The board is an entirely voluntary board, and they have been dedicated to implementing all of the recommendations. Let me repeat: Ornge has already—

Mr. Frank Klees: Read the report.

Hon. Deborah Matthews: I've read it.

Ornge has already implemented 39 of the 48 recommendations. The remaining nine are under way.

What I can tell you is that there has also been an increased focus on patient safety. They have provided additional training for helicopter pilots, including controlled flight into terrain. They've revised operating procedures for night operations. They are installing solar lighting. There's a lot happening at Ornge, and it's all good.

Please pass Bill 11.

PAN AM GAMES

Mr. Paul Miller: My question is to the Premier. Speaker, for months, this government has carried on about government transparency and accountability, but what Ontarians are getting is more of the same stonewalling. Now we hear about more firings at the Pan/Parapan Am Games and more fat-cat severances. First it was Ian Troop being replaced by Saäd Rafi. Now, as more executives are being shown the door, new Liberal insiders are walking through that door.

Will the Premier tell Ontarians how much they paid Neala Barton in severance when she left the former Premier's office, how much we're paying her now, is severance included in her new contract and why, and how much are we paying in severance to the most recently fired executives?

Hon. Kathleen O. Wynne: I know that the Minister of Tourism, Culture and Sport will want to speak to the details. But I just want the member opposite to know that TO2015, the Pan Am group, is working in coordination with the provincial government and the federal government and 15 municipalities to deliver the Pan Am Games. Part of TO2015's mandate is to ensure the efficient and effective delivery of the games, and that means dealing with human resources issues.

I have complete confidence in both the chair and the CEO. I know that they are making decisions. We have no

control over the HR decisions in terms of who they may or may not hire, and they will make those decisions. Those decisions are made by the CEO of TO2015. The organizing committee is shifting from the planning stage into the operational stage into the lead-up of the games, so it makes sense that there would be HR changes.

The Speaker (Hon. Dave Levac): Supplementary?

Mr. Paul Miller: I think the Premier answered my question right off the bat: no control.

Speaker, there's a pattern emerging here on the Pan/Parapan Am Games—a pattern that keeps costs going up, whether it is security costs that are ballooning, golden parachutes for well-connected executives or soft landings for Dalton McGuinty insiders like Neala Barton. It's an arrogant way to treat Ontarians' money, and it's time that hard-working taxpaying families got some respect in this province.

Speaker, will the Premier release these contracts and these severance agreements today?

Hon. Kathleen O. Wynne: Well, I agree with the member opposite that there's a pattern emerging. The pattern is that members of the opposition and the third party—even though they have the information, they can take part in technical briefings, they're getting the information, and they know that the work is proceeding and that there is going to be a terrific legacy—continue to talk down the Pan/Parapan Am Games. It makes no sense to me. It makes absolutely no sense to me.

Interjections.

Hon. Kathleen O. Wynne: I just heard a member of the opposition say “a waste of money.” I would ask him to talk to the young athletes in his riding. I would ask him to talk to the kids who are swimming and running and training and getting ready for the Pan/Parapan Am Games. I'd ask him to talk to those kids.

Interjections.

The Speaker (Hon. Dave Levac): Stop the clock. Be seated, please.

New question.

EMPLOYMENT STANDARDS

Mr. Shafiq Qadri: Ma question est pour le ministre du Travail, l'hon. Yasir Naqvi. Speaker, it has been said that how society deals with its youth determines its prosperity—

Interjection.

The Speaker (Hon. Dave Levac): The member from Durham is warned.

Finish, please.

Mr. Shafiq Qadri: Our own investments include full-day kindergarten leading up to world-class schooling. This, of course, is especially valued by people in my own riding of Etobicoke North. For many young Ontarians, this is followed by remarkable opportunities at the college and university level.

Speaker, as you may know, our youth employment fund has helped over 8,200 young people find meaningful employment, which of course is commendable. Yet I

still hear how difficult it is for folks to enter the workforce and how internships are often the only way to get in the door. Youth in Etobicoke are concerned about internships, where they are not paid, and I am concerned about this as well.

1110

My question is this: What is the ministry doing to make sure that when young people in my community start a new job, they will be paid for that work?

Hon. Yasir Naqvi: I want to thank the member from Etobicoke North for asking a very timely question.

We know that building a stronger workforce is about building safe and fair workplaces. In Ontario, the rules about internships are very clear. It does not matter what your job title or position is; if you perform work for someone, you are covered by the Employment Standards Act and deserve to be paid at least the minimum wage. There is, in there, an exemption for co-op students from accredited university and college programs, trainees and self-employed individuals.

The ministry has been very active on this issue to get the word out. We updated our Web page on internships to provide clarity on this particular issue. We also have been proactively writing letters, and reached out to post-secondary institutions, employers and job sites to make sure there is no confusion around what the rules are in the legislation. We are also active on Facebook, Twitter and YouTube, making sure that we can broadcast our strong rules to young people in Ontario.

The Speaker (Hon. Dave Levac): Supplementary.

Mr. Shafiq Qadri: Thank you, Minister—or, in Urdu, Shukriya.

I appreciate your outlining the strong rules that we have on internships in Ontario. My constituents in Etobicoke North in particular value the fact that the ministry is reaching out to young people, businesses and institutions to raise awareness of these rules.

But, Speaker, I sometimes hear from Etobicoke North residents that even though they know the Ministry of Labour is out there to help them, they are reluctant sometimes to reach out. This was also raised in a press conference by the member from Davenport when he announced his private member's bill on internships.

Speaker, my question is this: Are formal complaints and reactive inspections the only way the ministry will investigate?

Hon. Yasir Naqvi: I think this is a very, very important and serious question, and I welcome the participation of all members in getting the message across. Speaker, I can assure the member that our government is doing our very best to ensure that our youths' rights are protected.

Any concerns regarding working arrangements can be referred to the Ministry of Labour's hotline at 1-800-531-5551. Confidential help is available in 23 different languages, and this includes anonymous tips as well. The ministry will investigate any and all complaints to enforce our rules. We are the first government to conduct proactive inspections, and while out in the field, our

enforcement officers are also specifically asking about internships.

I also announced last December that we'll be doing a proactive employment enforcement blitz dealing with internships specifically starting in June.

INFRASTRUCTURE PROGRAM FUNDING

Mr. Michael Harris: My question is for the Minister of Transportation. Minister, the amount of money the Liberal government wasted on cancelling two gas plants in Mississauga and Oakville could have paid for the Highway 7 expansion in my community nearly four times over, yet you pulled the plug on both plants with no forethought on the cost or the consequences.

Now, the number of infrastructure projects in the region of Waterloo and Guelph area are starting to pile up, and specifically, both Highway 85 and Highway 6 require infrastructure upgrades.

Minister, after wasting billions of dollars on the gas plant scandals and debt interest payments, what plans do you have to upgrade these roads and how much money will you invest?

Hon. Glen R. Murray: I want to thank the member for the friendly question. The irony is that we're spending \$14 billion a year on infrastructure, or 2% of our GDP. His federal party is spending \$73 million, or less than a fraction of 1% of GDP, one of the worst records ever.

The gas plants: I guess they buy them at garage sales, Mr. Speaker; they must get some discount, because they were the ones who first promised to cancel them. Those gas plants have been relocated, not cancelled, and are actually producing energy, because the people in Oakville and Mississauga asked for that. That money is out there working. I know we had to fulfill his promise for them, but maybe there are some gas plant discount sales at garage sales in Conestoga that I'm not aware of.

The Speaker (Hon. Dave Levac): Supplementary?

Mr. Michael Harris: Again to the minister; I'll ask him a second time. Last weekend, our Premier said that she will not negotiate with the NDP on the budget. Then today we learned that the Liberal government will pack its budget full of reckless policies that will appease the anti-business stance of the NDP. So I guess the Premier is right, in fact: There is no room for negotiation when the plan is to give everything to the NDP.

It's sad that Ontario has a government that spends the majority of its time developing new ways to placate the NDP while ignoring critical infrastructure needs in municipalities like the region of Waterloo and the Guelph area.

Minister, forget about the garage sales. Will you just admit that you will do anything to cling to power, even if that means ignoring infrastructure investment and plunging the province into more debt just to appease the NDP?

Interjections.

The Speaker (Hon. Dave Levac): Stop the clock. Be seated, please. Thank you.

Interjection.

The Speaker (Hon. Dave Levac): Without comment. Minister?

Hon. Glen R. Murray: I have to encourage my friend opposite, Mr. Speaker, to read budgets. Readers are leaders. They would save a lot of time in here because he would know that there's already \$50 million in the budget for Highway 7 between Kitchener and Guelph and that we have made numerous commitments to complete that. We're quite excited about that.

Why can we do that? Because, in the last year they were in power in this province, they spent \$1.4 billion in total on schools and water. What does \$1.4 billion buy you? It certainly doesn't buy you Highway 7 or Highway 85. We are now spending 10 times what you spent on infrastructure so that we can build Highway 7. Maybe he can talk to his federal friend, because we just added four GO trains to Kitchener-Waterloo, and your federal cousins cancelled four Via trains.

So 10% spending of what we do—they cancel rapid transit projects. We add them. It's the garage-sale party—

The Speaker (Hon. Dave Levac): Thank you. New question.

HEALTH CARE

M^{me} France Gélinas: Ma question est pour la ministre de la Santé et des Soins de longue durée. This morning, the Ontario Health Coalition released their report, entitled For Health or Wealth? The report details dozens and dozens of examples of extra billing, user fees and the sale of queue jumping for services—all of those in clear violation of the provincial and federal laws.

OHC researchers found that clinics were charging patients between \$50 and \$3,500 for OHIP-insured medical services. Is the minister concerned about those violations, and is she prepared to do anything about them?

Hon. Deborah Matthews: Speaker, I will be absolutely clear on this. The Commitment to the Future of Medicare Act, which we passed in 2004, very clearly states that there may be no charges for insured services. We hold true to that value. If there are examples of clinics charging patients, then that needs to be reported—and we act on that. The protection of our single-tier system is of paramount importance to us.

We are doing many things to transform our health care system. One of them is looking at establishing specialty clinics outside the walls of the hospital. I know the member opposite is familiar with the birthing centres that we've already opened—one in Ottawa, one in Toronto—to support people having their babies outside the walls of the hospital but in a safe environment.

The Speaker (Hon. Dave Levac): Supplementary?

M^{me} France Gélinas: The Ontario Health Coalition did a similar report in 2008. Some of the clinics that are

now charging higher fees were named in that 2008 report, and the minister did nothing.

User fees, extra billing and the up-selling of medically unnecessary tests and procedures not only harm patients, they harm our health care system. When someone needs cataract surgery or a colonoscopy, they should not have to decipher the legalities of the fees or, even worse, argue about them with the physician who is going to provide that care.

This government has talked a good game when it came to protecting our public health care system. But if they fail to prevent these violations, all their talk is for nothing. My question is simple: Why is the government moving more and more of these services to private clinics when it cannot assure Ontarians that public health care will be protected?

1120

Hon. Deborah Matthews: Well, Speaker, I'm afraid that the member opposite knows full well that the clinics that we're talking about opening are non-profit clinics. She also knows that we enforce the commitment to the future of medicare, and I would urge anyone who is being charged for medically insured services to report it.

I'm even going to give you the phone number: 1-888-662-6613. If anyone is being charged for services that are OHIP-covered, they should call that number and report it, and we will follow up. It's against the law. It is not tolerated.

ENDANGERED SPECIES

Mr. Phil McNeely: My question is for the Minister of Natural Resources. Minister, I know that MNR has a strong commitment to protecting the endangered species of our province, and that MNR has done some great work to protect habitats and help in the recovery of Ontario's species at risk.

I know that public stewardship efforts are integral to protecting endangered species in Ontario, and that your ministry encourages this through programs such as the Species at Risk Stewardship Fund. I was happy to hear at the beginning of March that your ministry announced funding for a number of new projects to protect, preserve and restore our rich biodiversity and educate others.

Speaker, could the minister please tell the members of the Legislature about how his ministry helps protect endangered species through public stewardship projects such as the Species at Risk Stewardship Fund?

Hon. David Oraziatti: I want to thank the member from Ottawa-Orléans for being such a strong advocate on this issue. Our party clearly stands in strong contrast with respect to the opposition on this.

The stewardship fund enables our partners to carry out a shared vision to protect species right across the province of Ontario. Since 2007, in fact, we've announced \$35 million in funding for 660 projects across the province. These local stewardship grants have restored more than 24,000 hectares of habitat, and have generated more than 2,100 jobs in doing so.

Projects such as these, through our ministry, help to provide protection for more than 150 species at risk, and help our ministry to ensure that Ontario's native species continue to contribute to our rich biodiversity. In fact, in the beginning of March, our ministry was honoured to receive a recognition award from the Environmental Commissioner of Ontario for our efforts to re-establish a migratory bird, the piping plover, at Wasaga Beach. This recovery process was an excellent example of these stewardship programs.

The Speaker (Hon. Dave Levac): Supplementary.

Mr. Phil McNeely: Thank you, Minister. I'm glad that your ministry is working hard to protect threatened species such as the piping plover, and that these efforts were recognized by the Environmental Commissioner of Ontario.

I have a keen interest in preserving the environment and our province's rich biodiversity, and the Species at Risk Stewardship Fund sounds like a great way for the people of Ontario to get involved and assist in that goal. Through increased knowledge and awareness, we can all play a role to protect Ontario's natural spaces, and the plants and animals that live in them.

Could you please elaborate for the members of this House some of the projects that local groups have put into action to preserve our province's rich biodiversity?

Hon. David Oraziatti: Again, thanks to the member for the question. Earlier in March, our ministry announced that it would be supporting 103 different projects through our Species at Risk Stewardship Fund in the 2014-15 year. Up to \$5 million in funding will be allocated to 75 new projects and 28 ongoing multi-year projects.

The number of projects taken up by local community members in our province demonstrates the dedication that Ontarians have to protecting our natural resources. One of these important projects includes an initiative by the High Park Nature Centre. They will lead an innovative urban bat project to learn about the brown bat and northern long-eared bat, which are both species at risk. As well, the Canadian Wildlife Federation will work to better understand concerns with the American eel in the Ottawa River.

These are just two of the many projects we have taken on, and that local community groups have supported, that demonstrate our commitment to protecting biodiversity in Ontario.

CHILDREN'S MENTAL HEALTH SERVICES

Mr. Bill Walker: My question is to the minister of health, children and youth services. Children's mental health agencies are exasperated. One in five young people in Ontario—

Interjections.

The Speaker (Hon. Dave Levac): Stop the clock, please.

You've put two ministries together. I need to know which one.

Mr. Bill Walker: Sorry, Speaker. Children and Youth Services.

Children's mental health agencies are exasperated. One in five young people in Ontario needs mental health services. Demand is going up, and so are wait times. Among the many expert groups that have expressed concern, there is a consensus that we're facing a tsunami.

Although your government claims to be increasing services, kids' mental health services in Ontario have been in fact grappling with unprecedented cuts to their operational funding over the years, while residential services have not seen any investment at all.

As the minister responsible, what are you prepared to do to remedy the situation and help these kids in need?

Hon. Teresa Piruzza: Thank you for the question with respect to children-and-youth mental health. As we know, the first three years of our Ontario comprehensive mental health strategy was focusing on children, and we have made a big difference in our communities over that period of time.

However, I believe the member opposite also recognizes that we recently released our Moving on Mental Health strategy, which directly will impact this sector and is in direct response to what we've been hearing from parents, because certainly we have been hearing from parents, from families, from youth and children. We've put together the strategy. I'll let you know a little bit more about the strategy in the supplementary. Certainly, our commitment to children's mental health remains strong.

The Speaker (Hon. Dave Levac): Supplementary?

Mr. Bill Walker: Kids need action, not more strategy and study. Mr. Speaker, I question this minister's commitment to the children and youth she's tasked with advocating for. I respectfully remind her that the agencies she's responsible for have had their budgets decrease steadily in relation to the inflation rate. Since 1992, this sector has seen a meagre 8% overall increase. As such, many could close doors and send kids to the hospital emergency department as a last resort, the most costly form of care.

Having wasted \$1 billion on gas plants and sent millions overseas in debt interest charges, will the minister identify where she will find the money to fund community-based children's mental health programs and services?

Hon. Teresa Piruzza: Again, with respect to children's mental health, we have in fact been increasing our investments in our communities. We have increased our mental health workers in schools in all our communities. We have added 770 new mental health workers in our communities. Our budget will grow to \$93 million for children's mental health.

Our Moving on Mental Health strategy will ensure that there's a lead agency, so that parents don't have to tell their stories over and over again. We'll bring com-

munities together. We'll ensure that the system is easy for parents.

I have certainly been listening to parents and our youth, and we will continue to do that. We have been acting. It's not just a strategy; it's not just words. We are absolutely committed to children's mental health.

FRENCH-LANGUAGE EDUCATION

ÉDUCATION EN FRANÇAIS

Mr. Michael Prue: My question is to the Minister of Education. I have been working with a group of French-language parents in my riding. The Coalition de parents pour une école secondaire de quartier is furiously working towards securing space for a French-language secondary school in east Toronto. There are 1,000 French-language students in desperate need of a high school that has the full facilities of a regular public or Catholic school. Currently in Toronto, Collège français, located downtown, can only house 399 students.

Est-ce que la ministre peut me dire pourquoi les élèves francophones de l'est de Toronto sont obligés de se déplacer jusqu'au centre-ville ou de transférer vers une école de langue anglaise pour faire leurs études secondaires?

Hon. Liz Sandals: I think the answer here is that when you look at the investment we have made in new French-language schools—so people understand we're talking here about French-as-a-first-language school boards, the French public and French Catholic school boards—in fact, we have spent about \$1.3 billion, investing in new schools for the two French-language school boards over the past 10 years. There has been a significant investment in schools.

The way the process works is that we ask the school boards each year to submit their capital plans and to identify their priorities and to present a business case for each school for which they are requesting funding, and we look at those business cases. We have announced, in this recent announcement that we're making, a number of new French Catholic schools and French public schools.

The Speaker (Hon. Dave Levac): Supplementary?

Mr. Michael Prue: Speaker, there are 1,000 French-language students in the east end of Toronto, and that number is set to increase by 50% in the next three to four years. The minister needs to know that this is an urgent need, but it seems there is no plan in place to address it. In an effort to secure a high school in our neighbourhood, both public and Catholic school parents are working together in order to secure school space that currently exists in underutilized schools.

1130

Quand est-ce que la ministre va s'engager à rencontrer ces parents et à travailler avec eux pour trouver une école dans l'est de Toronto pour les élèves francophones du quartier?

Hon. Liz Sandals: I can only repeat that the process is—for the relevant school boards, the French public and

the French Catholic school boards—to identify the schools and present those in their capital plan. They are responsible for making those business cases.

But just to reassure the member, in fact, we have actually announced 12 new French-language schools in this year's capital plan. But the boards need to put forward the business cases, because we have actually provided capital for Viamonde, for example, the French public board that is responsible for Toronto. I was very delighted to announce new schools for both of the boards that work in the Toronto area. I just want to assure the member that we are flowing money to—

The Speaker (Hon. Dave Levac): Thank you. New question.

