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of Debates
(Hansard)**

**Journal
des débats
(Hansard)**

Monday 18 April 2016

Lundi 18 avril 2016

Speaker
Honourable Dave Levac

Clerk
Deborah Deller

Président
L'honorable Dave Levac

Greffière
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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday 18 April 2016

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

Lundi 18 avril 2016

The House met at 1030.

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

Prayers.

INTRODUCTION OF VISITORS

Mr. Monte McNaughton: Joining us soon in the members' gallery are friends of Wallaceburg's Sydenham hospital: Shirley Roebuck, Mary Lou Van Daele, Mary Agnes Bogaert, Jennifer Bowen, Victoria Scott, Lisa Medd, Rex Isaac, Jeff Wesley and Lori Turner. I'd like to welcome these people from Lambton-Kent-Middlesex.

Hon. Kevin Daniel Flynn: Today, page Harry Blackwell's mom, Sally Blackwell, is here, and she's joined today by her friend Sarah Hefford from Oakville as well. Please give them a warm welcome to Queen's Park.

Hon. Reza Moridi: It's a great pleasure to welcome my friends from Richmond Hill, Mr. Hassan Kiasat, Dr. Mohammadtaghi Salehian, and Ms. Aghdas Pirayesh, who are sitting in the members' gallery. Mr. Speaker, please join me in welcoming them.

Ms. Ann Hoggarth: From my riding of Barrie, I would like to welcome Jocelyn Leworthy and her mother, Angel. They are here today for the Be a Donor campaign.

Mr. Ernie Hardeman: We have a delegation here today from the town of Ingersoll: Mayor Ted Comiskey, Bryan Smith and Brian Donlevy. They're here to present to committee this afternoon, and they're here to enjoy question period this morning.

Hon. Eric Hoskins: I'd like to introduce Ronnie Gavsie, the president and CEO of the Trillium Gift of Life Network. As well, we have Leslie Kirke and her son, Sully Rafi, with us today.

Tonight, by the way, is the Trillium Gift of Life Network reception at 5:30 in the dining room. I encourage all members in this House to attend. We also have a photo on the staircase after question period.

Mr. Jagmeet Singh: I invite everyone in the House to join me in welcoming page Amelia Naidoo's mother, Leila Puran, and father, Mervin Naidoo. They'll be in the public gallery this morning. I issue my welcome as well as the entire House's welcome.

Hon. Ted McMeekin: Young Madeline Loewith, one of our pages, has some special guests here today that I'd like to welcome to the Legislative Assembly. Mother Jennifer Howe is here, father Ben Loewith is here, grandparents Ron and Carol Howe are here, and grand-

parents Carl Loewith and Sandra Katz are here to support the young page. We welcome you all to the Legislative Assembly this morning.

Ms. Soo Wong: I want to welcome the grade 10 students from Dr. Norman Bethune who are just walking into the visitors' gallery, and the teachers, Ms. Alison Rimell as well as Glynn Williams. Welcome to Queen's Park.

M^{me} Marie-France Lalonde: C'est un plaisir aujourd'hui d'avoir des invités. Un d'entre eux va recevoir l'Ordre de la Pléiade cet après-midi : M. Louis Patry, qui est avec nous dans la galerie avec son épouse Nicole, son amie Nicole Fortier, et un autre ami, Mike Nakashoji. Aussi, mon personnel—Anick Tremblay—qui sont avec nous dans la galerie. Bienvenue.

Ms. Indira Naidoo-Harris: I'd like to welcome the family of Chandise Nelson, who is our page captain today. I'd like to ask everyone to welcome Hentrose Nelson, Chris Nelson, Cahlia Nelson and Clareth McCallum to Queen's Park.

Hon. Steven Del Duca: I am extremely happy today to have the opportunity to introduce my eldest daughter, who is here with us in the members' gallery: Talia Salome Amaral Del Duca, who is eight years old and is sitting right back there.

Mr. Yvan Baker: I'm proud to introduce in the Legislature Devon Moir. She's a bright student at Dartmouth College, my alma mater. Welcome to Queen's Park.

