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Wednesday 2 March 2016

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des débats
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Mercredi 2 mars 2016

**Standing Committee on
Regulations and Private Bills**

**Comité permanent des
règlements et des projets
de loi d'intérêt privé**

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE
ON REGULATIONS
AND PRIVATE BILLS**

**COMITÉ PERMANENT DES
RÈGLEMENTS ET DES PROJETS DE LOI
D'INTÉRÊT PRIVÉ**

Wednesday 2 March 2016

Mercredi 2 mars 2016

The committee met at 0902 in committee room 1.

The Chair (Ms. Indira Naidoo-Harris): Good morning, everyone. The Standing Committee on Regulations and Private Bills will now come to order. We're here this morning to consider three private bills. That will be followed by consideration of the draft report on recommendations made in the first six months of 2015.

Let's move first to the three private bills that we have to consider today.

**BILL BEDFORD PROFESSIONAL
CORPORATION ACT, 2016**

Consideration of the following bill:

Bill Pr34, An Act to revive Bill Bedford Professional Corporation.

The Chair (Ms. Indira Naidoo-Harris): Our first bill that we will be considering is Bill Pr34, An Act to revive Bill Bedford Professional Corporation. I'd like to ask the sponsor and the applicant to please come on up. Sponsor, if you can go ahead and introduce yourself, and also the applicant.

Mr. Bill Walker: Thank you very much, Madam Chair. I'm acting on behalf of Patrick Brown, MPP. It's my pleasure to introduce the applicant, William G. McLean, solicitor.

Mr. William McLean: Thank you. I am William McLean. I am the lawyer for Dr. Bill Bedford.

As set out in the compendium, we're basically seeking a private bill to reactivate Bill Bedford Professional Corp. The short version is that Dr. Bedford realized, after his corporation had been dissolved, that there were still assets in the corporation which he still needs to deal with. He can't do that until we have the corporation revived.

The Chair (Ms. Indira Naidoo-Harris): Thank you. Are there any other interested parties in attendance here today? If so, please make yourself known and come on up.

All right. Any comments from the government, first? Okay. We'll go now to questions and comments from committee members. MPP Vernile?

Ms. Daiene Vernile: Could you elaborate on what you mean by "assets"? Give us some details.

Mr. William McLean: Yes. The corporation has an investment account which was used for the retained earn-

ings of the corporation. Unfortunately, when the company was dissolved, Dr. Bedford thought that that investment account was in his name personally, not in the name of the corporation. It was only after the corporation was dissolved that his accountant pointed out to him that, no, it was actually in the name of the corporation. That investment account will be taken out of the corporation, and the appropriate taxes will be paid as it comes out of the corporation.

Ms. Daiene Vernile: Can you share with us the amount?

Mr. William McLean: My understanding is it's around \$200,000.

Ms. Daiene Vernile: Okay.

The Chair (Ms. Indira Naidoo-Harris): MPP McGarry?

Mrs. Kathryn McGarry: Just one other question: The purpose of this bill will be to just get the assets sorted out, and then he'll be dissolving the company again?

Mr. William McLean: That is correct, yes.

Mrs. Kathryn McGarry: Okay, thank you.

The Chair (Ms. Indira Naidoo-Harris): Any further questions or comments? Are members ready to vote?

Interjections: Yes.

The Chair (Ms. Indira Naidoo-Harris): Shall section 1 carry? Carried.

Shall section 2 carry? Carried.

Shall section 3 carry? Carried.

Shall the preamble carry? Carried.

Shall the title carry? Carried.

Shall the bill carry? Carried.

Shall I report the bill to the House? Carried.

Thank you very much for coming in.

Mr. William McLean: Thank you, all.

839255 ONTARIO INC. ACT, 2016

Consideration of the following bill:

Bill Pr36, An Act to revive 839255 Ontario Inc.

The Chair (Ms. Indira Naidoo-Harris): Our next bill to consider is Bill Pr36. I'd like to ask the sponsor to introduce herself and then the applicant.

Ms. Soo Wong: Thank you very much, Madam Chair and the committee. I'm here to introduce Victoria Loh, lawyer for the company, 839255 Ontario Inc. Welcome.

Ms. Victoria Loh: Yes. Thank you.

The Chair (Ms. Indira Naidoo-Harris): Good morning, Ms. Loh. Do you have any comments to make?

Ms. Victoria Loh: Good morning, Madam Chair. This is just a bill to revive a numbered company that was dissolved as a result of an order made by the government that basically said it had failed to comply with the Business Corporations Act by sending in a notice of change of address. Because they hadn't done that, it had been dissolved.