PROPANE SAFETY

Mr. Kevin Daniel Flynn: I've got a question this morning for the Minister of Consumer Services. Minister, in my riding of Oakville, we've got many businesses, both small and large, that sell and use propane on a daily basis. I've always understood the need for the careful use of propane and the safety requirements for propane handling in business. As a very volatile product that needs to be handled carefully to protect both workers and the public, it's important that there be comprehensive regulations and requirements around the storage and handling of this product, and we need robust certification requirements for businesses and individuals who work with the product.

Given the importance of safe propane handling, Minister, would you please share specifically how the government ensures that we have safe handling and storage of propane in Ontario?

Hon. Tracy MacCharles: I want to thank the member from Oakville for raising this very serious and important topic related to public safety. Proper handling and storage of propane is very important to maintaining and promoting safety in Ontario. That's why we continue to implement the recommendations from the Propane Safety Review Panel of 2008. We've already implemented measures such as annual inspections, propane transfer facilities, increased training requirements for employees, and risk and safety management plans as part of the licensing process. The implementation of these recommendations has gone a long way to enhance public safety in Ontario.

As the public sector regulator, the Technical Standards and Safety Authority, known as the TSSA, is charged with overseeing the requirements and the business of handling propane. The ministry works very closely with the TSSA.

The Speaker (Hon. Dave Levac): Supplementary.

Mr. Kevin Daniel Flynn: Thank you to the minister for informing the House today about the regulations and requirements that the government already has in place to ensure that the public safety in Ontario with regard to the storage and handling of propane is well handled. It's comforting to hear that we've taken action to ensure

public safety when dealing with a product as volatile as propane.

However, as the representative of a riding where there's a large number of small businesses and small business owners that use and sell propane, I've also heard concerns about the overregulation of businesses that need to use propane on a daily basis. It's important to me that sufficient public safety is maintained, but it's got to minimize the burden on business as well.

Minister, I've heard that your ministry is looking at specific measures to achieve such a result. Would you please inform the House what those new initiatives are that you currently have under consideration?

Hon. Tracy MacCharles: I'm very happy to have the opportunity to inform the House about the proposals to enhance the propane safety regime in Ontario and the ones that are currently under consideration.

The proposals aim to improve safety while minimizing the burden on business by increasing efficiency and simplifying regulatory requirements. Proposals put forward for consideration range from a change in the inspection model to streamlining the approval process and simplifying training requirements. Some of these proposals arise from the recommendations received from the Propane Safety Review Panel that stated that the TSSA should inspect facilities annually until enough data has been gathered to develop alternative approaches to enforcement. Staff continue to accept and review public feedback on these proposals that look to relieve the regulatory burden on business while of course maintaining and enhancing public safety.

HEALTH CARE

Mr. Ted Arnott: My question is for the Minister of Health. As we know, Kalydeco is a new drug which appears to be a miracle treatment for some cystic fibrosis patients, and it gives hope to families with loved ones who are suffering from it.

In recent weeks, we have listened to the government's lame excuses for the delays in the approval of funding for Kalydeco for cystic fibrosis patients like Madi Vanstone, but it's not just Madi Vanstone. In my riding, I have been approached by three families who have been affected by cystic fibrosis and to whom Kalydeco represents hope—three families in my riding. Today I'm standing up for Maddie Phipps and Shannon and Matthew Bain, all of Georgetown; and Lindsay Shaw of Fergus—all of whom have cystic fibrosis and all of whom need Kalydeco.

My question to the minister is simple: Why are these families being forced to wait so long for her to announce funding for Kalydeco?

Hon. Deborah Matthews: I want to be very clear that Kalydeco is a drug that offers real hope for some people with cystic fibrosis. I know that. I think it's important, though, that we do negotiate for these drugs. We have worked on a pan-Canadian approach on this drug and 29 other drugs, and we have successfully reached agreement

with drug companies at prices that make us able to fund more drugs for more people.

For the opposition parties to suggest that we simply pay whatever price the pharmaceutical company says they want to charge us is simply irresponsible. It was not their practice when they were in office, and I can assure you that it's important that we negotiate the prices. I hate to say this, but some pharmaceutical companies are relying on this kind of public pressure so they can charge higher prices than they're charging in other jurisdictions.

The Speaker (Hon. Dave Levac): Supplementary.

Mr. Ted Arnott: Well, Mr. Speaker, the minister knows we're standing up for our constituents, and she should understand that. It has now been more than a year since I first raised this issue with the minister, and we're still waiting.

I first raised the issue of Kalydeco with the minister in December 2012, in an email to her office. I spoke to her personally on February 20 last year, and again on March 20 last year. I raised the need for Kalydeco funding in the Legislature in debate a year ago tomorrow. I followed up in question period on May 2 last year, when I specifically asked the minister to commit to doing everything she could to expedite the process to approve this drug. While the government appears to be hiding behind a broken process, families worry and wait for more than a year.

When will the minister announce approval for funding for Kalydeco for Ontario cystic fibrosis patients?

Hon. Deborah Matthews: Speaker, I think it's important that the member opposite acknowledge that the pharmaceutical company, Vertex, a US-based pharmaceutical company, was funded to the tune of \$75 million, plus an additional \$75 million promised, for the development of this drug by the Cystic Fibrosis Foundation in the United States. This research and development was funded by the public. I think when people donated to that cause, they expected that patients would benefit. I think the company, Vertex, needs to be held to account. They need to negotiate. We ought not to pay higher prices for this drug than in other jurisdictions.

If you really care about this, I urge you to contact the pharmaceutical company and say, "Take your responsibility to the people with cystic fibrosis seriously. Negotiate with us as Canadians. Canadian children"—

The Speaker (Hon. Dave Levac): Thank you.

There are no deferred votes. This House stands recessed until 3 p.m. this afternoon.

The House recessed from 1139 to 1500.

INTRODUCTION OF VISITORS

The Speaker (Hon. Dave Levac): Introduction of guests. Introduction of guests? Last call for introduction of guests. The member from Parry Sound–Muskoka.

Mr. Norm Miller: I was hoping there would be some other introductions because I was trying to delay for one person to make it into the chamber.

The Speaker (Hon. Dave Levac): So was I.

Mr. Norm Miller: I wanted to welcome to the Legislature, from my Bracebridge constituency office today, sitting on the members' west side, Karen Gauvreau and Yvonne Parkhill, both from my Bracebridge constituency office. Shortly to join them will be Marcia Morrison, who works in the Toronto office. They're down here in Toronto today to pay tribute to Marcia Morrison. This will be her last week after 11 years of working for me, including six years in the whip's office, where she looked after every whim of the PC caucus. I hope that members will stop around to my office, room 440—members of all parties who know Marcia and any of their staff, of course, or other folks here at the Legislature—to thank Marcia this afternoon between 4 and 6. Is Marcia here yet? She's not here. Thank you.

The Speaker (Hon. Dave Levac): We do have patience for that kind of introduction, as opposed to a statement.

MEMBERS' STATEMENTS

MIDDLESEX HOSPITAL ALLIANCE

Mr. Monte McNaughton: It's my honour to rise today to pay tribute to the Middlesex Hospital Alliance, who, for the first time, achieved an award of accreditation with exemplary status, the highest rating a Canadian health care provider can receive.

Accreditation Canada is an independent, not-for-profit organization that sets standards for quality and safety in health care and accredits health organizations in Canada and around the world. Middlesex Hospital Alliance achieved a compliance rate of 98.7%. In addition, they met all 36 required organizational practices which an organization must have in place to enhance patient safety and minimize risk.

Middlesex Hospital Alliance also recently adopted the HUGO program, which is an important step that will result in further patient care and patient safety improvements. With HUGO, the hospital alliance is shifting from paper processes to electronic technology for ordering tests, prescribing medication and adding bar-coding to make sure the right patient is receiving the right medication at the right time.

Allow me to offer my congratulations to the Middlesex Hospital Alliance, to their president and CEO Todd Stepaniuk, and the entire team on these outstanding announcements that will enhance front-line services for hospital patients in my riding of Lambton–Kent–Middlesex. Congratulations.

ARTS AND CULTURAL EVENTS

Mr. Rosario Marchese: Trinity–Spadina is blessed with many cultural organizations that provide excellent arts programming and events for the public, often for free. These events not only entertain local families and

educate schoolchildren; they attract tourists and support our growing creative economy, providing good jobs.

Many of these events would not be possible without the welcome support of the Ontario Cultural Attractions Fund. These Trinity–Spadina attractions include internationally known events like the Toronto International Film Festival and the International Festival of Authors at Harbourfront Centre; performances by the Toronto Symphony Orchestra and the National Ballet of Canada; and special exhibitions at the Royal Ontario Museum and the Bata Shoe Museum.

But Trinity–Spadina also nurtures smaller events that are growing in recognition and impact, like the Hot Docs and Reel Asian film festivals as well as the Redpath Waterfront Festival.

I would like to thank these organizations for their contributions to the cultural life and prosperity of Trinity–Spadina and the province as a whole.

BLIND HOCKEY TOURNAMENT

Mrs. Laura Albanese: Last weekend I was pleased to attend the opening ceremonies of the 2014 Courage Canada National Blind Hockey Tournament, held at the Mattamy Athletic Centre, the former Maple Leaf Gardens. The tournament featured 65 players from across Canada and the United States.

Courage Canada's national headquarters are in York South–Weston, because the organization was founded by Weston resident Mark DeMontis.

Courage Canada does fantastic work all across the country to grow the sport of blind hockey, working with district school boards' vision programs to inspire and empower boys and girls who are blind or visually impaired to learn to skate and try blind hockey.

Since 2008, Mark DeMontis, who is legally blind himself, has worked very hard to establish a national tournament, and has run more than 75 skating field trips for more than 325 boys and girls from Halifax to Victoria.

I am very pleased to see that the province of Ontario is supporting the efforts of Courage Canada, with the Ontario Trillium Foundation granting almost \$17,000 to support the tournament. This funding has helped Courage Canada pay for adaptive pucks, ice rentals, and accommodations for the tournament.

The tournament has been a great success and has helped Courage Canada promote and broaden access to, and improve the quality of, active living programs for blind and visually impaired youth.

I want to congratulate them, Mr. Speaker. It's a great organization.

ROAD SAFETY

Mrs. Gila Martow: The Canadian Automobile Association, also known to most of us as the CAA, is the leading advocate for overall road safety in Ontario. As CAA's South Central Ontario club is located in my riding

of Thornhill, I wish to acknowledge the launch of this year's Worst Roads campaign, and I look forward to the Best Roads campaign after they're all fixed.

CAA actively represents its members on numerous issues ranging from distracted driving to cycling and school safety. One key area that CAA advocates on is road infrastructure. Road users, drivers, cyclists and, yes, pedestrians know that our climate is a factor in creating potholes and in deteriorating our roads. CAA's campaign provides Ontarians with an opportunity to nominate the road they feel is best deserving of the Worst Road title.

In 2013, Dufferin Street in Toronto was named Ontario's Worst Road for the second consecutive year. In fact, five of the top 10 roads last year were located in the greater Toronto and Hamilton area.

The campaign results are instrumental in assisting municipal and provincial representatives to understand which areas of Ontario need to be prioritized and targeted. For over a decade, improvements have been made because of CAA's efforts, including the resurfacing and revitalization of Steeles Avenue that borders Toronto, York region, and, yes, my riding of Thornhill. The issue is serious, and the campaign garners considerable attention and actually works.

Congratulations to CAA for its continuous efforts to provide a forum for road users and help inform government. I, along with many Ontarians, will make my submission to the Worst Roads campaign, and I thank them for their ongoing leadership.

FUNDRAISING DINNER

Mr. Paul Miller: This Thursday, March 27, the Hamilton and District Labour Council will host its fourth annual United Way fundraising dinner. Tickets are sold primarily to local unions and their members.

The contributions of our local unions are noted on the United Way of Burlington and Greater Hamilton website, where it states: "We proudly recognize the local members of the ... unions who actively supported United Way through their partnership on workplace campaigns at unionized workplaces across our community. On behalf of United Way Burlington and Greater Hamilton, and the Hamilton and District Labour Council, thank you for your generosity and commitment."

This event was the initiative of Mary Long, president of the Hamilton and District Labour Council. Although it takes many hands to have successful events like this, I know that recipients of the funds raised want to say a special thanks to her.

The event should raise around \$10,000 on Thursday, and the labour council guarantees that as a minimum donation.

1510

The beauty of this event is that it truly lets folks connect without long speeches. The only speakers are the CEO of the United Way and Mary herself.

On behalf of our Hamilton community, I want to extend our sincere thanks for the wonderful work of these two extraordinary Hamilton organizations.

PUBLIC ACCOUNTABILITY

Mr. John Fraser: I'm pleased to stand today and speak about Bill 179, the Public Sector and MPP Accountability and Transparency Act. I would like to congratulate the Minister of Government Services on this broad-ranging and important piece of legislation. I'm also pleased that my first private member's bill, the Transparency in Members' Expenses Act, was incorporated into the bill.

I believe that, as legislators, we must lead the way and lead by example. Bill 179 provides us with that opportunity. If passed, this bill will strengthen political accountability, enhance oversight and increase transparency in the government and the broader public sector.

It will also extend the role of the Ontario Ombudsman to include municipalities, school boards and publicly funded universities. It will establish a patient Ombudsman for public hospitals, long-term-care homes and community care access centres, and it will give the Provincial Advocate for Children and Youth further authority to investigate matters relating to children and youth involved in the child protection system.

Bill 179 is part of Premier Wynne's commitment to lead the most open and transparent government in the country. The Ontario Ombudsman, André Marin, has described Bill 179 as a historical change, one that has been 35 years in the making.

Bill 179 is bold legislation. It can and should be supported by all members of this Legislature. It's a bill that we can all be proud to pass to ensure that, as members, we lead by example.

PREMIER'S COMMENTS

Mr. Todd Smith: We have a tradition in this country of politics stopping at the water's edge, particularly as this applies to the relationships between our provincial and federal governments. When Canadian Prime Ministers go abroad, Premiers have generally respected that foreign affairs and its conduct are the purview of the federal government, and that Prime Ministers, when they're abroad, are representing Canada and ought to be absent from the political conversation in Canada.

It was disgraceful that the current Premier sought to break this tradition this weekend in order to score some cheap political points before a braying crowd of Liberal insiders. The Prime Minister was the first leader of a G7 nation to visit Ukraine amidst the current turmoil in that country. Canada's stance against Russian aggression and tyranny is the strongest of our allies.

With the Prime Minister overseas, the Premier took her chance at the Liberal convention last weekend to attack him. It used to be that the Premier of Ontario was the second most powerful political office in the country,

a status that we've seen decline under the current Premier and her predecessor.

The Premier of Ontario had a diplomatic duty to the country not to play cheap political tricks to undermine the Prime Minister while they were engaged in the sensitive work of foreign affairs. Rather than stand with the Prime Minister this weekend as he supported the people of Ukraine, the Premier chose to try and score political points.

I join my PC caucus colleagues in supporting Canada's efforts to defend Ukraine and Ukrainians in their time of need.

The Premier likes to ask what leadership is. If she can't practise it and she doesn't know, then she'll never be what Ontario needs.

INCOME INEQUALITY

Mr. Mike Colle: I'd like to congratulate all the participants in a town hall we had last Thursday on income inequality and fighting poverty. The participants included the host, Pastor Rick Zelinsky from the Salvation Army church at Yonge and Eglinton, and we even had an incredible visit from the Anglican archbishop of Toronto, Colin Johnson, who spoke about income inequality.

We had participation from the Fairlawn Avenue United Church, Catholic Charities of the Archdiocese of Toronto, St. Clement's Anglican Church and Eglinton St. George's United Church, and we also had an amazing performance by Jaydahmann—Andrew Cox—and Krystle Chance, who sang Sam Cooke's famous song "A Change is Gonna Come."

We had an incredible event where community leaders from North York Community House, North York Harvest Food Bank, Art Starts and Virginia Mills from Voices for a Just Society came together to raise awareness about the need to fight income inequality and to do something about reducing the root causes of poverty in this great province. Thanks to all of them for taking time to participate in dealing with income inequality.

DAVID EULER

Mr. Victor Fedeli: It gives me great personal pleasure to stand today to pay tribute to a friend, David Euler, who will be recognized as a companion of the order of the Professional Engineers Ontario on April 28 in Niagara Falls.

We hired David at the city of North Bay, where he has earned the respect of his colleagues throughout the years for wonderful contributions to the profession in Ontario and across Canada, through three decades of active involvement.

He played a leading role in all of the chapter's major initiatives, including its largest, the annual Engineers' Day symposium, for which he developed a planning tool in 2002 that is still used by the organizers today.

As the organization's council chair, he helped move forward significant changes to the Professional Engineers

Act, measures to increase labour mobility for engineering licence holders across Canada and a new governance model for Engineers Canada. He is now the PEO's appointee to their board.

He now helps steer development of PEO's Ontario Centre for Engineering and Public Policy as vice-chair of its advisory board.

David epitomizes dedication to his profession, and he is a credit to it, the city of North Bay and his family as well.

On behalf of all residents of Nipissing, I congratulate David on his well-deserved honour.

The Speaker (Hon. Dave Levac): The Minister of Finance on a point of order.

Hon. Charles Sousa: Mr. Speaker, I seek unanimous consent that the question on the motion for second reading of Bill 177, An Act to amend the Legislative Assembly Act, be immediately put without further debate or amendment; and

That the bill be ordered for third reading; and

That the order for third reading of Bill 177 be immediately called; and

That the question on the motion for third reading of the bill be put without debate or amendment.

The Speaker (Hon. Dave Levac): Do we agree? I heard a no.

The member from Welland on a point of order.

Ms. Cindy Forster: I actually wanted to introduce a motion. Are we at that opportunity? We're not at motions yet?

The Speaker (Hon. Dave Levac): Just by way of explanation: You do not introduce motions; the government introduces motions. You can seek unanimous consent.

Ms. Cindy Forster: That's exactly what I want to do.

The Speaker (Hon. Dave Levac): Okay.

Ms. Cindy Forster: I seek unanimous consent that, after the completion of the NDP leadoff speech on Bill 177, the question be put on the motion for second reading of the bill without further debate and the bill be referred to the Standing Committee on Regulations and Private Bills.

The Speaker (Hon. Dave Levac): Do we agree? I heard a no.

ROYAL ASSENT

SANCTION ROYALE

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

The Deputy Clerk (Mr. Todd Decker): The following are the titles of the bills to which His Honour did assent:

An Act to proclaim Children and Youth in Care Day / Loi proclamant le Jour des enfants et des jeunes pris en charge.

An Act to proclaim Pope John Paul II Day / Loi proclamant le Jour du Pape Jean-Paul II.

An Act to proclaim the month of January Tamil Heritage Month / Loi proclamant le mois de janvier Mois du patrimoine tamoul.

REPORTS BY COMMITTEES

STANDING COMMITTEE ON GOVERNMENT AGENCIES

The Speaker (Hon. Dave Levac): I beg to inform the House that today the Clerk received a report on intended appointments dated March 25, 2014, of the Standing Committee on Government Agencies.

Pursuant to standing order 108(f)(9), the report is deemed to be adopted by the House.

Report deemed adopted.