M^{me} France Gélinas: I have delegations from Wallaceburg and Walpole Island First Nation coming. They are stuck in security right now, but they are making their way. That's Shirley Roebuck, Mary Lou Van Daele, Mary Agnes Bogaert, Jennifer Bowen, Victoria Scott, Lisa Medd, Rex Isaac, Jeff Wesley and Lori Turner, and Natalie Mehra and Kim Johnston from the Ontario Health Coalition.

Ms. Indira Naidoo-Harris: Just one more addition: I'd like to ask everyone to welcome a member of my staff, Gillian Rowatt. I don't think she's here just yet, but she will be joining us in question period.

Hon. Reza Moridi: Mr. Speaker, please join me in wishing a happy birthday to page Sabrina Arcuri. Today is her birthday.

WEARING OF BUTTONS

The Speaker (Hon. Dave Levac): Point of order?

Mr. Vic Dhillon: Point of order: I'm seeking unanimous consent to wear a button commemorating Vaisakhi. As well, we're celebrating Vaisakhi at Queen's Park. I'd

like to welcome some members of the Sikh community who are here. We're having prayer from 1 o'clock to 3 o'clock in the government caucus room and a reception following that from 5 o'clock to 7 o'clock. I'd like to encourage members who can attend to please attend.

The Speaker (Hon. Dave Levac): The member from Brampton West is seeking unanimous consent to wear the button and follow his invitation to all members. Do we agree? Agreed.

WEARING OF RIBBONS

The Speaker (Hon. Dave Levac): The member for Burlington on a point of order.

Ms. Eleanor McMahon: Mr. Speaker, I believe you will find that we have unanimous consent that all members be permitted to wear ribbons in recognition of Trillium Gift of Life's Be a Donor campaign.

The Speaker (Hon. Dave Levac): The member from Burlington is seeking unanimous consent to wear the ribbons for Trillium Gift of Life. Do we agree? Agreed.

1040

ORAL QUESTIONS

GOVERNMENT APPOINTMENTS

Mr. Steve Clark: Before we start, on behalf of our party, we just want to express to the Minister of Economic Development, Employment and Infrastructure our wish for a speedy recovery. We're thinking of him and his family this morning at question period.

Speaker, my question is for the Premier. Why is the Premier allowing the Minister of Government and Consumer Services to appoint Liberal friends and donors from his own riding to government boards within his ministry?

Hon. Kathleen O. Wynne: There is an absolutely arm's-length process whereby public appointments take place, Mr. Speaker, and—

Interjections.

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

Interjection.

The Speaker (Hon. Dave Levac): Minister, be helpful, please. Thank you.

Hon. Kathleen O. Wynne: In fact, since we've been in office, we have actually depoliticized those processes much more than when we came into office. There's arm's-length decision-making that takes place.

I think that if the member opposite looks across all of the boards, agencies and commissions, he will see that there are representatives, first of all, from across the province and from all political stripes and no political stripes: people who have been appointed because of their skill base and because of their ability to do the job at hand.

The Speaker (Hon. Dave Levac): Supplementary?

Mr. Steve Clark: Back to the Premier: I have a briefing note from the Ministry of Government and Consumer Services dated last Thursday. It's entitled, "Public Appointments: Historical Advice to Minister and Minister's Office." It was prepared by an acting senior policy adviser and it was approved by a director and an assistant deputy minister. It's clear that ministry officials are concerned that the minister is overriding their advice and recommendations and making public appointments that run against the ministry's directive.

How long has the Premier allowed her ministers to appoint their friends and donors to government boards against the advice of senior civil servants?

Hon. Kathleen O. Wynne: That hasn't been the case, Mr. Speaker. That's not how appointments are made. As I say, there is a process in place. I suggest that, if the member has that memo, he look at what the process is, because the process would be laid out in that memo.

The process has been depoliticized. There's a skills-based process that is undertaken. As I say, if the member opposite looks across the boards, agencies and commissions, he will see representatives from many different backgrounds, from many different parts of the province: people who had connections to all parties and to no parties.

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

Mr. Steve Clark: Again, back to the Premier: The briefing note was written because the minister was seeking to appoint a real estate agent from Sault Ste. Marie to the Real Estate Council of Ontario.

The note says, "There is concern within the [ministry] that appointment of an additional regulated professional to the board, rather than someone outside of the industry, is contrary to the practice of balancing interests on the board."