It was only discovered recently that it had been dissolved at the time when it was trying to transfer or sell a property in Muskoka Lakes to a buyer. I'm here to ask that the numbered corporation be revived so that it can complete that transaction.

The Chair (Ms. Indira Naidoo-Harris): Before we proceed, I'd like to know if there are any interested parties in attendance. If so, please make yourself known.

All right. Are there any comments from government before we proceed?

Next, committee members, comments from committee members? MPP McGarry.

Mrs. Kathryn McGarry: Sorry, just a quick question. If this bill should pass and the corporation is revived, is it just there to complete the transaction and then it will be dissolved again?

Ms. Victoria Loh: I believe so.

Mrs. Kathryn McGarry: All right. Thank you.

The Chair (Ms. Indira Naidoo-Harris): Any other questions or comments from committee members? Are the members ready to vote? Yes.

Shall section 1 carry? Carried.

Shall section 2 carry? Carried.

Shall section 3 carry? Carried.

Shall the preamble carry? Carried.

Shall the title carry? Carried.

Shall the bill carry? Carried.

Shall I report the bill to the House? Carried.

Thank you for coming in.

Ms. Victoria Loh: Thank you very much.

Base2 eBUSINESS SOLUTIONS INC.

ACT, 2016

Consideration of the following bill:

Bill Pr37, An Act to revive Base2 eBusiness Solutions Inc.

The Chair (Ms. Indira Naidoo-Harris): Next up for consideration, we have Bill Pr37. I'd like to ask the sponsor and the applicant to come up. If the sponsor could introduce herself again for the record.

Ms. Soo Wong: Thank you, Madam Chair. I'm here to introduce the applicant, Peter Wong, to revive the company Base2 eBusiness Solutions Inc. Welcome, Mr. Wong.

Mr. Peter Wong: Good morning.

Ms. Soo Wong: There's no relation.

Laughter.

Mr. Peter Wong: Good morning. My name is Peter Wong. I'd like to begin by thanking the committee and

the sponsor, Mr. Dong, for supporting the introduction of this private bill. I know you're very busy today, so my comments will be brief.

My business partner and I purchased Base2 eBusiness Solutions in 2010. A few years after purchasing the business, my business partner and I found ourselves focused more on business ventures outside of the company, so most, if not all, of the new business we carried on under a different business entity. Seeing as there was little business continued under Base2 eBusiness Solutions, under the guidance of our lawyer and accountant, we voluntarily dissolved the corporation in 2013.

Last year, an HST rebate was calculated for the corporation and a cheque was issued in August. We would like to revive the corporation in order to reopen its bank account, so that we can deposit the HST rebate. In order to do that, we have to pass this private bill. Thank you.

The Chair (Ms. Indira Naidoo-Harris): Thank you. Are there any other interested parties in attendance? If so, please identify yourself. Okay.

0910

Next, any comments from government before we proceed to the members? All right. Questions or comments? MPP Vernile. Oh, MPP McGarry.

Mrs. Kathryn McGarry: Sorry. We look alike, I'm sure.

Just a quick question: If this bill passes today and it's revived, will they be dissolving the company once their business is completed?

Mr. Peter Wong: Yes, most likely. I don't foresee us continuing business with that corporation.

Mrs. Kathryn McGarry: Okay, thank you.

The Chair (Ms. Indira Naidoo-Harris): Further questions or comments? Yes, MPP Vernile?

Ms. Daiene Vernile: Can you share with us what the nature of Base2 eBusiness Solutions was?

Mr. Peter Wong: We did Web development and e-commerce for national brands.

Ms. Daiene Vernile: And you shut it down and want it to go in a different direction?

Mr. Peter Wong: Yes.

Ms. Daiene Vernile: Can I ask you the amount of the HST rebate cheque?

Mr. Peter Wong: It's a little under \$20,000.

Ms. Daiene Vernile: Thank you.

The Chair (Ms. Indira Naidoo-Harris): Further comments from committee members? Yes, MPP Hoggarth?

Ms. Ann Hoggarth: I'd just like to ask, is there anyone who objected to this?

Mr. Peter Wong: No, not that I'm aware of. We haven't received any notices.

The Chair (Ms. Indira Naidoo-Harris): All right. Are members ready to vote? Yes.

Shall section 1 carry? Carried.

Shall section 2 carry? Carried.

Shall section 3 carry? Carried.

Shall the preamble carry? Carried.

Shall the title carry? Carried.

Shall the bill carry? Carried.

Shall I report the bill to the House? Yes.
Thank you very much for coming in.

DRAFT REPORT ON REGULATIONS

The Chair (Ms. Indira Naidoo-Harris): I would now like to tell committee members that we're moving to the next item on the agenda, which is the consideration of the draft report on regulations made in the first six months of 2015. I trust that you all have that draft report on your desks.