1520

INTRODUCTION OF BILLS

BOB MACKIE ACT, 2014

LOI BOB MACKIE DE 2014

Mr. MacLaren moved first reading of the following bill:

Bill 180, An Act to amend the Niagara Escarpment Planning and Development Act / Projet de loi 180, Loi modifiant la Loi sur la planification et l'aménagement de l'escarpement du Niagara.

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

First reading agreed to.

The Speaker (Hon. Dave Levac): The member for a short statement?

Mr. Jack MacLaren: Mr. Speaker, the bill, the Bob Mackie Act, 2014, amends the Niagara Escarpment Planning and Development Act to provide that, for the purposes of the Niagara Escarpment plan, the permitted use described as "agricultural operation" is deemed to include the operation of an archery range and any other incidental uses or facilities.

I look forward to support of this bill in honour of Bob Mackie.

REDUCING GRIDLOCK AND IMPROVING TRAFFIC FLOW ACT, 2014

LOI DE 2014 VISANT À RÉDUIRE L'ENGORGEMENT ROUTIER ET À AMÉLIORER L'ÉCOULEMENT DE LA CIRCULATION

Mrs. Martow moved first reading of the following bill:
Bill 181, An Act to require the establishment of an advisory committee to make recommendations to the

Minister of Transportation and the Minister of Community Safety and Correctional Services for the improvement of highway incident management / *Projet de loi 181, Loi exigeant la constitution d'un comité consultatif pour formuler des recommandations au ministre des Transports et au ministre de la Sécurité communautaire et des Services correctionnels en ce qui concerne l'amélioration de la gestion des incidents de la route.*

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

First reading agreed to.

The Speaker (Hon. Dave Levac): The member for a short statement?

Mrs. Gila Martow: Basically, the bill requires the ministers mentioned and the commissioner of the OPP to establish an advisory committee because of all the incidents we're seeing on our highways, including this morning, where the 401 was blocked to the east of Toronto.

We want to provide public education programs to improve driver behaviour in circumstances involving highway incidents, reduce the time for appropriate authorities to detect and verify highway incidents, and to clear highways after the occurrence of these types of incidents, providing timely and accurate information about highway incidents to drivers, and enhancing the safety and security of Ontario's highways.

Within 60 days after receiving the advisory committee's report, each minister must inform the assembly of the recommendations that he or she will implement.

PETITIONS

ONTARIO DRUG BENEFIT PROGRAM

Mr. Monte McNaughton: I have a petition addressed to the Legislative Assembly of Ontario.

"Whereas Health Canada has approved the use of Esbriet for patients with idiopathic pulmonary fibrosis (IPF), a rare, progressive and fatal disease characterized by scarring of the lungs; and

"Whereas Esbriet, the first and only approved medication in Canada for the treatment of IPF, has been shown to slow disease progression and to decrease the decline in lung function; and

"Whereas the lack of public funding for Esbriet is especially devastating for seniors with IPF who rely exclusively on the provincial drug program for access to medications;

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

"Immediately provide Esbriet as a choice to patients with idiopathic pulmonary fibrosis and their health care providers in Ontario through public funding."

I support this petition and have affixed my name to it.

ÉDUCATION EN FRANÇAIS

M^{me} France Gélinas: J'ai cette pétition qui nous vient des gens de l'est de Toronto.

« Étant donné que le paragraphe 23 de la Charte canadienne des droits et libertés garantit l'accès à une éducation de langue française financée par les fonds publics;

« Étant donné que plus de 1000 élèves fréquentent actuellement les écoles élémentaires francophones situées dans le secteur Toronto-Est...;

« Étant donné qu'il a été documenté que les enfants délaissent le système d'éducation francophone pour intégrer des systèmes anglophones entre la 8^e et la 9^e année d'études pour des raisons d'inaccessibilité à l'école secondaire...;

« Étant donné que le gouvernement de l'Ontario a reconnu, en février 2007, qu'il y a pénurie importante d'écoles francophones dans le grand Toronto...;

« Étant donné que le ministère de l'Éducation a confirmé que tous et toutes bénéficient de l'utilisation optimale des biens immobiliers des conseils scolaires pour soutenir une éducation financée par les fonds publics...;

« Étant donné que devant l'impossibilité de trouver un édifice ou un terrain sur le territoire de Toronto-Est, un conseil scolaire a résolu de construire une école secondaire francophone à Scarborough, loin du quartier où se trouve la plus importante concentration d'élèves francophones, une option qui est rejetée par la vaste majorité des familles concernées...;

« Étant donné que parents et élèves des écoles francophones catholiques et publiques du quartier sont prêts à partager ensemble ou avec un conseil scolaire anglophone une école actuellement sous-utilisée du quartier... »

Ils demandent à l'Assemblée législative « que le ministre de l'Éducation intervienne pour localiser une école secondaire sous-utilisée du quartier Riverdale-Danforth, Beaches-East York et Leslieville qui pourra être vendue aux deux conseils scolaires francophones (catholique et public) ou partagée avec ces derniers afin que chacun ouvre leur école secondaire francophone respective (de la 7^e à la 12^e année d'études) en septembre 2014 pour accueillir des élèves francophones qui n'auront plus à choisir entre un déplacement sur une grande distance pour fréquenter une école secondaire francophone et le délaissement à leur éducation en langue française au profit d'une éducation de quartier en langue anglaise, pour jouir du même droit que leurs contreparties de langue anglaise, soit de fréquenter une école secondaire située dans leur quartier. »

J'appuie la pétition. Je vais y signer mon nom et je demande à la page Bani de l'amener à la table des greffiers.

ONTARIO COLLEGE OF TRADES

Mr. Todd Smith: “To the Legislative Assembly of Ontario:

“Whereas the recently created Ontario College of Trades is planning to hit hard-working tradespeople with new membership fees that, if the college has its way, will add up to \$84 million a year;

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

“That the Liberal government stop their job-killing trades tax and shut down the Ontario College of Trades immediately.”

I agree with this and will send it to the table with page Jane.

LONG-TERM CARE

Mr. Victor Fedeli: I have a petition to the Legislative Assembly of Ontario:

“Whereas quality care for the 77,000 residents of long-term-care (LTC) homes is a priority for many Ontario families;

“Whereas over the last 10 years 50% of Ontario’s hospital-based complex continuing care beds have been closed by the provincial government; and, there has been a 29.7% increase in the acuity level of LTC residents and 73% of LTC residents in Ontario suffer from some form of Alzheimer’s or dementia;

“Whereas the provincial government does not provide adequate funding to ensure care and staffing levels in long-term-care homes keeps pace with residents’ increasing acuity and a growing number of residents with complex behaviours such as dementia and Alzheimer’s;

“Whereas there is extensive evidence that a care standard can result in increased staff levels, which translates into improved quality of care for residents;

“Whereas for over a decade several Ontario coroner’s inquests into nursing deaths have recommended an increase in direct hands-on care for residents and increase in staffing levels;

“Whereas the Ontario Liberal government first promised a legislated care standard for residents in the province’s long-term-care homes in 2003 but in 2013 they have yet to make good on their promise;

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“Whereas the Long-Term Care Homes Act (2007) empowers the provincial government to create a minimum standard—but falls short of actually creating one;

“Whereas the most detailed and reputable study of minimum care standards recommends 4.1 hours of direct care per day; and

“We, the undersigned, petition the Legislature of Ontario as follows:

“(1) An amendment must be made to the Long-Term Care Homes Act (2007) for a legislated care standard of a minimum four hours per resident each day adjusted for acuity level and case mix;

“(2) The province must increase funding in order for long-term-care homes to achieve a staffing and care standard and tie public funding for homes to the provision of quality care and staffing levels that meet the legislated minimum care standard of four hours;

“(3) To ensure accountability the province must make public reporting of staffing levels at each Ontario LTC home mandatory;

“(4) The province must immediately provide funding for specialized facilities for persons with cognitive impairment who have been assessed as potentially aggressive, and staff them with sufficient numbers of appropriately trained workers;

“(5) The province must stop closing continuing care beds and alternative-level-of-care beds to end the downloading of hospital patients with complex medical conditions to long-term-care homes.”

I affix my signature and hand this to page Caroline.

FRENCH-LANGUAGE EDUCATION

Mr. Michael Prue: I have a petition that reads as follows:

“For a local French secondary school (grades 7-12).

“To the Legislative Assembly of Ontario:

“Whereas section 23 of the Canadian Charter of Rights and Freedoms guarantees access to a publicly funded French-language education; and

“Whereas there are more than 1,000 children attending French elementary schools in Toronto East (Riverdale-Danforth, Beaches-East York and Leslieville—‘neighbourhood’), and the numbers continue to grow, yet there is no French secondary school (grades 7-12) in the neighbourhood, rather, many students need to travel two hours every day to attend their ‘local’ secondary school while several English schools in the neighbourhood sit half-empty as there are no requirements or incentives for the boards that own the half-empty schools to release them to other boards in need; and

“Whereas it is well documented that children leave the French-language system for the English-language system between grades 8 and 9 because of the inaccessibility of French-language secondary schools and it is also well established that being educated in French at the elementary level is not sufficient to solidify French skills for life; and

“Whereas the Ontario government acknowledged in February 2007 that there is an important shortage of French-language schools in all of Toronto and even provided funds to open some secondary schools, and the commissioner of French-language services stated in his report back in June 2011 that ‘... time is running out to address the very serious shortage of at least one new French-language school at the secondary level in the eastern part of the city of Toronto,’ yet to date, not a single secondary school has been opened in our neighbourhood; and

“Whereas the Ministry of Education has confirmed that we all benefit when school board properties are used

effectively in support of publicly funded education and that the various components of our education system should be aligned to serve the needs of the French-language and English-language students, and yet, to this day, has failed to address the situation of unused surplus school properties and to change Ontario regulation 444/98 to support more effective and efficient use of real estate; and

“Whereas as a result of their inability to locate a building or piece of land in Toronto East, one school board’s solution is to build a French secondary school in Scarborough, far from the neighbourhood where the biggest concentration of French students reside, an option that is rejected by the vast majority of families that would be affected by this decision as it will merely perpetuate the problems presently faced by these children; and

“Whereas parents and students both from French Catholic and French public elementary schools in the neighbourhood are prepared to share with each other or with an English school board, an existing underutilized school in the neighbourhood, and in so doing, find common ground and mutual benefits, across all language school systems;

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

“That the Minister of Education intervene to locate an underutilized secondary school building in the neighbourhood of Riverdale-Danforth, Beaches-East York and Leslieville that may be sold to or shared with both French school boards (public and Catholic) so that each may open their respective French secondary school (grades 7 to 12) by September 2014 and so that French students no longer must choose between travelling great distances to attend a French secondary school or giving up their French education in favour of a local English school and so that they may have the same benefit as their English counterparts, the right to attend a local secondary school in their neighbourhood.”

I’m in agreement with this petition. I will affix my signature and give it to page Callista.

CHARITABLE GAMING

Mr. Rick Nicholls: “To the Legislative Assembly of Ontario:

“Whereas the government of Ontario, through the Alcohol and Gaming Commission of Ontario, levies the Ontario provincial fee on the sale of break-open tickets by charitable and non-profit organizations in the province; and

“Whereas local hospital auxiliaries/associations across the province, who are members of the Hospital Auxiliaries Association of Ontario, use break-open tickets to raise funds to support local health care equipment needs in more than 100 communities across the province; and

“Whereas in September 2010, the Alcohol and Gaming Commission of Ontario announced a series of changes to the Ontario provincial fee which included a reduction of the fee for certain organizations and the

complete elimination of the fee for other organizations, depending on where the break-open tickets are sold; and

“Whereas the September 2010 changes to the Ontario provincial fee unfairly treat certain charitable and non-profit organizations (local hospital auxiliaries) by not providing for the complete elimination of the fee which would otherwise be used by these organizations to increase their support for local health care equipment needs and other community needs;

“We, the undersigned, petition the Legislative Assembly of Ontario to eliminate the Ontario provincial fee on break-open tickets for all charitable and non-profit organizations in Ontario and allow all organizations using this fundraising tool to invest more funds in local community projects, including local health care equipment needs, for the benefit of Ontarians.”

I approve of this petition, sign my name to it and give it to page Zohaib.

GASOLINE PRICES

M^{me} France Gélinas: I have this petition that comes from the residents of Walden. They include Mr. Darwin Brunne as well as the women from the women’s institute on Penage Road. It reads as follows:

“Whereas northern Ontario motorists continue to be subject to wild fluctuations in the price of gasoline; and

“Whereas the province could eliminate opportunistic price gouging and deliver fair, stable and predictable fuel prices; and

“Whereas five provinces and many US states already have some sort of gas-price regulation; and

“Whereas jurisdictions with gas-price regulation have seen an end to wild price fluctuations, a shrinking of price discrepancies between urban and rural communities and lower annualized gas prices;

They petition the Legislative Assembly of Ontario to “mandate the Ontario Energy Board to monitor the price of gasoline across Ontario in order to reduce price volatility and unfair regional price differences while encouraging competition.”

I fully support this petition, will affix my name to it and ask page Urooj to bring it to the Clerk.

TAXATION

Ms. Laurie Scott: “Stop the Gas Tax Increase.

“To the Legislative Assembly of Ontario:

“Whereas the government is considering a 10-cents-per-litre increase on the provincial gas tax to fund mass transit; and

“Whereas the government’s alternative is to raise the gas tax five cents per litre and increase the harmonized sales tax by 0.5%; and

“Whereas many people in rural Ontario need to drive to get to and from work or school or to get groceries and other essentials and do not have the option of taking mass transit; and

“Whereas a 10-cents-per-litre increase of the gas tax places an unaffordable financial burden on many families; and

“Whereas the increase in the gas tax would cost the average Ontario household \$260 a year; and

“Whereas the government should cut waste to fund mass transit before taxing Ontarians;

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

“That the government of Ontario reduce waste and fund mass transit through methods that do not place an unnecessary financial burden on the people of Ontario, especially those who must drive to and from work or school.”

I sign my name to it and hand it to page Eli.

LONG-TERM CARE

M^{me} France Gélinas: I have this petition that comes, actually, from the Durham region. It reads as follows:

“Whereas there are a growing number of reported cases of abuse, neglect and substandard care for our seniors in long-term-care homes” and hospitals; and

“Whereas people with complaints have limited options, and frequently they don’t complain because they fear repercussions, which suggests too many seniors are being left in vulnerable situations without independent oversight; and

“Whereas Ontario is the only province in Canada—including the three territories—where our Ombudsman does not have independent oversight of long-term-care homes” and one of two without oversight of hospitals;

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They “petition the Legislative Assembly of Ontario to expand the Ombudsman’s mandate to include Ontario’s long-term-care homes” and hospitals “in order to protect our most vulnerable” citizens.

I fully support this petition, will affix my name to it and ask page Caroline to bring it to the Clerk.

ORDERS OF THE DAY

FIGHTING FRAUD AND REDUCING AUTOMOBILE INSURANCE RATES ACT, 2014

LOI DE 2014 DE LUTTE CONTRE LA FRAUDE ET DE RÉDUCTION DES TAUX D’ASSURANCE-AUTOMOBILE

Resuming the debate adjourned on March 17, 2014, on the motion for second reading of the following bill:

Bill 171, An Act respecting insurance system reforms and repair and storage liens / Projet de loi 171, Loi concernant les réformes du système d’assurance et le privilège des réparateurs et des entrepreneurs.

The Acting Speaker (Mrs. Julia Munro): Further debate?

Mr. Victor Fedeli: Thank you, Speaker, for the opportunity to speak to Bill 171 this afternoon. This bill is a continuation of a century-long drama when it comes to auto insurance in Ontario. It seems that whenever an election is near, auto insurance becomes a trendy concern, and we come out with some sort of legislation. That has resulted in lots of bureaucracy and lots of legislation piled on top of one another. It’s making the system too complicated and, in the end, very costly. In fact, we now have the highest auto insurance rates in our country.

We all recall that last year at budget time, we had the 15%-reduction promise by this government, propped up by the NDP, in order to prevent an election. But we’ve said for a long time that a unilateral cut to insurance rates without cost savings in the system would lead to unintended and negative consequences, and we’re seeing evidence of this now on two fronts.

Number one, availability of insurance: Late last year, State Farm sold its property and casualty business in Canada. They cited the Ontario auto insurance market as the key reason for this. We have a historical example we could have learned from. New Jersey promised to cut rates by 15% in 1998. Numerous companies left the marketplace at the time, making auto insurance very difficult to obtain. While rates did come down 15% over two years, lack of availability then led to a 27% spike in insurance premiums two years later.

Further, we’re starting to hear from various constituency offices that people with a few blemishes on their record are being dropped by their insurance carriers. Insurance carriers cannot drop a client during their policy but can refuse to renew a policy.

The second problem we’re seeing from this Liberal-NDP alliance is that bad drivers are getting the biggest discounts. In the most recent rate filings in January, the biggest winners were those insured by non-standard insurance. These companies insure the worst drivers, including those with multiple accidents.

I’d like to address some specifics of Bill 171. First of all, I’d like to talk about the changes in the dispute resolution process.

A year and a half ago, when the NDP were talking about territorial ratings for premiums, and the government wasn’t even talking about auto insurance, it was our party that recognized there were ongoing issues with the dispute resolution mechanism. The PC Party was the first to start talking about the issues with dispute resolution, and in fact, we addressed that in our auto insurance action plan.

The fact that we have 15 white papers on file, on issues ranging from social assistance, education, health care and post-secondary education to energy, Speaker, demonstrates that we’re the only party actually concerned with putting some thought into the difficult issues our province has faced. So that is why we brought up the dispute resolution mechanism before any other party did. By taking the time to speak with accident victims and various other stakeholders, it became clear early on that this aspect of the system was terribly broken. Then, when

the Auditor General released his annual report in 2011, the independent evidence supported what we were hearing. In a scathing report, the Auditor General noted that not only was the regulator, FSCO, not meeting its legislated customer service standards; it wasn't even close.

As set out in the Insurance Act, mediation is supposed to be completed within 60 days. So if someone gets in an accident and feels their insurance company is short-changing them, they can initiate a dispute. The first step of that dispute is to take part in a FSCO-administered mediation process. It is the hope of this process that the insurer and the claimant can agree to some type of mutually agreeable settlement in order to avoid going to the courts or to FSCO-administered arbitration. The initial process is supposed to be completed within 60 days. What the Auditor General noted in 2011 is that, due to substantial demand for mediation services, FSCO only had a 5% compliance within this timeline; 95% of the cases were not being resolved within 60 days. In fact, most applications at the time were being dealt with 10 to 12 months after the initial filings. This has led to a case backlog of more than 36,000 cases. That's a real problem that requires practical solutions from the government.

Did the NDP choose to talk about this? No. We talked about it, and continued to bring up this issue in the Legislature. Finally, after months of this, the Liberals did agree to review the dispute resolution process. They appointed Justice Cunningham to review the system and provide recommendations. Arguably, the biggest change that Bill 171 makes is to move the dispute resolution system out of FSCO's hands and into the Licence Appeal Tribunal in the Ministry of the Attorney General. This is as per the recommendation from Justice Cunningham.