The issue note continued: "candidate selection package prepared ... identified four suitable candidates." However, "the minister's office has advised that they will be seeking to appoint a member" outside of the recommendations.

Mr. Speaker, will the Premier explain why the minister is being allowed to ignore the advice of senior civil servants and to appoint someone not appropriate for the Real Estate Council of Ontario?

Hon. Kathleen O. Wynne: Mr. Speaker, I haven't seen this memo. I'm sure that the member opposite will send it across the floor to me. I think, from what he has said, it's quite clear that the process is in place. My understanding is that this person that he's referencing has not been appointed and will not be appointed.

I think that the process that is laid out in the note confirms the fact—

Interjections.

The Speaker (Hon. Dave Levac): Please finish, Premier.

Hon. Kathleen O. Wynne: Again, as I said earlier, if you look across the appointments made by this government, you will see members from all different party

stripes and people who have no connection with political parties, because there is a process in place that assesses the abilities of potential appointees and makes decisions based on those recommendations.

GOVERNMENT APPOINTMENTS

Mr. Jim McDonell: My question is to the Premier. It appears that senior ministry officials are of the opinion that her Minister of Government and Consumer Services is acting in a conflict of interest. An email from the assistant deputy minister read, “We all know it has been until very recently a long-standing government practice and policy to appoint people from outside the regulated profession to ... boards.”

The assistant deputy minister added, “I believe the Ministry of Government and Consumer Services needs to give the best advice on why this practice may not be optimal.”

Mr. Speaker, is the reason why it is not optimal because it appears the minister is breaching practice and ignoring consumers’ interest by appointing individuals with ties to him and the Liberal Party?

Hon. Kathleen O. Wynne: I’ve answered this question a couple of times now. There is a process in place that assesses the merits of people who come forward for potential appointments. The fact that the civil service will, from time to time, lay out a process, remind us what a process is, and make it clear what the process is—from my perspective, that’s the job of the civil service. The job of the civil service is to give us advice and for us to act on that advice.

We set up the arm’s-length process. Look across government and you will see appointments from all political stripes and no political stripes, because there is an arm’s-length, depoliticized process.

The Speaker (Hon. Dave Levac): Supplementary?

Mr. Jim McDonell: Back to the Premier: Of the five new appointments made by her minister during his mandate, four were against public service advice. Out of those four, three of them are his constituents, and the fourth happens to be a former Liberal candidate.

Now the minister is at it again: about to override extensive advice, break with the practice of appointing consumer advocates to public boards, and pass on four qualified candidates in an attempt to appoint another constituent of his.

Mr. Speaker, this is simply not acceptable. Why is the Premier allowing her ministers to create a culture of unacceptable public appointments patronage?

Hon. Kathleen O. Wynne: The public appointments process is open, accessible and transparent. All applicants apply through the Public Appointments Secretariat. That is the practice and that is what everyone has to do. They can apply online, they can get information about the process and they can see upcoming vacancies.

I would just say that this level of transparency has been introduced as a result of changes we have made because we believe that the practices that have gone on in

the past where patronage was the rule—that is not what we support. We support a merit-based process. That’s why there are people from all across the political spectrum who have been appointed to agencies, commissions and boards as part of this government’s tenure.

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

Mr. Jim McDonell: Back to the Premier: It is clear from the memo that senior staff are so concerned about the minister’s conflict of interest that they’ve laid it out in writing. That is why, today, I filed a complaint with the Integrity Commissioner.

Until this government’s recent slew of scandals, precedent dictated that ministers would step aside while under investigation. Mr. Speaker, will the Premier ask the minister to temporarily step aside—

Interjections.

The Speaker (Hon. Dave Levac): Stop the clock. Order. Start the clock.

Please finish.

Mr. Jim McDonell: Mr. Speaker, will the Premier ask the minister to temporarily step aside and suspend any pending public appointments until the investigation is complete?

Interjections.

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

Carry on.

Hon. Kathleen O. Wynne: I’m quite sure, as the members opposite look across government and look at the agencies and boards and commissions, they see people from many different backgrounds, including our recent appointment of the Patient Ombudsman. I’m sure that Christine Elliott, we could all agree, is a fine example of someone who has the skills and the background and who can do that job in a very good way.