Similar to last week, I am going to ask research officer Andrew McNaught, who's here with us today, to walk us through the report, and then we're going to proceed section by section, issue by issue. Once again, we'll pause after each section or issue and I'll look to committee members for further discussion.

I will now turn it over to our legislative research officer, Andrew McNaught.

Mr. Andrew McNaught: Good morning. I'm Andrew McNaught of legislative research, but again, I'm here as counsel this morning as the committee considers another draft report on regulations. This report, I should just note, was also prepared by my colleague Tamara Hauerstock, who is not able to be here today. I'm filling in for her.

The report before you this morning covers regulations filed in the first six months of 2015. Tamara's plan is to produce a report every six months instead of annually so that the committee doesn't develop a backlog, which has been a bit of a problem on and off over the years.

If you turn to page 1, the introduction section is the same as in the report we looked at last week. It simply provides an overview of the committee's regulations mandate. Below that, under "Statistics," we note that, as the report covers only the first six months of 2015, it does not include the usual annual statistics. That information will be included in the next report, which will cover the regulations filed in the last six months of 2015.

The substantive portion of the report begins at the top of page 2, under "Regulations Reported." In this section, we are proposing to report two regulations under the committee's second guideline. You may recall the second guideline provides that there should be authority in the statute to make a regulation.

In the middle of page 2, under "Ministry of Health and Long-Term Care," the first regulation we discuss is a regulation made under the Ambulance Act. Now, under the act, the minister has authority to make regulations designating an air ambulance service provider. A regulation made under this authority must be approved by cabinet before it is filed with the registrar of regulations.

The regulation that we have here designates an air ambulance service provider. However, it was made by cabinet, not by the minister, as is required under the act. We see here that the ministry acknowledges that the regulation does not indicate that it was made by the minister. However, they go on to say that, nonetheless, the regulation followed the usual approval process for regs made under the Ambulance Act. That process is that the minister brings forward the regulation for approval by the

legislation and regulations committee of cabinet. In the ministry's view, this technical defect—that is, that it does not indicate that it was made by the minister—is not enough to render the regulation invalid.

However, at the top of page 3, you'll see that Tamara has taken a strict approach, which is that the regulation should indicate that it was made by the minister, as required by the act. Therefore, the recommendation we have proposed here is that the regulation simply be remade by the minister.

I'll just stop there to see if there's any discussion.

The Chair (Ms. Indira Naidoo-Harris): Any questions or comments from committee members about this recommendation? Okay. No further discussion. Proceed.

Mr. Andrew McNaught: All right. In the middle of page 3, under "Treasury Board Secretariat," the second regulation we discuss is a regulation made under the Government Advertising Act, 2004. By way of background, the act requires that whenever the head of a government office proposes to place an advertisement, he or she must submit a copy of the ad to the Auditor General for a preliminary review.

The preliminary review requirement applies to the four classes of advertising you see listed in the act. Those are reproduced towards the bottom of page 3 under (a) to (d). These classes are advertisements published in the newspaper, magazine advertisements, or displayed on a billboard or as a public transit advertisement, advertisements displayed digitally, and advertisements broadcast on radio or television or in a cinema.

The act also allows cabinet to make regulations exempting "items from preliminary review." The regulation that was made under this authority exempts any advertisement falling within the first three classes just noted here. That's (a) to (c). As a result, only advertisements that are to be broadcast on radio or television or in a cinema are subject to the preliminary review requirement.

Given that the regulation-making power in the act uses the term "items," it appeared to us that the legislative intent here was to permit exemptions on an item-by-item basis but not necessarily to exempt entire classes of advertising.

In its response to our letter, the ministry explained that the purpose of the preliminary review is to ensure that a government office doesn't incur significant costs in preparing an advertisement before it receives a preliminary approval from the Auditor General. In the ministry's view, only advertising that is to be broadcast has the potential to run up significant expenses in the early stages of production; therefore, only ads that are to be broadcast require the preliminary review. In any event, the ministry notes that all advertising is subject to a final review by the Auditor General.

Nonetheless, as we say towards the bottom of page 4, it's our view that the current wording of the act is unclear, that is, the current wording of the regulation-making power in the act. It's not clear whether the Legislature intended to permit exemptions for entire classes of advertising, as opposed to on an item-by-item basis.

0920

At the bottom of page 4, the proposed recommendation is that Treasury Board seek amendments to ensure that there is express authority in the act to make the broad exemptions that we see here in this regulation.

The Chair (Ms. Indira Naidoo-Harris): Thank you. Any further discussion of this possible recommendation? MPP Walker.