We don't really object to this. The Attorney General's office does employ individuals who have backgrounds in dispute settlement and, therefore, the skills necessary to conduct mediations adequately. However, Bill 171 is being introduced for the purpose of reducing costs, so the government can deliver premium reductions. But we're not there yet. It's worth noting that insurance regulator FSCO is industry-financed, so moving any administrative function out of FSCO will reduce costs that industry have to pay FSCO. Therefore, it's conceivable the premiums could come down slightly. However, costs aren't really reduced at all. Now, rather than paying for the dispute resolution system through auto insurance premiums, Ontarians will pay for it through their taxes. If the goal of the bill is to reduce costs, this is nothing more than a shell game.

One area that I think this bill falls short on is that it makes no mention of the role of private mediation services. Back when FSCO was experiencing its highest backlog of mediation cases, they contracted out to private mediation services to help clear the backlog. Why isn't it an alternative? We recommended in our insurance action plan to open up the system to private mediations. Providing choice and expediting the mediation process has cost-saving implications. One change that I'm con-

cerned about is eliminating the option to pursue a dispute in court following mediation. As it stands now, once a dispute moves through the mediation stage without resolution, the claimant and the insurer will get together with respective legal counsel and decide whether to take the case to an arbitrator or the courts. Bill 171 eliminates the option of the courts. This is in line with Justice Cunningham's recommendations.

While a number of disputes arise that are strictly no-fault and would be best served by going through an arbitrator, some cases have both a no-fault and a tort component.

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Removing this option, therefore, has a number of implications:

(1) It removes the inherent fairness of allowing a local judge to decide an issue in dispute.

(2) It removes the right to sue for extra contractual damages, leaving such issues strictly in the purview of a tribunal not authorized to deal with equities of the situation.

(3) It causes more rather than less costs by forcing insurers and claimants to fight battles on two fronts rather than one on every case.

(4) Ultimately, it will reduce rather than enhance opportunities to access justice.

(5) Finally—Speaker, I'd like to touch on the cost aspect for one moment. This bill proposes that instead of dealing with a dispute with both the tort and no-fault components, people now have to pursue a dispute on several fronts, as I mentioned. That means two separate files, two separate forums of pursuing the dispute and two separate decisions to be made with respect to the dispute.

How can this possibly be more cost-effective and efficient than the current system? It simply cannot be. The current practice of combining those disputes under one suit makes more practical and more common sense. It's worth noting that lawyers on both sides of the dispute agree to this point. Trial lawyers who represent claimants and defendant lawyers who represent insurance companies both recognize that this change is not in the best interest of the system. That's a rarity in itself.

Lastly on this point, nowhere does this bill attempt to address the high demand for dispute resolution services. In his 2011 report, the Auditor General noted that the demand for dispute resolution services increased by 135% from 2006 to 2011. Justice Cunningham also made mention of this issue in his report.

I do want to talk about fraud. The minister himself, during his press conference, talked a lot about reducing fraud and using the PCs' idea from the last election of creating a task force of crown attorneys from the Attorney General's office to tackle fraud. We haven't seen any action on it yet, other than that he wants to create a 1-800 number, but we appreciate the direction.

The small part of the bill that deals with fraud deals with the licensing of health care clinics. Fraudulent health clinics in the GTA have been cited as one of the

key drivers of fraud-related costs in the system. Often these clinics are nothing more than fronts for a larger fraud ring. Back in August 2012, Ontario police arrested 65 people who were involved in such a fraud ring. It was quite a sophisticated crime ring. We need to recognize that a lot of fraud is organized.

In a report from KPMG, fraud is estimated to range between \$768 million to \$1.56 billion. When you average out that cost across Ontario, that's either \$116 or \$236 per premium paid.

In the GTA alone, the problem is much more severe. In the anti-fraud task force report released a year and a half ago, it was noted that 83% of the increase in accident benefit costs in Ontario between 2006 and 2010 occurred here in the GTA. This is over a period of time in which the MTO reported significant decreases in the number of reported vehicle accidents. Addressing this will reduce costs in the system that will benefit all Ontarians.

So, Speaker, what does Bill 171 provide in the way of health clinics? Essentially, the government wants to create a new licensing machine to be administered by FSCO that would pertain to the business practices of health clinics that bill insurance. Many health clinics treat clients for both non-auto and auto-related accidents. Fraud occurs typically on the auto side of things because the statutory benefits are richer than other insurance plans.

When we consider a clinic that must now get a licence to bill insurers, it becomes more burdensome to manage than all other aspects of the business. We don't disagree with the intent of the business. We don't disagree with the intent of the measure, but I'm concerned we're going to have another level of bureaucracy that harms small businesses and kills jobs. Perhaps we can discuss this aspect more at committee.

I want to contrast Bill 171 with our PC auto insurance plan for a moment and reiterate some of the dangers that we are going to see in this legislation with regard to auto insurance and the potential poor outcomes that may occur because of it.

The first part of our plan is to encourage competition and reduce excess bureaucracy. We'd like to adopt a file-and-use rate-setting process to allow companies to lower prices quicker, ensure greater market competitiveness and encourage a wider range of discount offerings for Ontario drivers. This file-and-use system would allow technology to enter our marketplace quicker. It could be of great benefit to seniors and also our new drivers in the province, whether they be young or they be new immigrants, who have got driver's licences so that we can get a true, accurate mechanic of how they're performing.

The current system of filing and waiting for a response from FSCO to go ahead with your rate increase inhibits the ability for us to utilize technology at its fullest. Right now, for an insurance company to raise or lower their rates, they have to create a report that is thousands of pages long, including all their mathematics and stats, using actuarial science to prove why their rate increase is a plus or a negative. It can somehow take between nine

months and a year to get a rate change in this province. If you want to be competitive and have lower rates, under this current system, it takes an insurance company up to a year to actually compete and lower rates. What we're saying here is that a file-and-use system would allow the auto insurance industry to compete. We would probably see State Farm remain in the marketplace. We might even see Progressive come back to the marketplace: Welcome back, Flo. We'd have more insurers competing for our business. That's what we want to see in this province.

The second point that we like to talk about, which I talked about in depth earlier, is the dispute resolution process. In the event of a claims dispute, the PC Party wants to allow people to opt for private mediations. This way, it will reduce wait times and costs associated with waiting with the government-appointed mediator. It will happen quicker. People will either come to an agreement sooner or it will be off to the courts or off to an arbitrator quicker. The sooner we can get somebody to get their agreement in place with the insurers, the sooner they can be treated, the sooner they can get healthier, the sooner they can get back to work and get back to a normal life. Unfortunately, some disputes last so long that a temporary injury, because it's not getting the necessary treatment, can become a permanent injury, and it then adds to the cost of the system.

We also want to establish a true, independent, peer-reviewed medical assessment system. We want standardized assessment procedures that require multiple assessments performed by medical professionals. This is another use that we could use FSCO for.

The third point we want in the PC auto insurance plan is for Ontario to combat fraud. As mentioned by the Minister of Finance, he wants to institute a special fraud unit. Despite previously discounting the idea, the government has now decided to change their mind because now they are realizing that you have to deal with fraud. The PC Party has been right from day one. We want to establish a special unit of the crown attorney's office to investigate and prosecute fraud. We agree with you on that fraud unit. It's our idea; we'll let you have it. We've got a whole myriad of ideas to help fix this province. You're welcome to all of them. We'll support you, but let's get that fraud unit created.

The last point we make in our PC auto insurance plan is increased accountability. We need a fair, well-functioning marketplace for auto insurance. We want to make sure the senior insurer executives are personally and financially liable for the conduct of their companies. I think what has happened over the years is there's no trust anymore between the insurance companies and the people who are paying the premiums. There's some way that we need to re-establish that trust, and one of these ways is to make the senior executives accountable.

Let me summarize: A 15% cut was demanded by the NDP within a year. The Liberals said, "Okay, we'll do it within two years, maybe." The NDP said, "That's okay," so we've seen rate cuts for bad drivers of 15%, and then people in rural ridings seeing their rates go up 40%.

I want to draw your attention to the words of Philip Howell, the CEO of the Financial Services Commission of Ontario, at the Standing Committee on General Government on April 15, 2013. He said, “Any move that required all companies to cut rates I think would be a very dangerous move. As well as that, I think you would find situations where people would just have less access to insurance and perhaps be forced into the” Facility Association, as he called it, “paying much higher rates than they currently are.” Forewarned by the chief regulator of our province on insurance—but instead, the discount was passed in the last budget. He warned us. You didn’t listen.

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After this deal last year, the government now has to search for those cost savings in the system. The bottom line is this bill doesn’t deliver any significant cost savings at all. Instead, it has been put forward, like many other bills from this government, more as a way to make it seem like they are a government in action.

The Acting Speaker (Mrs. Julia Munro): Questions and comments?

Mr. Wayne Gates: I’d like to know, to start off on Bill 171, exactly how much consultation did they have with the victims of accidents? Take a look at the prejudgment interest that they’re talking about, which really has nothing to do with fraud. Bill 171 would change a 30-year-old rule that has been so important to those who have suffered injuries in Ontario. Prejudgment interest on pain and suffering damages is intended to compensate an innocent victim when the person’s insurance company delays paying those basic damages. Basically, it ensures timely payment for pain and suffering and damages by insurance companies to innocent victims.

Currently, insurance companies are required to pay 5% interest. Somebody who is owed \$50,000 will get paid \$7,500 in interest. It’s not a lot of money, but it’s a help. But by delaying this, and taking it to 1.5%—just last year, the insurance companies made 4% on their money in investment. Now, if you say it’s going to go to 1.3%, they’re able to make a profit of 2.7% on their money every year that they put off settling with the victim. Here you have the victim, who is hoping to get a settlement for their pain, their suffering, maybe their medical bills, and what they’re doing is, they’re saying, “Well, why would we pay out 5%? We’ll take it down to 1.3%, and we’ll sit there and make 2.7% on our money.” Instead of helping the victims and making it get to a point where they will get it resolved, they just sit on their money and make more money.

I don’t believe this is what we should be doing, and by the look of this bill, we certainly have not talked to the victims.

The Acting Speaker (Mrs. Julia Munro): The member for Scarborough–Agincourt.

Ms. Soo Wong: I’m pleased to rise to support Bill 171. I listened attentively to the member from Nipissing and his remarks this afternoon. He talked about the bill not addressing dispute resolution. Let me remind the

member opposite: Sections 280, 281, 282 and 283 specifically deal with this resolution of dispute. I just want to remind the member of those sections of the bill.

Bill 171 does help to review dispute resolution when it comes to car insurance and potential fraud. We heard extensively during our public consultation process about the concerns dealing with disputes, dealing with the insurance company—as well as the victim being involved in an accident. When the final report came before the ministry—it was delivered this year on February 18—it made 28 recommendations. The proposed Bill 171 implements a number of these recommendations.

If passed, it would create a framework for the dispute resolution system by moving the responsibility to an existing tribunal administered by the Ministry of the Attorney General, the Licence Appeal Tribunal, with the objective of establishing a more expedient and cost-effective system, because we heard from the witnesses at our committee who expressed concern about how long it takes to resolve some of the disputes.

Furthermore, it also talks about removing the frustration for the consumer. We heard numerous times about when the consumer, who happened to be the victim or had been involved with a car accident, was taking too long to resolve their dispute. This proposed legislation, if passed, will address those concerns.

I look forward to hearing more conversations about the second reading on this proposed bill.

The Acting Speaker (Mrs. Julia Munro): Further comments?

Mr. Rick Nicholls: Again, it’s a pleasure to speak to Bill 171, the Fighting Fraud and Reducing Automobile Insurance Rates Act.

To begin with, our caucus will in fact support this particular bill, but there need to be some very serious amendments made in committee. I think you’ll find that lawyers on both sides support most of the bill, but they do have some reservations, as do medical and rehabilitation professionals.

We’ve said from the very beginning that the NDP demand for a 15% auto insurance premium reduction would have unintended and negative consequences. It was cited earlier by our member from Nipissing that State Farm, a company well known throughout Canada, recently decided that they were going to leave Canada. They used to hold a significant 11% of the auto insurance market in Ontario, but they have left, citing the Ontario auto insurance market as their primary reason.

Another thing is that we’re getting lots of calls in my constituency office telling us that more and more drivers are being dropped by their insurance carriers as they—“they” being the insurance carriers—try to rid their books of even the most moderate of risks. To me, that is dangerous, because when insurance becomes scarcer, not only will it leave people frustrated and without coverage, but it will also lead to major increases in premiums. I call that simply supply and demand.

Again, perhaps the most serious implication of this ill-conceived policy is that the worst drivers in Ontario are

in fact the biggest winners when it comes to rate reductions. Very quickly: In the most recent premium filings, three companies that write policies solely for people with drunk driving convictions and multiple accidents had the biggest reductions: 15%, 14.5% and 8.7%.

The Acting Speaker (Mrs. Julia Munro): The member for Niagara Falls.

Mr. Wayne Gates: Thank you, Speaker. Just to carry on—

Interjections.

The Acting Speaker (Mrs. Julia Munro): No, I'm sorry. You already spoke.

Mr. Wayne Gates: Okay.

The Acting Speaker (Mrs. Julia Munro): The member for London–Fanshawe.

Ms. Teresa J. Armstrong: Sorry, Speaker, that was my mistake. I thought we could do more than one hit around the debate. It's a good clarification piece to know for the future.

We're talking about the dispute process. One of the major changes that has happened here is now we have two places that accident victims, who have been involved in an unfortunate situation where they were injured, can use. That's a problematic situation, because what happens is you have to pay two lawyers. Not a lot of accident victims will be able to afford to seek justice in that situation.

We certainly want to make sure that insurance premiums are affordable for Ontarians. That's one of the priorities we've heard from Ontarians, that affordability of insurance costs is something on their minds. We did ask this government to reduce the rates by 15%.

This bill is supposed to address some of the issues about fraud, but there are a lot of problems in this bill.

We are going to make sure that this bill does go to committee, because there's a lot of work—tons of work—that needs to be done with that word that has been thrown loosely in there about helping consumers with the fraud piece. There needs to be better tightening up, as the member from Niagara Falls mentioned, about the interest rate and the fact that they're looking at reducing that from 5% to 1.3%, I think it is.

Where is the incentive for the party to pay out to accident victims for their injuries in a timely fashion, when you're going to reduce that penalty to an incentive for them to keep that money in their bank, because they're not going to be suffering financially? We all know that sometimes where it hurts is in your back pocket. By looking at that in committee—we really have some serious concerns about that as well.

1610

The Acting Speaker (Mrs. Julia Munro): Thank you very much. The member has two minutes to respond.

Mr. Victor Fedeli: Thank you very much, Speaker. I want to thank the members from Niagara Falls, Scarborough–Agincourt, Chatham–Kent–Essex, and London–Fanshawe.

I know we watch TV once in a while and we see the commercials that 15 minutes gets you a 15% reduction in

your insurance, but it's not going to happen in 15 minutes here. We're going to need a little bit more work to achieve that 15% reduction; there's a lot more work.

As I said earlier, State Farm sold its property and casualty business in Canada; Progressive is gone. New Jersey promised to cut rates by 15% in 1998. Again, numerous companies left the market at that time, making auto insurance very difficult to obtain. So while they did achieve the 15% reduction over two years, the lack of availability led to a 27% spike in premiums two years later.

In summary, we have four action points from the PC Party. The government is listening to part of one. If they implement all four, we can guarantee them that we'll have a better product for all Ontarians, a competitive marketplace, and rates will go down through competition. Then we won't have to be doing this every two years. Hopefully, they will get together, support this bill, and support the rest of our ideas to create a system that provides better outcomes for everyone in Ontario.

I am looking forward to this bill coming to committee so we can hear from all sides of this issue and have very comprehensive hearings and consultations with all of the people that will be affected by this.

The Acting Speaker (Mrs. Julia Munro): Further debate? The member for London–Fanshawe.

Ms. Teresa J. Armstrong: Good afternoon, Speaker. I rise today to share my thoughts on government bill 171, the Fighting Fraud and Reducing Automobile Insurance Rates Act.

To begin with, I find the naming of this bill a little bit tongue-in-cheek. The title claims the very noble intention of fighting fraud and reducing auto insurance premiums, but the reality of this bill is something far different.

New Democrats negotiated with this government to deliver a 15% premium reduction for families to help relieve the financial pressures of chronic premium increases, yet this government has not lived up to that promise. Instead, what we are seeing with this bill is one more gift to huge insurance companies at the expense of accident victims and all auto insurance policyholders.

While no one doubts that there is fraud in the insurance system and that fraud makes it harder to reduce premiums—before I became a member of the provincial Parliament, I worked in the industry insurance, and I know exactly how harmful fraudulent claims can be. It robs those who have genuinely been hurt in an accident and does a huge injustice to those seeking a fair premium.

If we truly want to combat insurance fraud, there needs to be a better way, and, quite frankly, this bill does not accomplish that at all. What it does accomplish is to effectively deny accident victims access to the court system. This bill assumes that all accident victims seeking recompense are fraudulent, or so it appears, by denying access to the justice system, which for me is very problematic.

I understand that this government will argue that Justice Cunningham's final report on the dispute resolu-

tion system is the reason behind this bill, but we know it is a deliberate misrepresentation of the report, geared to appease corporations and probably friendly Liberal donors.

This kind of behaviour is not new for this government. Time and time again, we have seen them use their power and privilege to benefit their friends and, in so doing, themselves. It was just earlier this year that this government prepared to fast-track legislation for their powerful allies. Their attempt to subvert the democratic process and the will of this Legislature in order to deliver a win for their friends has become a recurring theme for this government. Thankfully, we stopped them then, and I hope we can stop them again, because this bill has serious flaws that will directly impact thousands of accident victims and policyholders across this province. It will impact those in our own communities, and we need to make sure people understand what is at stake here.

The government would have you believe that this bill is meant to introduce a cost savings to the insurance industry. However, I want everyone to be clear that what is actually happening is that this government is proposing to wipe out all recourse to an independent judicial system that is meant to safeguard the fundamental rights of our citizens and to replace it with a tribunal. Does that sound like justice to you, Speaker? I know it doesn't look anything like the kind of justice I would expect if it was my family or any family in my riding of London-Fanshawe, or any family in Ontario.

I'm not even sure how you can explain this to everyday people. If you have to really explain it, you might have to say it this way: "I voted to subvert your rights to justice so that the insurance companies, who are making record profits, would not have to be subjected to our court system." That's kind of what you'd have to say to them if you translate it into plain English for them. It does not roll off your tongue very well, does it, Speaker? I encourage every member here to think about how they will explain their support for this bill in its current form. This bill needs to be sent to committee so that we can do the necessary work on it to ensure that the people of this province are protected.

Recently, we have seen substantial cuts to the statutory auto insurance benefits that netted the insurance companies more than \$2 billion in savings. These proposed changes are on top of that \$2-billion savings. By virtue of this bill, it would appear as though the Liberal government is far more concerned with improving profit lines in an industry that has already seen a \$2-billion boom than it is with ensuring that every citizen of this province has access to a fair and equitable justice system, along with reasonable insurance rates.

Another important issue with this bill is how it changes a long-standing—I believe it's about 30 years, approximately—old rule which is vital to those who have suffered injuries in Ontario. Pre-judgment interest—we were talking about that earlier—on pain and suffering damages is intended to compensate an innocent victim when the negligent person's insurance company delays

paying those damages. This measure was presented by this government as a money-saving initiative for insurers. Clearly, the change in the interest rate has nothing to do with fighting fraud.