1050

Those appointments have nothing to do with partisanship. They have to do with merit; they have to do with ability. That’s why the processes that we have put in place remove the partisanship from the decisions. The fact that a civil servant has laid out the process—that’s the job of civil servants: to make sure that we continuously remind ourselves about what the processes are and follow those processes. But our government put them in place, Mr. Speaker, and they are at arm’s length from the political process.

FUNDRAISING

Mr. Jagmeet Singh: My question is to the Premier. When Mike Harris decided to rewrite election rules without public consultation, without consensus and without public input, the Liberals called that, rightly so, anti-democratic and unfair. However, when the Liberals do it, as they’re doing now, they think it’s fine, that it’s absolutely problem-free.

Does the Premier really believe that any leader with a majority can rewrite election rules at their pleasure?

Hon. Kathleen O. Wynne: Here's what I believe, Mr. Speaker. Last year, in June, I said that we needed to make changes to the political donation and fundraising rules. We are moving on that. I think that there is a fair degree of consensus about the changes that need to be made. I think that there's a degree of consensus around the banning of corporate and union donations. I think that there's consensus around at least having a discussion about a public subsidy or a per-vote allowance, Mr. Speaker.

Those are the kinds of discussions that we will have when the draft legislation goes out for consultation after first reading. There will be ample opportunity during the summer and into the fall, after first reading and after second reading. I think that that is how the democratic process, by definition, works, and I hope that the third party and the people whom they ask to come to committee will do that and give us input.

The Speaker (Hon. Dave Levac): Supplementary.

Mr. Jagmeet Singh: Let's do a little bit of compare and contrast, shall we? When Bill Davis wanted to change the election rules, he struck and created a panel. That panel included nominees from political parties. It included nonpartisan members from the law society. It included the Chief Electoral Officer. And it included an independent chair appointed by the Lieutenant Governor.

Now, let's contrast that with what Mike Harris did. When Mike Harris wanted to change election rules, he did so from the back rooms of the Premier's office.

My question, Mr. Speaker, is this: Is the Premier seeking to learn from Bill Davis or from Mike Harris?

Hon. Kathleen O. Wynne: There has been a lot of change since 1975, when the rules were put in place, Mr. Speaker. I think what we've seen is—I was actually alive in 1975 and I know—that the rules were very different and, in many cases, non-existent. The fact is that, over time, there have been more rules put in place. There has been a much brighter light shone on the practices around political donations.

As I have said, I think that there is a fair degree of consensus about where we need to go now. If we look at where the federal parties have gone and we look at other jurisdictions in Canada, we can see that there are some templates that we can use. That's what we're doing in terms of drafting the legislation. I still look forward to getting input from the opposition parties, but there will be ample opportunity for consultation, Mr. Speaker.

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

Mr. Jagmeet Singh: The question was a little bit unfair. With the sell-off of Hydro One, it's pretty clear that the Liberal government isn't just trying to copy Mike Harris; they're seeking to outdo him.

The Premier is sending a message to Ontarians that it's normal for one party to rewrite election rules. On Thursday, however, Democracy Watch, a democracy organization that seeks to uphold our democratic process, disagreed with the Premier and instead stated that a process should first and foremost be broad and con-

sensus-based. In addition, it should equally involve all political parties and it should draw from the broader civil society.

Does the Premier realize that her actions are setting a precedent that any leader with a majority can simply rewrite electoral rules at their own pleasure, which defies our best traditions and traditions elsewhere which say that election rules should be changed in an open, non-partisan, transparent and, above all, consensus-based process?

Hon. Kathleen O. Wynne: Government House leader.

Hon. Yasir Naqvi: I find the comments from the member opposite such a demonstration of disregard and lack of understanding of how our democratic parliamentary system works. He's suggesting, by the argument he's presenting, that somehow the government or the Legislature should not be in the business of making laws. It just defies logic. I would think, given his legal training, that he would know some of the most basic premises of how the legislative system works.

In our Legislature, Speaker, as you would know, every member has a voice. There is a very robust committee process where changes to legislation could be made and where debates are taken. I'm finding it very odd that the NDP is spending more time talking about the process than the substance of what should be in the legislation—and we'd love to hear from them on that.