Mr. Bill Walker: Mr. McNaught, can you just clarify for me that these exemptions do not totally allow the government to go beyond and just do it—that there is still a review by the Auditor General, and they have to? How I'm interpreting it is that if it's a fairly simplistic newspaper ad that's not going to be a huge cost, for example, they don't have to go through the first step and they can get an exemption. But all ads will be reviewed by the Auditor General.

Mr. Andrew McNaught: That's right. The act provides for a two-step approval process: the preliminary review, which is essentially a cost-control measure, it seems; and then a final review by the auditor. As the ministry says, all advertisements have to go through the final stage.

The issue here isn't whether this regulation is a good idea. It's a question of whether the act explicitly authorizes this kind of broad exemption. It's really a technical argument. Again, the committee is not supposed to consider the policy underlying these regulations.

The Chair (Ms. Indira Naidoo-Harris): MPP French.

Ms. Jennifer K. French: Just further clarification: On page 3, where we have the four categories here—published, displayed, digital or broadcast, the (a), (b), (c), (d)—we're saying that the intent originally might have been on a case-by-case, across all four of those, that they can be subject to exemption. But the way it is now, the mistake—or the tangle—is that it could be all of (b) or all of (c). It's just that they could exempt that entire class? Is that essentially the take-away?

Mr. Andrew McNaughton: Yes. Our reading of the regulation-making authority is that it appeared, given that you have four classes set out in the act, that the intention was to allow exemptions on an item-by-item basis within each class, as opposed to setting out four categories in the act and then exempting three of them all together.

Ms. Jennifer K. French: I got a little lost where you said it was (b), (c) and (d).

Mr. Andrew McNaught: It's (a), (b) and (c) that are exempt, under the regulation, from the preliminary review. Only (d) is subject to the preliminary review.

Ms. Jennifer K. French: Okay. With the wording, then, would any items under (d) be subject to exemption, or no?

Mr. Andrew McNaught: It could have been drafted that way, but that's not what it provides.

Ms. Jennifer K. French: So as it stands now, with the tangled—

Mr. Andrew McNaught: Anything under category (d) has to go through the preliminary review, yes.

Ms. Jennifer K. French: All, without exception.

Mr. Andrew McNaught: That's right.

Ms. Jennifer K. French: Okay.

The Chair (Ms. Indira Naidoo-Harris): MPP McGarry.

Mrs. Kathryn McGarry: Certainly, the recommendation put forward here, I wouldn't be as comfortable passing it without some more information. In the past, in this committee, we've had the said ministry and their counsel come before the committee to do question-and-answer of the committee. That's what I would propose right now: whether we could suggest that Treasury Board and their counsel appear in front of the committee at the next sitting, to be able to answer some of the questions.

The Chair (Ms. Indira Naidoo-Harris): Just so I'm clear, MPP McGarry, is this a suggestion? Is it a motion?

Mrs. Kathryn McGarry: It's not a motion. It's a suggestion.

The Chair (Ms. Indira Naidoo-Harris): Okay.

Mrs. Kathryn McGarry: I think that would better clarify some of our questions.

The Chair (Ms. Indira Naidoo-Harris): How do other committee members feel about this proposal to bring in further discussion? MPP Hoggarth.

Ms. Ann Hoggarth: This is my first time here. However, I do believe that it's a little cloudy as to the intention. I think that it would be a good idea to have the Treasury Board Secretariat come and present to the committee.

The Chair (Ms. Indira Naidoo-Harris): Further comments?

Are committee members comfortable with us seeking further information and asking Treasury Board officials to come in and give us their input on what the intent of this is and what we need to understand?

Ms. Soo Wong: Call the question.

The Chair (Ms. Indira Naidoo-Harris): I'm sorry?

Ms. Soo Wong: Call the question.

The Chair (Ms. Indira Naidoo-Harris): MPP Wong?

Ms. Soo Wong: I'm just saying let's vote and call the question.

The Chair (Ms. Indira Naidoo-Harris): I guess my question is, are committee members comfortable with us basically seeking further information from the Treasury Board about this item and, also, the possible recommendation? Are members comfortable with us proceeding in that fashion?

Interjection: Yes.

The Chair (Ms. Indira Naidoo-Harris): Okay. I'll take that as a recommendation.

The Clerk has informed me that that means we will have to stop with our proceedings here at this point, until we can get Treasury Board counsel to come in and speak to us about this. We'll set that up and we will discuss this at our next meeting.

Thank you very much, members. That adjourns our meeting for today. We will meet again next week to pick up our discussion of the draft report.

The committee adjourned at 0926.

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