We have a responsibility as legislators to determine the rates for auto insurance in Ontario. When the government of the day voted in this Legislature to make auto insurance mandatory, it became our job to protect the people of this province by ensuring that not only rates but also benefits are appropriate and fair. It also means that we must be knowledgeable about the industry and how it operates. More specifically, we need to understand that the profits they are making are commensurate to the benefits we require they offer.

So far, we have seen much disagreement over what those profits actually are. On one hand, we have the industry telling us that they aren't making the profits that many claim they are, and further asking for a reduction in benefits to offset apparent losses. On the other hand, we have Ontario families paying sky-high rates for benefits that this government has allowed to erode time and time again, and now that same government is asking us to remove their access to the last line of defence: the justice system. This is a measure I am not sure I can support, in good conscience.

Historically, accident victims have had the right to go to court or to arbitration to dispute this wrongful denial of pain-and-suffering damages. However, under the proposed legislation we are here to discuss, the right to sue will be taken away entirely. Again, I ask each member present to think about what recourse they would seek if it was their family member or loved one who was waiting for pain-and-damages settlement but was refused. What options would you have available to you and your loved one?

We are fortunate to live in Ontario, where we have an open court system that is not bogged down with frivolous lawsuits, as we see with our neighbours to the south. We, as citizens, have the right to seek redress in the courts for wrongs committed by others and for the denial of benefits by insurance companies.

How do we go from "fortunate" to "behind closed doors"? I can tell you how. It's with bills like this, that prevent and deny access to open and fair court proceedings in favour of small backroom tribunals that answer to ministries and political masters, not the laws of the land.

1620

I know that my colleague from Bramalea-Gore-Malton has referred to Justice Cunningham's report, and I agree with him on this when he stated:

"Justice Cunningham said very clearly that getting rid of the adjudicator and the regulator component of FSCO was important because there is a bit of a conflict there. There's a regulator on one side and an adjudicator on the other side. Justice Cunningham did not say, though, that you should replace experienced, qualified, salaried, independent decision-makers with per diem, inexperienced folks without the expertise."

He went on to say:

“I assure you that Justice Cunningham would have liked to have seen those same arbitrators who are qualified, who are experienced, transition to a separate public tribunal ... but not a tribunal like the Licence Appeal Tribunal, which deals with liquor licence violations, with licence revocations, and has absolutely no experience with insurance law and the claims that people are dealing with. That’s not what their expertise is.”

I couldn’t agree with my colleague more on this. My past experience in the insurance industry has taught me there is a level of expertise that is necessary to adjudicate claims that comes with regulated education, years of experience and a willingness to help understand the complex language and policy details that can have very challenging implications for everyday Ontarians. We have heard one too many times that efficiency, expediency and cost savings are the mantra for this government, but the reality of their actions proves to be different. Was this government concerned with efficiency when they blew \$1 billion on closing gas plants to save Liberal seats in this very Legislature? Or perhaps they were looking for expediency when they simply lost track of millions of public dollars on eHealth. And, of course, we still can’t get a straight answer from the health minister on how it was possible that she didn’t notice \$1 billion flying out right from under her nose to the CEOs and their girlfriends with the Ornge air ambulance debacle, in the name of cost savings.

Quite frankly, the time for the “just trust us” routine is long over because, at the end of the day, the people we are here to serve are having a heck of a time just trusting anyone at this point, and they have every right to feel that way. When their government continues to claw back public services to offset billions of public dollars in losses they accumulated, it’s no wonder why trust isn’t very easy to come by. Now we are watching this government, in the name of efficiency, expediency and cost savings to the insurance industry, propose to wipe out access to an independent judicial system that safeguards the fundamental rights of citizens and to replace those courts—those fundamental rights—with a tribunal.

One thing I want to make patently clear is that it is a falsehood to suggest that this bill in its current state will provide cost savings or reform to the insurance industry and reduce insurance premiums. If people generally understood how the dispute resolution system will work under the new legislation, I believe that most Ontarians would take issue with this.

Let’s walk through to see where the problem lies. Under this bill, an accident victim will take their case to a new arbitration system. While that new system may be appropriate to handle many of the disputes in the system, it is certainly not appropriate for all of them. One of the significant disadvantages of this new system is that, if the accident victim is successful in proving that the insurance company should have paid the claimed benefit, the insurance company is forced to only pay a tiny fraction of the legal costs, unlike the court system.

In essence, what this means is that even when you have your day in court—or rather, you have your day in tribunal—and you win your case, the insurance company will only have to pay the smallest fraction of the legal costs that they would have been required to if your case had been heard in a court of law. This means that the entities that are at fault for not paying out pain-and-suffering damages which forced the necessity for a trial—or rather, a tribunal—now don’t have to pay the costs they will have if you have had access to the court system.

Now, I don’t know about anyone else here today, but in my mind, this issue begs the question: In what way does this prevent fraud or reduce the cost in any way to Ontario taxpayers? In fact, it can be easily argued that this bill makes the case for insurance companies to simply refuse payments to all pain-and-suffering claims and take their chances with a tribunal full of inexperienced adjudicators. The purpose of being awarded legal costs by those who have been injured is meant to be a fair compensation for being required to take an insurance company to court. With this vital component gone, I am unsure of who this bill is meant to protect. It seems to me as though an insurance company posting record profits should not be at the top of the list of those seeking protection from injury. It also seems like we are providing them with every opportunity to get off the hook for bad decisions.

I do recognize that not all insurance companies behave in an unethical manner; there are some good insurance companies that do the right thing. I know this from my past experience, and I don’t think it’s appropriate to paint all carriers with the same brush. But let’s be frank about this: An insurance company seeks to improve their profits. They are a business and are in business to make money, and there’s nothing wrong with that. We all need to earn a living. The difference is, it is our job to oversee the balance between companies making profits and protecting the health and safety of the public, and we all know that these two goals are not in sync with each other.

Another serious implication of this tribunal route is that if the accident victim was injured and it was someone else’s fault, the victim now has to pay a lawyer to bring two entirely different cases into two entirely different systems: one in the court against the person who injured you, and this new arbitration against your insurance company who denied your benefits. The accident victim now has huge extra legal costs and two different legal proceedings, one in the court system and one in the arbitration system. It seems clear to me that this process is attacking the accident victim again. Asking an accident victim who has been denied their pain-and-suffering payout to leverage the cost of two legal cases seems rather ludicrous and wholly unfair. If they were in a position to afford two legal cases, chances are they wouldn’t need a pain-and-suffering payout in the first place.

It makes far more sense to allow an accident victim the right, which they currently have, to bring the two

claims together in court and to vastly reduce the costs they have to incur. None of these changes has had anything to do with fighting fraud but everything to do with making it easier for insurance companies to wrongly deny benefits, delay settlements and make it harder for you to collect what Ontarians are rightfully owed.

I think it's also important to recognize that our auto insurance system is very complex. The language we use when underwriting policies is not easy to read or understand. I encourage everyone in this room to go home tonight, read through your own policies—whether they be home or auto or health—and ask yourself: Could any person reading this understand it? I think you'll find the answer is, it's very unclear when you read the policy wording. It's not your standard, everyday, plain English.

Yet here we are making it even tougher for people to access the benefits that they are reasonably entitled to. We know how this plays out. This proposed change will make sure that more victims just give up because they can't afford the fight. That is not what I call protecting the public good and certainly not for a law that this Legislature deemed mandatory.

As I have stated, Bill 171 would change the 30-year-old rule that has been so important to those who have suffered injuries in Ontario. Prejudgment interest on pain-and-suffering damages is intended to compensate an innocent victim when the negligent person's insurance company delays paying those damages. Basically, it is going to ensure timely payment for pain-and-suffering damages by insurance companies to innocent victims.

Speaker, imagine: You're injured in a car accident, you can't work, and you have a settlement that's coming to you. You wait a week, two weeks, a month, two months, a year. The result of waiting for that settlement is devastating to people financially. They can't pay their mortgage if they're not well and they can't continue to work, so they may even lose their home.

1630

Losing your home and financial issues can cause a lot of stress in the family. You can end up being financially devastated. Perhaps your family unit can be destroyed. It's not a healthy way to promote payment, when people actually win an award, to have that 5% being looked at reduced to 1.3%. Insurance companies will just keep that money longer. If there's no incentive, I think—and again, this would be just a suggestion, perhaps in committee—that the penalty for interest should actually be higher, because that way accident victims are getting their compensation much quicker and they can carry on with their lives.

Delay after delay just makes things more tragic for someone who—an accident means it wasn't intentional. There's always somebody going to be at fault in an accident, regardless, because somebody is going to cause it. But you don't go out that morning and say, "I'm going to have an accident." The accident is not foreseen, but someone is going to be responsible. When there's an injury involved, that's the worst kind of accident.

Changing this, where you have two dispute systems so that accident victims who are injured have to jump through more hoops just to get compensated for their injuries, doesn't seem like the right way to go. Though we do want to make sure that consumers are protected, I think, if we send this bill to committee, there are going to be lots of great discussions around this and how much of a flaw there is in this bill and how it isn't intended to protect consumers the way it has been set up now.

Thank you, Speaker, for the time.

The Acting Speaker (Mrs. Julia Munro): Comments and questions?

Mr. Bas Balkissoon: I just want to add a couple of comments to the previous speaker from London–Fanshawe. The government has agreed that auto insurance rates will go down by 15% over the next two years. I think all of us in this chamber know that auto insurance, the way it's administered, is very complex and it's not that simple. This is just one phase of tackling the whole industry problem.

My colleague across the way criticized the bill that is in front of us strictly on one viewpoint. If you listen to her carefully, it's all about benefits to an accident victim, but she never really commented on the bill itself, which actually has many other parts to it. If you're familiar with the auto industry, with the fraud that is going on compared to other provinces, you will realize that there is fraud in the health system providers, there is fraud in the towing industry and there is fraud in the autobody industry. Unless you tackle all these fraud areas of this complex issue—just dealing with the accident victim and their benefits, you're not going to solve the problem. You have to fix the front end of the system before you tackle the back end.

I'm kind of disappointed, because this member criticized what this government is doing, but I would like to remind the member that she said it was 30 years in the making. Her government had a chance to fix this system, and they chose to announce that they would go to public auto insurance and then backed off, because they realized it was very complex. It's not something that you could solve simply by dropping a stick and saying, "Okay, we fixed the problem."

I think the government is doing the right thing: Tackle the issues with all the stakeholders, and, bit by bit, we will solve this.

The Acting Speaker (Mrs. Julia Munro): Further comments?

Mr. John O'Toole: I listened to the member from London–Fanshawe. She admitted that she worked in the industry. I was quite interested too, that she said, which is quite inconsistent with normal remarks by the NDP, "Insurance companies are in the business to make money, and there's nothing wrong with this." That's entitled to your opinion, and I understand that. There's a rate premium built into this for insurance, a guaranteed rate of return. As has been said, the issues in the insurance industry right now—one of the primary—she says, "The premiums themselves, which is their revenue source,

aren't making any return on investment." ROI is down for everyone, basically. They count, on an actuarial basis, of about a 6% return on premium dividends.

The rates going up, as some people have already commented on, was the fraudulence within the system itself. There have been many studies by many groups addressing the fraud thing, and expert panels suggest that it's an inordinate cost.

This bill is not going to solve the issue totally. I think we are supporting—our member from Nipissing spoke earlier, and our expert on this is actually the member from Elgin–Middlesex–London. They've come up with a number of suggestions, indeed, in our remarks, but I'm going to conclude by putting on the record one of my constituents' letters; I have a number of letters on auto insurance here:

"I have [an] excellent rating and what has really upset me is that I have a son who now has his G2" and had to stop driving because of the rates. Over the past year, "I have had to change insured vehicle."

In November, he "put on the road a 1997 Ford F-350 crew cab pickup" for \$638 for one year.

"A month later I had to take it off. But I put [it] back on the road with the same insurance." It's now \$657 for the same car.

These are people of modest incomes, who can't afford insurance today.

The Liberals brought this bill forward under an agreement with the NDP. This does not fix the problem.

The Acting Speaker (Mrs. Julia Munro): Further comments?

Ms. Peggy Sattler: I want to congratulate the member for London–Fanshawe on her remarks. I think she highlighted some very significant issues that members of this Legislature will have to address when this bill moves to committee—and it sounds like it will because of the support that has been expressed so far, along with the concerns that have been expressed.

Basically, this bill flows from two clear issues that no one has any disagreement with: One, there are problems with the dispute resolution system—we know this from Justice Cunningham's report—and two, there is a need to reduce fraud in the system.

I can say, from my own experience participating as a member of the Standing Committee on General Government, which is engaged in a lengthy and ongoing review of the auto insurance industry, that there is a real difficulty in getting access to the true numbers. What are the actual profits that insurance companies are making and what is the real extent of fraud in the system?

What we see with this bill is an attempt to ensure that the insurance companies' profits remain high. We know that in 2010, the actions that the government took resulted in a windfall for insurance companies, but there was no decrease in premiums for consumers and drivers. We hear from our constituents all the time about the kinds of pressures that people are facing, with high auto insurance premiums, with hydro bills, with costs that just

keep going up and up. Consumers need some relief, and this bill is not going to do it.

The Acting Speaker (Mrs. Julia Munro): Further comments?

Hon. David Zimmer: I'm happy to speak to this. We agreed to reduce auto insurance rates by 15% on average within the next two years. Six months after making that commitment, we're on track. We've reduced the auto insurance rates by almost 5% since August.

Now we're moving to the next stage of getting this issue under control, and there are three core elements to the next steps that we're taking.

One is that we want to transform the dispute resolution system so that Ontario drivers can get their claims settled faster. Why is that important? Well, the faster we can settle claims, we're going to cut down on the expenses of maintaining and arguing over these claims and curbing the financial and administrative costs and stress on the system.

Secondly, and this one is really important, is the licensing of health service providers that bill the auto insurers so that only licensed providers can get paid directly by insurers. This fights fraud, because one of the areas where the fraud is—there are people out there, organizations out there, that are providing so-called health services to the victims of accidents. They then bill the health insurance plan and they get paid. But there's no real control over the quality of the service or the necessity of the service or the regulation of the service. By licensing those service providers and saying, "If you haven't got a licence, then you cannot bill the health plan for the services that you provide," that's an enormous step in giving us control over excessive and unnecessary billing.

1640

Excessive and unnecessary billing is one of the key elements that drives insurance rates up, because the insurance companies are paying those bills. That goes into their overhead; hence, it drives rates up.

The Acting Speaker (Mrs. Julia Munro): The member has two minutes to respond.

Ms. Teresa J. Armstrong: Thank you to my colleagues in the House who commented on my debate.

I think the point I want to get across is that this bill presumes that people are committing fraud—

Mr. Bas Balkissoon: "Presumes"?

Ms. Teresa J. Armstrong: Yes, before they actually—

Hon. Tracy MacCharles: They are.

Ms. Teresa J. Armstrong: Everybody is committing fraud? No. Not everybody is committing fraud.

Interjection.

Ms. Teresa J. Armstrong: Absolutely—what the minister mentioned just now about licensing the facilities that deliver the care to victims who have been injured. You can't just, all of a sudden—people aren't guilty of fraud before they actually get to the system to argue their case for the compensation they need because of injuries.

I'll tell you why I'm a little passionate about this issue: because my brother—I have four brothers; I don't remember which in line—he's the second-youngest, and he was a very athletic man. He was training for a triathlon—he was jogging in his neighbourhood—and a vehicle hit my brother head-on, through the driver's side. My brother went up 80 feet in the air and landed on the ground, and the vehicle kept going.

He had four young children at the time. He was so seriously injured. He had to have three operations on his leg; he broke his leg. He has back problems. If people are going to presume that he is committing fraud—he had to stay home for a year. He could barely walk. He couldn't function normally.

If this is the way they're going to treat accident victims, I have a very serious problem with it. You don't presume that the victims are being fraudulent. I agree that maybe the health care providers need to be licensed so that they're not putting in expenses that are fraudulent, but let's treat the victims with some fairness.

The Acting Speaker (Mrs. Julia Munro): Further debate?

Mr. John Yakabuski: Is the government putting anybody up? My goodness; if the government is not going to put somebody up, I guess we'll have to.

The Acting Speaker (Mrs. Julia Munro): All right. The member for Renfrew–Nipissing–Pembroke.

Mr. John Yakabuski: I am a little bit surprised that I was called on to speak to this bill today. My goodness gracious. I thought for certain that the government that brought forth the legislation was going to be putting forth a speaker on this bill.

Ms. Sylvia Jones: It's a very important bill.

Mr. John Yakabuski: They keep talking about what an important piece of legislation this is. This is the bill that kind of sealed the deal for them in the last budget—the promise.

Ms. Sylvia Jones: You know—the coalition?

Mr. John Yakabuski: You know, the coalition, the budget promise, where you guys sat down—where Kathleen Wynne sat down with Andrea Horwath? Andrea Horwath was publicly postulating about how she may not support the budget, making some kind of a protest that she didn't believe that the Liberals were going to follow through with their 15% reduction.

Lo and behold, the promise was made. Minister of Finance Charles Sousa says, "We will be reducing premiums 15%." Then we actually get to talk about what they're going to do. You see, the NDP wanted the government to come in and legislate insurance companies: Wham! Bang! A 15% reduction in auto insurance rates.

We all know that that is not possible. You can't walk into Loblaws and say, "Mr. Galen Weston, you'll be reducing your prices by 15% effective Saturday." You can't go into General Motors and say, "You're going to be reducing the price of cars 15% on Thursday." But somehow the NDP thought that you could do that in the insurance business.

Granted, I'm going to tell you, Mr. Speaker—and you know this maybe better than anybody—

Mr. Paul Miller: I don't know about that.

Mr. John Yakabuski: Well, maybe not better than anybody. Okay. The member from Hamilton East–Stoney Creek says that maybe you don't know it better than anybody, and maybe I was putting you on a higher pedestal, but I think you know it certainly as well as I do that the cost of operating a motor vehicle today, much of it—you can't just think of the maintenance and the fuel and all of that, but one of the things that makes people ask themselves whether they can afford to drive a vehicle today, to afford to operate a car, is, "Can I afford the insurance?" I'll tell you, if you're a young person with an unproven record, or worse, a young person with a record, you are going to pay. I know. I have a 24-year-old daughter and a 22-year-old son. The other kids are older, and their rates are lower now. But I'm looking forward to Emily turning 25 this year, because that's kind of the tipping point.

Ms. Sylvia Jones: You've got to marry her off.

Mr. John Yakabuski: She did get married. We married her off. My colleague from Dufferin–Caledon says, "You've got to marry her off." Well, we didn't marry her off; we actually thought we made a hell of a good deal by having her marry a fine young man, Tom Colucci—Tommaso Colucci—from the Toronto area here, and they have a beautiful daughter Adelaide as well, Mr. Speaker.

But the cost of insurance is certainly an expensive portion of operating that vehicle, so we were somewhat pleased when finally, after—you know, we have been trying to convince the government for a long time, and if I for a moment might be able to say, I want to tip my hat and do a little shout-out to Jeff Yurek, our critic on this file. He has done yeoman work and a tremendous job.