HOSPITAL SERVICES

M^{me} France Gélinas: Ma question est pour la première ministre.

Today, residents from Wallaceburg and Walpole Island First Nation are here. They're here to save their local hospital and keep their emergency department open. They've agreed to the 700-kilometre drive to Queen's Park because they refuse to let the Liberals close another hospital in southwestern Ontario—to close their hospital. They know full well that once the emergency department is gone, once the big blue "H" is gone from that building, so is their hospital.

Why won't the Premier do the right thing and stop any plan to close the emergency department and the Sydenham District Hospital in Wallaceburg?

Hon. Kathleen O. Wynne: I know the Minister of Health and Long-Term Care is going to want to speak in the supplementary, but I understand that concern has been raised by the community because of some rumours about the potential closure of the emergency department at Sydenham District Hospital. I want to assure the community—and this is important—that there are no plans whatsoever to close the hospital's emergency department. Even that contention is not accurate.

I understand that when there are rumours in communities, that can cause some upheaval, but there is no truth to that rumour. There is no plan to close the hospital's emergency department.

The Speaker (Hon. Dave Levac): Supplementary?

M^{me} France Gélinas: Thank you, Speaker.

Interjection.

M^{me} France Gélinas: I said, "Thank you, Speaker."

The Premier needs to listen to the people of Wallaceburg and the people of Walpole Island First Nation. She needs to understand what cuts to health care mean to families in southwestern Ontario. The Wallaceburg Health Coalition is still very worried that those rumours will become reality, because this is what we have seen over and over in other communities. What will that mean? It will mean 20,000 people don't have access to emergency care without having to drive over an hour to an hour and a half.

After all the cuts to Wallaceburg hospital, if the emergency were to close, so would the hospital. This is not the only community that's facing these deep cuts; there are many others. Will the Premier stop cutting hospital services that families and communities depend on?

Hon. Kathleen O. Wynne: Minister of Health and Long-Term Care.

Hon. Eric Hoskins: I too want to reassure the community that there are absolutely no plans to alter or close their emergency department. This is an issue where it is a rumour. It's been generated locally. In fact, the LHIN has never asked for or received any ideas for such a closure. The ministry has never been involved in discussions concerning a possible closure.

What it does is it points to the necessity that the local board of the local hospital and the alliance, which is comprised of more than one hospital in that area, work with their community, and that they are honest, open and transparent about what their aim is to provide the best-quality patient care.

There has been no discussion with the LHIN, no discussion with the ministry. This is purely a local issue. I hope and I implore the member opposite that she doesn't contribute to this rumour-mongering and get the people in the community even more anxious.

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

M^{me} France Gélinas: Speaker, you'll have to forgive those good people, but when they go around and see that 169 registered nurses were cut in Windsor; 136 staff were cut at St. Joe's in Hamilton; 18 nurses were cut at Bluewater in Sarnia; 68 jobs were gone from the hospital in Kitchener; beds closed and more than 120 full-time positions were cut in London; deep cuts at St. Thomas Elgin hospital—and that's only since January 1, 2016—it makes people really nervous.

1100

The good people of Wallaceburg and Walpole Island First Nation are worried that they could lose their hospital. They're also worried because of all of the service cuts happening in southwestern Ontario.

Why is the Premier cutting services in southwestern Ontario?

Hon. Eric Hoskins: I find it really regrettable that the member opposite would clearly use this local rumour and exploit it for broader political purposes. The truth is that

we're providing, this year, an additional \$2 million to the alliance, which includes the Sydenham hospital. That's a 2% increase in their funding.

All that the people in the local community need to do is look down the road to Leamington—where we just announced an additional \$1.5 million to recruit three obstetricians, to keep that local obstetrics unit and that birthing centre open for the local community—or to Trenton. I was just in Trenton recently, where we are working with the local community.

I would suggest that instead of fearmongering, she should work with the local community to provide the best patient care.

We have no such plans. It's unfortunate that you're exploiting a rumour for your own political purposes.