Interjections.

Mr. John Yakabuski: And I take back what I said about you, because I think that no one in our caucus understands the insurance business today better than Jeff Yurek, and you know why? It's because of the tremendous amount of work that he has done on this file, working with stakeholders of every shape and form, including people with the Insurance Brokers Association of Ontario, including people with the Insurance Bureau of Canada, including the trial lawyers—and I know that the trial lawyers have some trouble with this bill.

Hon. David Zimmer: I was a trial lawyer.

Mr. John Yakabuski: I hear from the Minister of Aboriginal Affairs. He says, "I was a trial lawyer." I'm not sure if he's trying to heckle me or if he's looking for a new job, because he could be the next cabinet minister resigning over there. You never know, because every time you turn around, they're dropping like flies. If the Minister of Aboriginal Affairs wants to make an announcement today—even during my speaking time—that he is prepared to resign his seat and his cabinet position, you're going to have a two-minute hit when I'm all done—

The Acting Speaker (Mr. Rick Nicholls): Excuse me. I'm going to ask the member to stick to discussion and debate on the bill. Thank you.

Mr. John Yakabuski: I'll endeavour to do my best, Speaker. I didn't even hear a point of order. You're a proactive Speaker. What are we going to have here next?

I will say to the Minister of Aboriginal Affairs, when he made the comment that he was a trial lawyer, I can only say that I'm glad I was never a client.

Anyway, we're trying to speak to the legislation today, and we're supporting this legislation—I want to say that, and I could have said that at the outset—but we do have some problems with the bill. We don't think it is going to achieve the kinds of savings that the government implies that it will.

If you don't really attack the real problems in the insurance game—and I'm reluctant to put it that way, but the biggest challenge in the insurance business, as it is in so many areas today, is dealing with fraudulent claims. We live in a society where we're almost looking for opportunities to take advantage of situations sometimes. So there are unscrupulous people out there who see these situations and jump on them as an opportunity to profit themselves.

Every time there is a fraudulent claim made, I say to the member for Hamilton East–Stoney Creek, the new member from Niagara Falls and the recently elected member—in the summer—from London West, you're going to pay for those fraudulent claims. You may not be involved in them—in fact, I'm quite confident you're not, and I want to put that on the record. But if there's somebody out there making a fraudulent claim for insurance, everybody pays.

1650

Mr. Bas Balkissoon: Emily pays.

Mr. John Yakabuski: Emily pays. Thank you very much, I say to the member for Scarborough–Rouge River. He practically took the words out of my mouth. I was just going to say that Emily and Lucas—

Interjections.

Mr. John Yakabuski: We all pay. The problem is, I'm paying for that insurance. That's the biggest problem. It's Daddy who is still paying for that insurance. So I want to get Emily's rates down, and I want to get Lucas's rates down, because it's going to be a heck of a lot easier on me.

If that is the case, that every time there's a fraudulent claim made and, more importantly, a fraudulent claim paid—and they know every little angle out there. They're smart and they're devious, and that's a lethal combination. They're very good at what they do. If they're able to get one of these fraudulent claims through, the payouts are massive, and they add up.

I want to thank Ralph Palumbo from the Insurance Bureau of Canada for visiting me.

Hon. David Zimmer: He's a good man.

Mr. John Yakabuski: A good man. He comes from the banking industry. He was not a trial lawyer, I don't think, I say to the Minister of Aboriginal Affairs.

Hon. James J. Bradley: They used to have a good president.

Mr. John Yakabuski: Yes. Well, you know, my brother was the president of that organization at one time.

Ralph comes to see me in the office—well, where else?—and he explains to me about the scope and the width and the breadth of fraud in the insurance industry across this province. Speaker, it is staggering. The number one thing you've got to do, then, is to eliminate the number one problem. Fraud is the number one problem in insurance.

I was pleased to get the statistics for my riding: the county of Renfrew and a portion of the district of Nipissing. The claims relative to other areas—and I will not bring up the other areas. I'm only going to praise the people of Renfrew–Nipissing–Pembroke, those good people who sent me to this chamber in 2003, 2007, 2011 and, the good Lord willing, sometime again in the future, whenever we have that election. We're just wondering when that budget might come. I'm going to talk about that, maybe, if I may, because how can you separate insurance and the budget? Right, Speaker?

One of the lowest incidents of fraudulent claims anywhere—or claims, period—is right in Renfrew county. They're good, honest, hard-working people. They're not looking to take advantage of anybody. They're looking to earn their living. Do you know what they do? When their fellow man is in trouble, they are there to help. They're charitable people, always looking to help. I'm proud to represent them, Speaker, and proud of the statistics that Mr. Palumbo was able to present to me, as the representative from the Insurance Bureau of Canada.

One of the things they're doing in this bill, I was told by Mr. Yurek—and as I say, this guy knows his business—is they're going to move the administrative costs from industry-funded FSCO to the taxpayer-funded Ministry of the Attorney General. Well, it's going to change the administration, and it's going to change how things are done, but how is that going to reduce insurance rates? These are some of the things in the bill that don't really address the challenge. What people are upset about is the cost of living.

While I'm on the subject of the cost of living, Speaker, let's talk about the cost of electricity in the province. Are we now at a stage where you have to decide: “Do I pay my hydro bill or do I pay my auto insurance? Do I pay my grocery bill or my hydro bill or my auto insurance? Do I pay my rent or my hydro bill or my auto insurance?”

Hon. Michael Coteau: What if you have an electric car?

Mr. John Yakabuski: The Minister of Immigration says, “What if it's an electric car?” What, do you think there's no cost for insurance on an electric car? Then you might be paying more for hydro.

We've got to stick to the subject here. It is about insurance. Just because someone drives an electric car doesn't get them an exemption on their insurance, Mr. Speaker, and the minister, I'm sure, knows that.

Mr. Robert Bailey: He's trying to cloud the issue.

Mr. John Yakabuski: Sometimes they do their best over there to get me talking about something other than the bill. I'm always trying to bring myself back before you do, sir.

Hon. James J. Bradley: I'm reading about Conrad here. He writes very well.

Mr. John Yakabuski: The Minister of the Environment—I do appreciate his interjections. I ran into a couple of his constituents this weekend in Golden Lake. They have a cottage out on Tranquility Bay, I think it is, on the south shore of Golden Lake.

Mr. Robert Bailey: Is that near Barry's Bay?

Mr. John Yakabuski: It's not too far from Barry's Bay—about 25 miles, maybe a little farther, to the south shore of Golden Lake. But two of Minister Bradley's constituents, Bill and Jean Waters—my wife and I were having breakfast with them after church in the Walker's Landing restaurant in Golden Lake. They had some nice things to say about the member for St. Catharines. I'm just looking for the opportunity when he runs into the Waters and has some nice things to say about the member from Renfrew–Nipissing–Pembroke. I'm looking forward to that time.

Anyway, they clearly knew the member for some time. We were talking about the length of his career. You know he has been here since 1977? I know the pages' jaws are dropping, because they read about 1977 in school in the ancient history course. I understand that. What I pointed out to the Waters was that he didn't just get elected here in 1977; he actually ran in 1967, and he ran in 1971. He took the 1975 election off and was elected in 1977. So he has been in this game for—like I said, ancient history. And he's still here, doing everything he can to make it easier for me to get through my debate time.

Ms. Sylvia Jones: Like a classic car.

Mr. John Yakabuski: He is a bit of a classic car; there's no question about it.

Anyway, one of the concerns, too, that the insurance people have is that when you make some changes and it affects an industry, people make choices. For example, State Farm has pretty well left the country. You know the old saying, "Elvis has left the building"? Elvis died in 1977, by the way; the same year that that guy was elected. Elvis has left the building; State Farm has left the country.

One of the things you have to ask yourself is, if a company like State Farm makes the decision to exit, what is it that is driving them to that decision? What's driving them to that decision is whether or not they can run the business profitably here under the system that is operating in Canada or, more importantly, in Ontario.

We have among the highest rates, but the system is not run efficiently. I go back to the fact that they deal with so much in the line of fraudulent claims that that eats up everything.

1700

Insurance is not complicated. It's like any other business. Your premiums have to reflect the cost of doing business and the profit margin. If you don't have a profit margin, you're not going to be in business. This isn't charity. What happens is, out of those premiums they've got to be able to pay the claims, pay all the administration, pay all of the associated costs and taxes and everything else, and then have something left for their shareholders, for profit. That's how business works.

So what happens is, if fraudulent claims become a greater and greater—bigger, not greater, because "great" implies that it's something positive, but it certainly isn't. If fraudulent claims become a bigger part of that pie, which has happened in Ontario here, then something else has to shrink.

If you couple that with legislation like the NDP one, which was just to hack those premiums by 15% across the board, it doesn't work. In fact, we have to be careful about how we make premium reductions, because my colleague Mr. Yurek has shown that some of the people that profited the most or had their insurance premiums reduced by the greatest amount were the ones that you and I, as responsible drivers, would question, what gives here? The drivers with the worst records, perhaps drunk driving convictions or something like that, were actually seeing their premiums reduced by a higher percentage than those who would be categorized as good drivers.

Some people may not know this, but over the years, I've had my challenges with demerit points myself.

Interjection: No.

Mr. John Yakabuski: I have, but I have worked diligently on a reform program, and actually, right now, I'm in pretty good shape. So I say to all the folks out there, we're doing the best we can. I can tell you, if you have a couple of high tickets these days, the surcharges that you get are really, really high. It's a 25-and-25 surcharge on your insurance. If you think the rates are high now, just think of what they'll be if you get one of those big tickets. But I've been working hard to get no more of those big tickets. So far, we've been pretty successful.

The Acting Speaker (Mr. Rick Nicholls): Questions and comments.

Mr. Paul Miller: I'd just like to say, I listened to the member from Renfrew–Nipissing–Pembroke, and he's absolutely right: There is a problem in the industry. I'll give you a personal example: I went to renew my insurance this year for two cars and a house. I thought, "Jeez, this seems awfully high. What's going on here?" So I decided to shop around a bit. I found a very reputable company in Ontario, and they were \$1,100 cheaper in one year than the company I was with, and I had better coverage.

What's wrong with this picture? There is no regulation. There is no regulation here to monitor these companies, what they're charging. If I'm 80 years old, and I don't want the aggravation, and I don't want to change companies, and I've been with this company 30 years, and they send me a bill, I probably would pay the extra

\$1,100 and not know the difference, thinking that was the norm. But it's not.

People are being ripped off all the time. They say, "Well, it's democracy. You have an ability to shop around." Come on, folks. I can see \$100, \$200, \$300 differences from company to company, but a \$1,200 to \$1,500 difference between companies for less coverage than I was getting before—it's absolutely unconscionable, what's going on.

They don't regulate, they don't monitor, they don't enforce in this province, and that's why people are so shocked when they get their insurance bills.

You know what? If you raise it 30% and drop it 15%, are you ahead? I don't think so.

The Acting Speaker (Mr. Rick Nicholls): Further questions and comments?

Mr. Bas Balkissoon: It was really nice listening to my friend from Renfrew–Nipissing–Pembroke's colourful presentation. I want to say that I was very pleased to hear him actually state that fraud is one of the biggest problems in the auto insurance industry.

He did make one comment that he had some concerns with the bill. I may be able to help him, because he said he had a problem with the tribunal being moved to the Attorney General and FSCO being the regulator. I think if you look at governments as a whole, a tribunal and a regulator shouldn't be in the same house. I think the bill is doing the right thing—if I could clarify that for you.

But I do agree with you that fraud is the biggest problem, and I just want to share a story with you. I pay for the fraud happening in my own riding, and I pay high insurance. I think this bill is a step in the right direction; it's not perfect. There are many more changes to be made. A couple of years ago, they arrested 23 people in the city of Toronto for committing medical fraud in the auto insurance industry. A lot of them were residents in my area. I hear from friends and constituents that those same folks are back in business. That's not right. So we need legislation like this to continue to plug the loopholes in the system, and make sure that we can monitor what is going on.

The Acting Speaker (Mr. Rick Nicholls): Further comments and questions? The member from Haliburton–Kawartha Lakes.

Mr. John Yakabuski: Brock.

The Acting Speaker (Mr. Rick Nicholls): Brock.

Ms. Laurie Scott: That's close enough. Very good. Thank you, Mr. Speaker.

It's always hard to follow the member from Renfrew–Nipissing–Pembroke and his vivid descriptions and stories that he presents in the Legislature. My mother is a big fan of his, so she misses him when he's not here. She doesn't really notice if I'm not here, but anyway—we try to put the channel on, so she can see it.

We do have sympathy for him paying his children's insurance, because the price of auto insurance, especially for young people, in our ridings in rural Ontario is so exorbitant. They have to have licences and they have to use their parents' cars to get to the summer jobs or to the

4-H clubs or whatever pony clubs they belong to. It is crippling a lot of families because, by the time they earn whatever wages they can from their summer job, it's basically the cost of the insurance for the year. I would like to see that looked at, too.

The member from Elgin–Middlesex–London, my seat-mate here, has done a comprehensive paper on the PCs' policy on auto insurance reform. There is no question it has to be addressed.

The member from Renfrew–Nipissing–Pembroke spoke about the good claims—that drivers in his riding had very low claims. I can say the same, when Ralph Palumbo came to visit me. But we're paying for this huge fraud ring in the GTA, and the recommendations have been out there for several years.

It's a small step, this bill, but we have much bigger steps we need to take, and the PC Party is addressing that.

The Acting Speaker (Mrs. Julia Munro): The member for Niagara Falls.

Mr. Wayne Gates: First of all, I'd like to start by saying congratulations to my daughter Jacqueline, who yesterday got her driver's licence, at 17, on her first try. Obviously, I'm now going to be very interested in car insurance and the price of car insurance. I want to congratulate Jacqueline for that.

I want to say to my colleague, who did a very entertaining 20-minute presentation on the importance of stopping fraud from getting into the system, I don't have a problem with that. The problem that I'm having is with what I talked about earlier today: the prejudgment interest. When you take a look at it, the amendments were introduced under the disguise of fighting fraud and reducing auto insurance rates. They were presented as a money-saver, which was very interesting. Clearly, the change in the insurance rates has nothing to do with fighting fraud. It's very clear. In reality, this change is nothing more than another gift to Ontario's already very profitable insurance sector, on top of the recent substantial cuts to benefits that have already netted insurance companies billions—that's with a B—billions of dollars in profit, again, with no consultation to victims. Who is talking to the victims? That's who we should be talking to, and seeing how we can help them.

The Acting Speaker (Mrs. Julia Munro): The member for Renfrew–Nipissing–Pembroke has two minutes to respond.

Mr. John Yakabuski: I want to thank the members from Hamilton East–Stoney Creek, Scarborough–Rouge River, Haliburton–Kawartha Lakes–Brock and also Niagara Falls for their comments.

To the comments from my colleague from Haliburton–Kawartha Lakes–Brock: a shout-out to her mother, Betty. I appreciate Betty forming the fan club of one, the Yakabuski fan club, but I also have a shout-out for a fellow in my friend Bob Bailey's riding: Sid McLean, from Petrolia. Get your details off to us, Sid—I know you're watching—because we want to make that a fan club of two.

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Anyway, I appreciate all of their comments. Everybody has something to contribute to this debate. I appreciate the member from Scarborough–Rouge River talking about the importance of trying to combat fraud, and he's right: This bill is a step in the right direction, and there is more to be done.

We think that our recommendations would have been more successful in combatting fraud. There is a ring out there—staged accidents.

Interjection: It is criminal.

Mr. John Yakabuski: It's criminal. I realize that it is criminal, but we just don't seem to be able to catch them enough. This is the kind of thing that affects us all, where you go out there and you stage an accident so that you can make a fraudulent claim on insurance. Stage an accident, fake an injury—there are some really, really crooked people out there, and we need to see that those people are out of business and behind bars. We have to put a stop to this, so that the honest people can afford to insure their vehicles so that they can get to work, take their children to sporting activities, arts, drama or whatever—shopping, or whatever you need to do.

In rural Ontario, we need to drive everywhere. We need our vehicles. We've got to have them. We've got to have insurance rates that match the incomes that we have. We're not rich people up there in rural Ontario; when insurance rates are high, it really affects us in a negative way. We've got to do what we can to get them down.

The Acting Speaker (Mrs. Julia Munro): Further debate?

Mr. Paul Miller: Although I'm the NDP critic for sports, culture and tourism and for the Parapan Am Games, I'm here to speak about Bill 171, the Fighting Fraud and Reducing Automobile Insurance Rates Act of 2014. I also would like to acknowledge my colleague from Bramalea–Gore–Malton, who has worked very hard on this issue to reduce auto insurance in Ontario.

Unfortunately, I'm very concerned that the insurance companies will raise the insurance rates to compensate for their 15% loss. I'm also concerned that people don't regulate the industry enough. I gave you a perfect example of how my insurance rate, for the exact same coverage—in fact, I got better coverage with the other company—two large companies in Ontario. My rate went up; I saved \$1,100. That's a huge amount of money.

How do you justify one company charging \$1,100 more for the same or less coverage? Something is wrong. Something is seriously wrong. This business has to have more accountability when it comes to serving the consumers in this province, because I do believe that, in a lot of cases, if they're not regulated properly, the consumers are being ripped off.

You're talking about fraud. You're talking about these people who set up these fraudulent situations, but let's talk about the people whom you pay your premiums to, who are charging me 34% more than the company next

door. That's a little questionable at best, too. We might want to take a look at that.

I would also like to add that, despite this being a government bill, it has been the NDP who, for years, have tried to lower the rates on auto insurance. Do you think, Speaker, that this 15% would have even happened if we hadn't pressed, as part of the budget, for them to reduce it? They wouldn't have even dealt with it. They would have gone and helped their friends make more money again. They wouldn't have dealt with it if we hadn't made it an issue.

Last week, I stood before this House to discuss the Fair Minimum Wage Act. Upon the completion of my speech, I think it was clear that that bill delivered anything but a fair minimum wage, and here I am today talking about this bill that will do little or nothing to reduce fraud and automobile insurance in this province.

In typical Liberal fashion, we have a bill which promises lots but, in the end, will deliver little or nothing for middle- and lower-income earners. There are many aspects of this bill which will reduce neither fraud nor automobile insurance rates. Rather, the bill that this government is proposing will simply hand out another gift to the big insurance companies, at the expense of auto insurance policyholders and accident victims in this province. If passed into law with no amendments, Bill 171 will change the Insurance Act, the Financial Services Commission of Ontario Act, the Licence Appeal Tribunal Act, the Motor Vehicle Accident Claims Act, and the Repair and Storage Liens Act—

Interjections.

Mr. Paul Miller: Speaker, I'm having trouble hearing myself speak. The minister's really loud.

Despite the significant changes, there's little to suggest that fraud or insurance rates will be reduced.

We have two major issues with this bill as currently written, which I will expand on as I continue, if I can hear myself think.

First, in the name of the cost savings to the insurance industry, the government is proposing to wipe out recourse to an independent judicial system, the Financial Services Commission of Ontario, which was established to safeguard the fundamental rights of citizens, and replace recourse to the courts only, and have added another level with a tribunal.

A second issue with Bill 171 is that it would change a 30-year-old rule that has been crucial to those who have suffered injuries in Ontario. This rule, a “prejudgment interest,” as it's called, Speaker, on pain and suffering damages, is intended to compensate an innocent victim when the negligent person's insurance company delays paying those damages. Under the guise of fighting fraud and reducing automobile insurance rates, the measure was presented as a cost-saving initiative for insurers. The change in the interest rate that a victim would receive as part of a payout from an insurance company has nothing to do with fighting fraud. In reality, this change is nothing more than another freebie to Ontario's already profitable insurance sector, on top of the recent substan-

tial cuts to statutory benefits that have already netted insurance companies \$2 billion-plus in savings.

Speaker, in order to properly frame the discussion, we must first go back to 2010 and look at the changes made by this Liberal government.

Interjections.

Mr. Paul Miller: Speaker, I'd be happy to train the minister. He seems a little confused and misinformed, but I'd be happy to help him out.

In 2010, the Liberal government basically put caps on the amount that insurance companies had to pay for damages and personal injury. So when an injured party made a claim, the legislative change made by the Liberals put a significant cap on their compensation. From 2010 to 2011, the Liberal government reduced the amount of statutory benefit payouts that the insurance industry was paying by 50%, so that the victim lost 50%, thanks to them. Now they want to drop it 15%, but the companies will probably raise it 30%. So useless again. It reduced the statutory accident benefit payouts by 70% just in the GTA. For insurance companies their loss ratios went down from 89%—this is the companies, Speaker—to 65.4%. So who's making the money and who's getting the savings? Not the consumer.

The result was billions of dollars in savings for the insurance companies, and what did Ontario drivers and accident victims get as a result of these damages and changes? Did they see reduced rates? Did they see better injury coverage? No. We actually saw a net increase in insurance rates, despite the fact that the coverage was getting significantly reduced.

Because he spoke so eloquently on the matter, I want to use the same analogy as my colleague from Bramalea–Gore–Malton did. Imagine you paid \$15 for a movie ticket, but when you went to watch the movie, you were told that you would only be able to watch half the movie. You figure that because you're only watching half the movie, you will have to pay less for the ticket. But no, that's not the case; you're paying full price. Instead of reducing the rate of the ticket because you're getting less coverage or less of a movie, you find out now you have to pay \$17 for the same ticket. Wow, this is getting better by the minute. You went from paying \$15 for a full movie to paying \$17 for half a movie.

This is what happened to drivers in Ontario, and it's not fair. It is very clear that the Liberal government has a track record of making promises for Ontario drivers that actually benefit only the insurance companies. It's no wonder Ontarians are sceptical of yet more flawed Liberal promises and why we're sceptical of their recent promise to reduce fraud and lower rates. I don't think so, Speaker.

So with this bit of background information and a critical eye, we can now more closely examine Bill 171. Stay tuned, folks; it gets better.

As mentioned previously, the first contentious issue raised with this bill is that in the name of cost savings to the insurance industry, the government is proposing to wipe out recourse to an independent judicial system that

safeguards the fundamental rights of citizens and replace the court process with a tribunal process.

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Currently, accident victims have the right to go to court or to arbitration to dispute a wrongful denial. But under the new proposed legislation, the right to sue will be taken away entirely, and claimants will be required to advance claims to the Licence Appeal Tribunal at the Ministry of the Attorney General. Well, good luck, folks, on that one. This is a denial of access to justice for Ontarians when they are most vulnerable due to injury.

We have been fortunate in Ontario with open courts and with the right of citizens to seek redress in the courts for wrongs committed by others and for denial of benefits by insurance companies. In the name of efficiency, expediency and cost savings to the insurance industry, the government is proposing to wipe out recourse to an independent judicial system that safeguards these fundamental rights of citizens and to replace the courts with unelected, unaccountable, government-appointed, quasi-judicial government tribunals. I wonder if there will be any Liberals sitting on that. Probably.

I fail to see how forcing victims through a process before politically appointed tribunal members will result in a fair and just process for victims. All it will do is result in cost savings to the insurance industry. I fail to see how it will reduce insurance premiums for drivers or how it will result in the fairness process for victims. It will only result in more cost savings for the industry again.

The current arbitrators at the Financial Services Commission of Ontario are highly skilled, experienced, full-time, permanent, salaried employees who are hired to be independent—I repeat, independent—decision-makers. The Liberal proposal would see them replaced with per diem arbitrators from the Licence Appeal Tribunal who typically deal with issues such as the Board of Funeral Services Act, the Collection Agencies Act, the Payday Loans Act and liquor licence violations, among other things—not what I would call experts in the field of insurance, but that's the way they want to go.

Workers at the Licence Appeal Tribunal are part-time, appointed for temporary terms, receive per diem rates and are government appointees. Well, I can see that problems will be created there. That's going to be really peachy. They do not have the expertise to deal with the complex issues around liabilities and injured and vulnerable parties who are seeking redress from their insurance companies.

If they implement this and move it to the Licence Appeal Tribunal, what will happen to the skilled and experienced FSCO employees? Will they be jobless, pensionless and yet another statistic for the government to deal with?

This is completely inadequate, and it fails Ontario's most vulnerable when they need help the most.

Justice Cunningham, who was tasked to investigate and recommend changes to the Ontario insurance industry, did not anticipate, when he issued his report two

weeks before this bill was tabled, that the government would take away skilled, experienced arbitrators in favour of government appointees with less experience and knowledge in this special area of law.

Additionally, there has been no evidence presented that shows that moving the dispute resolution system from FSCO to the Licence Appeal Tribunal will actually result in cost savings. Is it going to cost more? Is it going to cost less? We don't know.

There has been no evidence presented to show cost savings for either victims or the insurance industry either. The government has not provided any evidence to show that there is a cost savings, let alone how much more it may end up costing the public.

The second major issue we have with this bill, as currently written, is the change to the prejudgment interest paid to victims. Prejudgment interest, which is actually paid post-judgment, on pain-and-suffering damages is intended to compensate an innocent victim when the negligent person's insurance company delays paying those damages. It ensures timely payment for pain-and-suffering damages by insurance companies to innocent victims. For some reason, the Liberal government felt it necessary to change the 30-year-old rule which has been vital to many accident victims.

Currently, insurance companies are required to pay 5% interest on whatever amount you are owed for pain and suffering. So if you have a serious injury, and the court determines you are owed \$50,000, for example, for pain and suffering, and the insurance company delays paying for three years, they have to pay \$7,500 in interest. Speaker, this is not a lot of money for people who are suffering from accident injuries, but at least it's something to compensate for the delay in their payment. And it serves as an important incentive for insurers not to purposely delay settlement of claims. Isn't it sad that we have to have this system because an insurance company might purposely delay settlement to an accident victim? A pretty sorry state of affairs, Speaker.

Insurers invest the money that you pay in premiums. According to the federal regulator, collectively, they made about 4% per year on these investments in 2012. If the provisions are passed and the prejudgment interest rate is reduced to 1.3%, as called for in Bill 171, the insurance companies stand to earn an additional 2.7% profit on your withheld money that you are owed for every year they put off settling with you. How does this reduce fraud, and why are we double-victimizing the victim? We're double-victimizing them.

How does this lower automobile insurance rates? Well, it doesn't; it's got nothing to do with it. Rather, it's just another handout by the Liberal government for the insurance industry at the expense of all of us drivers in Ontario.

But don't just take my word for it. According to FAIR, the Association of Victims for Accident Insurance Reform, "There is no incentive to settle cases when insurers can make a fortune sitting on the dollars that are owed to the injured accident victim. Reducing the rate paid out is

another incentive for some unscrupulous insurers to create more delay," and not a disincentive to fraud.

But wait; it gets even worse. The Ontario Trial Lawyers Association, which represents lawyers acting for plaintiffs, also objects to the change. According to the Ontario Trial Lawyers Association, "Insurers will be set to profit particularly in serious cases as they can earn greater returns by delaying settlement and investing the funds"—your money. They're investing and making more profits and you are lying there injured and not getting any money, and you're fighting, fighting, fighting for years.

I ask the members from across the way here, how will this bill get the money more quickly to these accident victims? I'd like them to explain that to me. How will it reduce insurance rates? How will it reduce fraud? The answer is that it won't. We in the NDP know that. The Association of Victims for Accident Insurance Reform knows it too. The Ontario Trial Lawyers Association knows it too. And everyday drivers across Ontario really know it. Why can't the Liberals figure this out?

These amendments to the various acts already mentioned were introduced under the guise of fighting fraud and reducing automobile insurance rates, and as a money-saving initiative for those insured. Clearly, the change in the insurance rate has absolutely nothing to do with fighting fraud. This change is nothing more than another sweetheart gift to Ontario's already profitable insurance sector, on top of the recent substantial cuts to benefits that have already netted insurance companies billions of dollars in profits. It is yet another unfortunate legislative initiative of late, introduced without any consultation or any consideration for automobile accident victims and their families.

One has to wonder how closely the Liberals looked at Justice Cunningham's report when only two weeks later they tabled this rather complex bill. It's clear that the Liberals have no thought in this—none whatsoever. Aside from the criticisms which I have previously mentioned, the bill is also notable for what it leaves out. The Association of Victims for Accident Insurance Reform states, "We have watched the stakeholders and the legislators and their foremost experts spend two decades trying to get the Ontario auto insurance system to run right, but they have repeatedly and stubbornly ignored the key problem—the poor quality of the medico-legal assessments that fuel the disputes which backlog the system." Once again, the bill does not adequately address the issue.

Another glaring hole in this legislation is that it does not address the fact that people's insurance rates are based on their postal code. Why should a driver in one part of Toronto pay more than a driver in another part of the city or a driver in Barrie simply because of where they choose to live? A driver's premium should be based on their individual driving record and not on the city they choose to live in.

Bill 171 also eliminates the power of arbitrators to penalize insurance companies who delay payments un-

reasonably. Under the Insurance Act, they can currently award up to 50% of the amount withheld or delayed, in addition to 2% interest, compounded monthly. Again I ask the government across the floor, how does this reduce fraud or insurance rates? Again, it doesn't. It is just another no-strings-attached handout to the insurance industry from this government. In fact, it actually makes drivers and accident victims far worse off than they are now.

To summarize, we have a bill before us that will remove the safeguards for the fundamental rights of Ontarians. We have a bill that will actually encourage insurance companies to delay paying payments to victims. What we don't have is a bill that will reduce fraud and insurance costs. What is clear is that this government has placed insurance companies' profits and costs as a priority and has driven drivers in Ontario down to nothing more than a passing thought.

That may be their priority, but it's not ours. My NDP colleagues and I will continue to fight for hard-working Ontarians who are already seeing their budgets stretched by sky-high electricity bills, sky-high fuel bills, reduced health care benefits and exorbitant insurance rates. It is long past due that Ontario drivers see some relief from the insurance companies and their policies.

1730

The Acting Speaker (Mrs. Julia Munro): Comments and questions?

Ms. Mitzie Hunter: I'm proud to rise today to speak to Bill 171. This bill is very important to my community of Scarborough–Guildwood. I know from speaking to residents in my community that they are very concerned about the cost of insurance and, in particular, about the rates specifically in our community.

If passed, Bill 171 would build on the work that we've done to stabilize and bring down auto insurance rates. Ontario drivers, who have been paying some of the highest premiums in the country, will welcome and really receive these measures quite effectively.

Specifically, in terms of the bill itself, I'm very pleased to see that with the proposed transformation, the dispute resolution system is going to also be given a much-needed overhaul in terms of reducing the financial as well as the administrative stresses which, as we know, will also help to reduce the cost to the system, further bringing down prices.

I also particularly appreciate the importance of licensing health service providers who bill auto insurance companies. This will professionalize the services that are provided, add further transparency and also help to fight fraud. Furthermore, a big fraud reducer is limiting the time vehicles are held and stored once they've been moved. This will also help to ensure that costs are not unnecessarily driven up for insurance companies, thus reducing the cost to the system.

The attention that we're paying to strengthen our auto insurance system is very important for this industry and will help to reduce the costs that our residents are paying.

The Acting Speaker (Mrs. Julia Munro): The member for Chatham–Kent–Essex.

Mr. Rick Nicholls: We've had a lot of debate today on Bill 171, and I've heard a lot of good points—some for and some against—but one of the things that I'd like to point out is that the arbitration system, when it comes to settling a lot of these claims, is somewhat broken. For example, if the claimant wishes to dispute a decision by their insurer, they have to go through a mediation session with FSCO, which is a financial services group, which employs a mediator. Of course, once that's complete, the dispute is either settled or the claimant has the option of going to arbitration or even to the courts.

It was pointed out that, in 2011, the Auditor General noted that mediation was at a severe bottleneck at that time. Back then, they had a backlog of over 30,000 cases. Now, that number has come down to around 16,000, but again, backlogs mean delays in settlements, and it obviously adds costs to what I call an uncertainty to the system—the broken arbitration system.

It's interesting too. I've been fortunate in driving. I've been driving for over 45 years, and I have been very fortunate that I have not been involved in an automobile accident. But you know what? I've worked hard over those 45 years, and I attribute a lot of the safe driving that I've had to the driver training education that I had back when I was 16 years of age, back in high school when they ran the program there. Again, you know, maybe they need to get back to some of the basics.

The fact that the insurance rates are going up is because there are bad drivers out there, and if you're a bad driver, then you deserve to pay more. As far as I'm concerned, that's the bottom line. But if you're a good driver, you should be rewarded for that, but unfortunately, instead of my rates continually going down, they're going up, and not because I'm a bad driver.

Again, as has been pointed out by other members and by the government, fraud is taking place, and it's hurting all good drivers.

The Acting Speaker (Mrs. Julia Munro): The member for London West.

Ms. Peggy Sattler: I want to thank the member for Hamilton East–Stoney Creek for pointing out the fundamental contradiction in the title of this bill: Fighting Fraud and Reducing Automobile Insurance Rates Act. The reason that's a contradiction is that it implies that the bill is going to fight fraud and therefore reduce auto insurance rates, but we know that that won't just magically happen. We know from 2010, when the government introduced a cap on statutory accident benefits and the industry saved \$2 billion, that none of those cost savings were passed along to consumers. None of those cost savings resulted in a reduction in auto insurance rates for consumers.

To promote this legislation as somehow, you know, we're going to all of a sudden see this long-promised reduction in auto insurance rates is really questionable, particularly when the legislation includes the difference between the tort and the no-fault cases, which will re-

quire some accident victims to appear both in court and in front of a tribunal. One has to wonder if maybe the cost savings are going to be achieved by discouraging people from pursuing claims. It's going to be much more difficult for accident victims to try to get justice for themselves, if they've been victimized in an accident, when they have to go through two separate hearings, they have to hire two separate lawyers and they have to take their cases to two different places. Many accident victims are probably going to think that it's too complicated, it's too much effort, it's too expensive, and they won't be able to get justice.

The Acting Speaker (Mrs. Julia Munro): Further comments?

Ms. Soo Wong: I'm pleased to rise today to speak in support of Bill 171.

Let me remind the member from Hamilton East–Stoney Creek that the NDP government, back in the 1990s, had it in their platform in the 1990s election, to talk about auto insurance—

Interjection: 1990.

Ms. Soo Wong: Okay, 1990, in the platform—but they did nothing after they took office. So this auto insurance issue before this House has been going on for a long time.

My colleague from Scarborough–Guildwood just commented, and my colleague from Scarborough–Rouge River also commented, because we in Scarborough have experienced numerous challenges when it comes to the auto insurance issue, one of which is dealing with the fraud issues.

Our government has consistently talked about this issue. Last August, we announced the Auto Insurance Cost and Rate Reduction Strategy. We also talked about the fact that insurance rates are directly linked to the insurance claims costs. We also know that each dollar the claims come out of also affects the policyholders. I heard the member from Chatham–Kent–Essex talk earlier about the concerns about the insurance premiums being too high. One of the issues is related to the fraud issue.

Those of us who sit on the Standing Committee on Finance and Economic Affairs had gone out to travel across the province. We consistently heard from witnesses, whether they were lawyers or claimants themselves—they told us about fraud, not just in terms of the health insurance providers but also the tow truck industry. We heard it consistently across Ontario.

To say that the government is not sincere in attacking this issue—I challenge that comment.

The other piece is, in this Legislature, we collectively have a responsibility. Yes, I heard some very good comments earlier, and I think we could take this to the committee and enhance the bill.

The Acting Speaker (Mrs. Julia Munro): The member from Hamilton East–Stoney Creek has two minutes to respond.

Mr. Paul Miller: I'd like to thank the members from Scarborough–Guildwood, Chatham–Kent–Essex, London West and, one of my favourites, Scarborough–Agincourt,

and I'm going to counter what she said. When she wasn't here, a long time ago, in the 1990s, if you'll recall, the NDP brought forward public auto insurance. I'll remind her that public auto insurance has been extremely successful in BC. It has been successful in Manitoba. Mr. Kormos brought that forward.

As far as being collective, yes, we're all collective. We're all supposed to do the right thing. But if they had their way, they would put blinders on us and we would salute and be like robots and follow the orders of the Premier. Well, we don't. We think for ourselves. We have our own research, and you don't agree with our research because it doesn't suit your agenda.

I would be more than happy to supply you with information that may change your mind, may tweak your memory about how insurance is paid for in this province and this country. I don't think you've done your homework.

They've done the 15%. Some of the people that I represent have had 35% to 60% increases in their rates. Well, gee, if you increase it 45% and the government does their 15% over three years, you're still down 30%. They've got to regulate that, they've got to get a handle on that, too, so that the companies can't raise it to compensate for what they're going to be forced to give back to the public.

I don't know about you, Speaker, but I've been around a long time, and I don't ever remember getting a rebate cheque from an insurance company. Tell me about that one, too.

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The Acting Speaker (Mrs. Julia Munro): Further debate.

Ms. Sylvia Jones: It's an honour to rise this afternoon on behalf of the residents of Dufferin–Caledon to discuss Bill 171, the Fighting Fraud and Reducing Automobile Insurance Rates Act. What is clear from the outset about this bill, evidenced by the title, is that it of course deals with the auto insurance industry here in Ontario. What is not so clear is how it will reduce auto insurance rates. I think that it's worthwhile to give some context to this bill, take a look at how we got here and analyze the auto insurance industry itself, because in order to properly consider Bill 171, we need to have an understanding of why it was introduced.

As we know, auto insurance can be a heated topic. All of us have received calls from constituents regarding their auto insurance bills for a variety of reasons. The primary one, of course, is typically cost. Auto insurance in Ontario can be expensive, particularly depending on the area of the province you live in. As the only Progressive Conservative member from the Peel region, I can tell you, the cost of auto insurance is a big issue in Peel region. People have every reason to question why their rates are what they are.

The nature of the business, however, is one of complexity. The basis for one's auto insurance rates cannot be simply boiled down to simplistic sources. Likewise, the solution cannot be boiled down to simplistic

boilerplate solutions. That's why it is so unfortunate that the NDP embarked on a PR campaign a year ago telling people that it was so easy for the government to make it so, and, poof, everyone's rates would go down. In the real world, Speaker, things are rarely that simple, and the auto insurance industry example surely shows us that.

To make matters worse, however, the Liberal government, desperate to stay in power, bought the NDP's simplistic sales pitch, hook, line and sinker. What we saw was the Liberal-NDP coalition effectively going around telling Ontarians that the rates were headed down. That was a year ago, and—no surprise—they were wrong. People's rates didn't go down like they promised.

Now, the goal of lower auto insurance rates is certainly worthwhile. I doubt there is a single member among us who wouldn't agree that this is a worthy goal. As per usual with this government, however, the problem is not so much the goal, but rather the implementation.

When the Premier bought the support of the NDP by agreeing to their unrealistic auto insurance plan, the PC caucus said at the time that there would be unintended consequences. Our auto insurance critic—who has done a fantastic job, I might add—Jeff Yurek, the member for Elgin–Middlesex–London, outlined a detailed plan to lower auto insurance rates here in Ontario. Our plan was focused on the realities of the industry and was honest with Ontario families that the government cannot simply decree that everyone receives lower rates. We argued that a healthy insurance market is one that's competitive and has lots of companies competing for our business. That way, the consumer has more choice in whose coverage they purchase, and by extension, companies must offer as low a rate as possible to retain customers' business.

We pointed out last year that the government arbitrarily attempting to force auto insurance companies to cut rates without addressing the inherent costs behind those rates would lead to a hostile business environment. Our fear was that this would result in the exact opposite of a healthy, competitive auto insurance market. Namely, we feared that companies would exit the Ontario market altogether, thereby decreasing competition and leaving the consumer with less choice than they had before. Well, Speaker, we were right. State Farm, a company that held a significant 11% of the auto insurance market in Ontario, has picked up and left Canada, citing the Ontario auto insurance market as their primary reason.

Not only is this bad for the auto insurance industry specifically, but there is a larger effect. You see, State Farm operated on an agent model, where local entrepreneurs in their communities operated State Farm agencies. Speaker, I'm sure you, like all of us, have been at a child's soccer game or hockey game and have seen a team sponsored by the local State Farm agent. Now that State Farm has pulled out of Ontario, it is a valid question whether that agent model can and will persist. I admittedly do not know the answer to that, but I hope it does, because it is a good model that keeps a good connection to our local community.

My reasoning for mentioning this is because it goes back to what I was saying earlier about unintended consequences. Ultimately, any time a company that accounts for 11% of an industry up and leaves a jurisdiction entirely, it is a very bad development. There is a historical precedent for this as well. This too is something the PC caucus pointed out to the Liberal government and their NDP policy developers. However, we were unfortunately ignored. You see, in 1998 the state of New Jersey similarly promised to cut auto insurance rates by 15%. What they saw in response were numerous companies leaving the market. This, in turn, made auto insurance very difficult to obtain. The end result was that, yes, rates did go down by 15% over two years, but that was followed by a 27% spike in premiums after that, due to a lack of insurance availability. I worry that we could see something similar unfold here in Ontario.

Peel region residents, indeed all residents, cannot afford to live through an auto insurance rate roller coaster where prices go down temporarily and then spike by up to 30% shortly thereafter. It's only natural, when there are fewer auto insurance companies operating in Ontario, for the remainder companies to attempt to get rid of even minimal amounts of risk. These are the kinds of unintended consequences that happen as there is a shrinking availability of auto insurance in Ontario.

It's worth noting that the PC caucus was not alone in warning the government of the dangers that came with the NDP's cavalier approach to auto insurance. The CEO of the Financial Services Commission of Ontario—FSCO, as we know it—said to the standing committee—

Interjections.

The Acting Speaker (Mrs. Julia Munro): I'd ask that if you have conversations in the chambers, you keep them to—

Interjections.

The Acting Speaker (Mrs. Julia Munro): Would you take your conversations out of the chamber if they're going to be that loud? They're interfering with the speaker.

Mr. Paul Miller: Certainly, Madam Speaker; no problem.

The Acting Speaker (Mrs. Julia Munro): Thank you. The member for Dufferin–Caledon.

Ms. Sylvia Jones: Thanks so much, Speaker.

As I was saying before I was so rudely interrupted—not by you, Speaker—the CEO of the Financial Services Commission of Ontario—FSCO, as we know it—said to the Standing Committee on General Government, “Any move that required all companies to cut rates I think would be a very dangerous move. As well as that, I think you would find situations where people would just have less access to insurance and perhaps be forced into ... paying much higher rates than they currently are.” It's unfortunate that the members of the committee and the members of the government didn't heed that warning. That's the CEO of FSCO, which is the same regulatory body that the NDP was convinced could order the auto insurance rate problems fixed overnight.

As we are discussing Bill 171 and the auto insurance sector, I think it is worthwhile to mention what some of my constituents are telling me about this topic. I'm here representing their interests and so I feel their thoughts should be heard. One Dufferin–Caledon resident called my office to complain about her auto insurance rates going up. When she heard the news that the rates would go up, she protested, remembering the Liberal government's promises that rates would go down. She was told that her first rate would go up and then it would maybe go back down. This is a woman in her mid-40s, never had an accident, can't remember the last time she got a speeding ticket, drives average vehicles and lives in a safe neighbourhood. Yet her rates are going up.

When I heard her story, I thought it articulated quite appropriately what often happens due to this government's mismanagement. The government was warned that their NDP-inspired auto insurance approach wouldn't work, and they chose not to listen. And now we have people like the Dufferin–Caledon constituent I mentioned who, despite the Liberal promise to the contrary, will now see her rates go up. Indeed, it seems as though the people benefiting the most from the Liberal auto insurance plan are the province's worst drivers.

We saw in January's rate filings that the biggest winners were those insured by non-standard insurers. Traditionally, these companies insure the worst drivers, including those with multiple accidents and drinking-and-driving convictions.

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Some examples of non-standard companies and their respective rate reductions are: Perth Insurance, at a 15% reduction; Pafco Insurance, at 14.5%; and Echelon General Insurance, at 8.7%—again, unintended consequences. I certainly hope that the Liberal government didn't intend for good, honest drivers, like the Dufferin–Caledon constituent I mentioned, to see their rates go up while some of the province's worst drivers see savings. As I say, I don't believe that that was their intention, but it is certainly what is happening, as the evidence shows.

So fast-forward to Bill 171. What we see is the Liberals realizing that their plan of stating that auto insurance rates will go down isn't working, and so they have to come out with Bill 171 in an attempt to salvage their promise and hopefully lower their rates.

All in all, Bill 171 is not a terrible piece of legislation. However, it is a relatively small step forward. I have to say, when—in the same term of a government—we pass legislation, and then we have to pass and debate additional legislation to fix the previous legislation that is less than five years old, it begs the question: How much research, how much background, how much information did you actually do before you brought forward your policy idea?

This bill amends a number of different acts, five in total, including the Insurance Act, 1990, the Financial Services Commission of Ontario Act, 1997, the Motor Vehicle Accident Claims Act, the Licence Appeal Tribunal Act, 1999, and the Repair and Storage Liens Act.

The bill is designed around some primary reforms to the auto insurance industry and how it functions. One such reform deals with the dispute resolution system available to auto insurance claimants. As it stands now, everyone must, by law, purchase what are called Statutory Accident Benefits. Under the current dispute resolution system, if an individual is denied coverage, as prescribed by their Statutory Accident Benefits, they can initiate a dispute. These disputes are resolved through a process administered by the Financial Services Commission of Ontario, as I mentioned previously—FSCO.

What Bill 171 proposes to do is to move the entire dispute resolution from FSCO—where it is now—which is industry-funded, to the Ministry of the Attorney General, which is taxpayer-funded. The idea is for these disputes to be handled at the already-established Licence Appeal Tribunal, the argument here being that, if FSCO's administrative costs are reduced by the ministry taking over this responsibility, then insurance company costs may decrease as a result.

While this would seem logical in theory, I do think that the idea warrants a closer look. For one, this will add a cost to the already deficit-ridden provincial budget. Taxpayers may see some relief on their auto insurance bills, but the threat of higher taxes will still be present, because the current government has no plans to balance their budget. Any time we're adding spending to the budget, I naturally have concerns, because this government has shown itself to be totally incapable of adequately managing the public purse.

Just so that people understand: Right now, that Licence Appeal Tribunal sits with FSCO. FSCO is operated and funded 100% by the insurance companies, who are of course ratepayers. This bill is suggesting that we move that administration portion over to the Ministry of the Attorney General. The Ministry of the Attorney General, of course, is funded by all Ontario taxpayers. So what we've done is we're moving something that is right now industry-funded and industry-supported, and we're saying as a government, "We'll take over that responsibility." Do we really need to do that? We have the ability as a government to regulate the minutiae of all business that operates in the province in Ontario, so why do we need to take over the responsibility of the Licence Appeal Tribunal in the Attorney General's office, when we can simply regulate it and ensure that FSCO is doing a proper job?

A second issue that I see potentially occurring with this plan is that mediation services will most likely still remain an issue. The bill does not tell us whether mediation in its current form, which requires opposing sides to go through a FSCO-employed mediator—and experience long wait-lists—will remain or whether a mediation process will be reformed. Instead, in this case, we see the classic Liberal tactic of leaving it to be decided by regulation, which essentially means that there's no oversight.

As I've said many times, when things are left to regulation, all it takes is two signatures by cabinet minis-

ters—no discussion, no debate, no public input. So I have grave concerns with how much is left to regulation.

Another reform proposed in Bill 171 is the issuing of licences for health care providers that provide services to auto accident victims. This is the aspect of Bill 171 that is designed to address fraudulent practices of certain health clinics that will overbill insurers or will bill for unperformed services.

I'm pleased that Bill 171 is finally getting to talk about the fraud aspect, because ultimately, fraud is one of the huge drivers of higher insurance.

The issue of health clinics was addressed in the anti-fraud task force report that was released in November 2012. So far, the government has addressed just four of its 38 recommendations, but I guess we can give them some credit, because Bill 171 would implement four more, so if this bill is passed, they would in fact be able to implement eight of 38 recommendations. Two years to implement one fifth of the report's recommendations: For this government, I suppose, that's not a bad record.

But back to Bill 171: The licence issued would deal solely with the business practices of the health clinic. The problem with this approach is that it would again require additional bureaucracy as well as inspectors. Because FSCO is industry-funded, any additional costs then are obviously borne by the customers' insurance rates.

The PC caucus has a better approach. Our preferred approach was also contained in the anti-fraud task force report and instead focuses on appointing designated managers at each clinic, who must be—and this is very important—regulated health professionals. We feel this is a better approach, because having a designated manager will be a requirement in order to bill insurers through the Health Claims for Auto Insurance—otherwise known as HCAI—electronic billing system.

The HCAI system is already in place, and health clinics wanting to bill insurers have to register with this system already. HCAI is able to track invoices from health clinics and is therefore able to identify abnormal billing practices. If fraudulent activity appears to be occurring, then FSCO would report the designated manager to their respective health college. Clearly, designated health professionals would not want to lose their accreditation, so that's why we think this is the best approach. Moreover, another advantage of this electronic system is that a clinic's ability to bill insurers can be cut off if fraud appears to be occurring.

Ultimately, Bill 171 is an okay piece of legislation, but I do want to see some key amendments made at the committee level. I would hope that the committee and the government and the NDP—because, let's face it, a lot of this is driven by a philosophy of “Thou shalt bring down insurance rates”—will actually listen to that anti-fraud task force and will actually seriously consider the amendments that our insurance critic, Jeff Yurek, brings forward.

Take a measured approach so that in two or three years, we're not back here debating another amendment, because what we've brought forward—what you're suggesting—didn't work two years ago, it's not working in 2014, and I don't want to keep debating the same stuff. We have to move forward.

I'll leave it at that, Speaker. Thank you.

Second reading debate deemed adjourned.

The Acting Speaker (Mrs. Julia Munro): It being 6 of the clock, this House stands adjourned until tomorrow morning at 9 a.m.

The House adjourned at 1759.

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Naqvi, Hon. / L'hon. Yasir (LIB)	Ottawa Centre / Ottawa-Centre	Minister of Transportation / Ministre des Transports
Natyshak, Taras (NDP)	Essex	Minister of Community Safety and Correctional Services / Ministre de la Sécurité communautaire et des Services correctionnels
Nicholls, Rick (PC)	Chatham-Kent-Essex	
O'Toole, John (PC)	Durham	
Orazietti, Hon. / L'hon. David (LIB)	Sault Ste. Marie	Minister of Natural Resources / Ministre des Richesses naturelles
Ouellette, Jerry J. (PC)	Oshawa	
Pettapiece, Randy (PC)	Perth-Wellington	
Piruzza, Hon. / L'hon. Teresa (LIB)	Windsor West / Windsor-Ouest	Minister of Children and Youth Services / Ministre des Services à l'enfance et à la jeunesse
		Minister Responsible for Women's Issues / Ministre déléguée à la Condition féminine
Prue, Michael (NDP)	Beaches-East York	
Qaadri, Shafiq (LIB)	Etobicoke North / Etobicoke-Nord	
Sandals, Hon. / L'hon. Liz (LIB)	Guelph	Minister of Education / Ministre de l'Éducation
Sattler, Peggy (NDP)	London West / London-Ouest	
Schein, Jonah (NDP)	Davenport	
Scott, Laurie (PC)	Haliburton-Kawartha Lakes-Brock	
Sergio, Hon. / L'hon. Mario (LIB)	York West / York-Ouest	Minister Responsible for Seniors / Ministre délégué aux Affaires des personnes âgées
		Minister Without Portfolio / Ministre sans portefeuille
Singh, Jagmeet (NDP)	Bramalea-Gore-Malton	
Smith, Todd (PC)	Prince Edward-Hastings	
Sousa, Hon. / L'hon. Charles (LIB)	Mississauga South / Mississauga-Sud	Chair of the Management Board of Cabinet / Président du Conseil de gestion du gouvernement
		Minister of Finance / Ministre des Finances
Tabuns, Peter (NDP)	Toronto-Danforth	
Takhar, Harinder S. (LIB)	Mississauga-Erindale	
Taylor, Monique (NDP)	Hamilton Mountain	
Thompson, Lisa M. (PC)	Huron-Bruce	
Vanthof, John (NDP)	Timiskaming-Cochrane	
Walker, Bill (PC)	Bruce-Grey-Owen Sound	
Wilson, Jim (PC)	Simcoe-Grey	Opposition House Leader / Leader parlementaire de l'opposition officielle
Wong, Soo (LIB)	Scarborough-Agincourt	
Wynne, Hon. / L'hon. Kathleen O. (LIB)	Don Valley West / Don Valley-Ouest	Minister of Agriculture and Food / Ministre de l'Agriculture et de l'Alimentation
		Minister of Intergovernmental Affairs / Ministre des Affaires intergouvernementales
		Premier / Première ministre
		Leader, Government / Chef du gouvernement
		Leader, Liberal Party of Ontario / Chef du Parti libéral de l'Ontario
Yakabuski, John (PC)	Renfrew-Nipissing-Pembroke	
Yurek, Jeff (PC)	Elgin-Middlesex-London	
Zimmer, Hon. / L'hon. David (LIB)	Willowdale	Minister of Aboriginal Affairs / Ministre des Affaires autochtones

**STANDING AND SELECT COMMITTEES OF THE LEGISLATIVE ASSEMBLY
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Vice-Chair / Vice-président: Taras Natyshak
Laura Albanese, Steve Clark
Mike Colle, Joe Dickson
Rob Leone, Amrit Mangat
Taras Natyshak, Jerry J. Ouellette
Michael Prue
Committee Clerk / Greffier: Katch Koch

**Standing Committee on Finance and Economic Affairs /
Comité permanent des finances et des affaires économiques**

Chair / Président: Kevin Daniel Flynn
Vice-Chair / Vice-présidente: Soo Wong
Steven Del Duca, Victor Fedeli
Catherine Fife, Kevin Daniel Flynn
Douglas C. Holyday, Mitzie Hunter
Monte McNaughton, Michael Prue
Soo Wong
Committee Clerk / Greffier: Katch Koch

Standing Committee on General Government / Comité permanent des affaires gouvernementales

Chair / Président: Grant Crack
Vice-Chair / Vice-présidente: Donna H. Cansfield
Sarah Campbell, Donna H. Cansfield
Grant Crack, Dipika Damerla
John Fraser, Michael Harris
Peggy Sattler, Laurie Scott
Jeff Yurek
Committee Clerk / Greffière: Sylwia Przewdziecki

Standing Committee on Government Agencies / Comité permanent des organismes gouvernementaux

Chair / Président: Lorenzo Berardinetti
Vice-Chair / Vice-président: Rick Bartolucci
Laura Albanese, Rick Bartolucci
Lorenzo Berardinetti, Percy Hatfield
Mitzie Hunter, Jim McDonell
Randy Pettapiece, Monique Taylor
Lisa M. Thompson
Committee Clerk / Greffière: Sylwia Przewdziecki

Standing Committee on Justice Policy / Comité permanent de la justice

Chair / Président: Shafiq Qaadri
Vice-Chair / Vice-président: Phil McNeely
Teresa J. Armstrong, Steven Del Duca
Bob Delaney, Frank Klees
Jack MacLaren, Phil McNeely
Rob E. Milligan, Shafiq Qaadri
Jonah Schein
Committee Clerk / Greffière: Tamara Pomanski

Standing Committee on the Legislative Assembly / Comité permanent de l'Assemblée législative

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Vice-Chair / Vice-présidente: Lisa MacLeod
Bas Balkissoon, Grant Crack
Vic Dhillon, Garfield Dunlop
Cindy Forster, Lisa MacLeod
Amrit Mangat, Michael Mantha
Todd Smith
Committee Clerk / Greffier: Trevor Day

Standing Committee on Public Accounts / Comité permanent des comptes publics

Chair / Président: Norm Miller
Vice-Chair / Vice-président: Toby Barrett
Toby Barrett, Lorenzo Berardinetti
France Gélinas, Helena Jaczek
Bill Mauro, Phil McNeely
Norm Miller, John O'Toole
Jagmeet Singh
Committee Clerk / Greffier: William Short

Standing Committee on Regulations and Private Bills / Comité permanent des règlements et des projets de loi d'intérêt privé

Chair / Président: Peter Tabuns
Donna H. Cansfield, Dipika Damerla
Catherine Fife, John Fraser
Monte Kwinter, Jane McKenna
Rick Nicholls, Peter Tabuns
Bill Walker
Committee Clerk / Greffière: Valerie Quioc Lim

Standing Committee on Social Policy / Comité permanent de la politique sociale

Chair / Président: Ernie Hardeman
Vice-Chair / Vice-président: Ted Chudleigh
Bas Balkissoon, Ted Chudleigh
Mike Colle, Vic Dhillon
Cheri DiNovo, Ernie Hardeman
Rod Jackson, Helena Jaczek
Paul Miller
Committee Clerk / Greffière: Valerie Quioc Lim

Select Committee on Developmental Services / Comité spécial des services aux personnes ayant une déficience intellectuelle

Chair / Présidente: Laura Albanese
Vice-Chair / Vice-présidente: Christine Elliott
Laura Albanese, Bas Balkissoon
Cheri DiNovo, Christine Elliott
Mitzie Hunter, Rod Jackson
Sylvia Jones, Monique Taylor
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