CLIMATE CHANGE

Ms. Lisa M. Thompson: My question is for the Premier. Over the past couple of weeks, we have seen the Liberals put forward an almost unprecedented number of amendments to their cap-and-trade bill. Now, with more than 70 Liberal amendments before the committee, it's clear the government is rewriting its own bill on the fly.

It's time for the Premier to explain why her signature piece of legislation is such a mess. Is it because she also chose to write the cap-and-trade bill on the back of a napkin at her kitchen table over the weekend, or is this just how she handles the rules for Ontario's democracy?

Hon. Kathleen O. Wynne: Minister of the Environment and Climate Change.

Hon. Glen R. Murray: We've been consulting now for about the better part of two years on this, and we continue. This is one of the most complex pieces of legislation ever introduced into the Legislature. The amendments are largely technical, based on input from a variety of industries. As you may know, there's—

Interjections.

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

Hon. Glen R. Murray: I've spoken at the London Chamber of Commerce, the Guelph Chamber of Commerce and the Mississauga chamber of commerce. There is very great support for cap-and-trade. As a matter of fact, there is great concern that the opposition—which, after every single amendment, is calling a 20-minute break—is causing destabilization in the discussion. Their lack of—

Interjections.

The Speaker (Hon. Dave Levac): I stand, you sit.

I've got a list of about four names that I'm going to talk to, especially the person asking the question.

Supplementary.

Ms. Lisa M. Thompson: Back again to the Premier: We all agree that we need to address climate change, but that doesn't mean everyone must agree on the Liberals' flawed cap-and-trade scheme. It's obvious that Bill 172 was slapped together so that the Premier had a PR document before jetting off to Vancouver for an environmental photo op with Justin Trudeau.

But the result is haphazard, with loopholes big enough to drive a truck through. Funding decisions will be made in secret, taxpayers will receive no relief, and the Financial Accountability Officer will not have access to spending plans.

Speaker, will the Premier admit she has messed up, withdraw Bill 172 and begin developing a revenue-neutral plan that protects taxpayers?

Hon. Glen R. Murray: I would invite anyone to look at what those amendments are, Mr. Speaker. They are advice from lawyers and from industry associations on very technical pieces that are not terribly consequential from a public policy perspective but are critical for the actual functioning of that. Many of those were representations at committee, and continue to be.

Why the opposition would filibuster over and over again for days, over technical requirements required by industry, is beyond me. The answer is because they don't actually support carbon pricing or climate change, because the two amendments that they introduced would delink us from California and Quebec and undermine investments in critical infrastructure, necessary for a successful—

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

AIR-RAIL LINK

Ms. Cheri DiNovo: My question is to the Premier. In 2010, the Premier, who was then the Minister of Transportation, ordered Metrolinx to take over the Union Pearson Express under the same flawed business model that had just been rejected as a money loser by the private sector. Instead of building affordable public transit in this corridor, the Premier ordered Metrolinx to build a luxury airport express service. Now we know that Metrolinx ignored and covered up seven ridership studies that showed the Union Pearson Express would actually lose money.

Did the government order Metrolinx to ignore and cover up these studies in order to push ahead with the flawed business model the Premier had demanded?

Hon. Kathleen O. Wynne: Minister of the Environment and Climate Change.

Hon. Glen R. Murray: It's very interesting, now that we've actually joined most of the world's major economic capitals in having a premium service to our airport—without the support of the opposition. This is also the same member who actually said that we should only electrify the Union Pearson Express. Now, the government is electrifying all nine lines providing 15-minute service—which they don't support because they can't identify financing. In our debates, we said to the third party that if they were just a little patient, it would make more economic sense to electrify the whole line for all folks, which is what we're now doing.

On the ridership issue, when we went to all-day GO service, we tried it on an experimental basis. We expected an 8% ridership; we've now got 30%. These

things take time to build ridership. Clearly, the party has no patience, no money and no support for infrastructure.

The Speaker (Hon. Dave Levac): Supplementary.

Ms. Cheri DiNovo: My question is back to the Premier. Quite frankly, at no time have we said what the minister just asserted. In fact, the NDP has always called for the electrification of all lines. That's what we've done.

Back to the Premier with the question. The NDP has been trying for years to get the UPX ridership studies, but we've been blocked at every turn by Metrolinx and this government. It's clear to everyone that Metrolinx has been covering up for the bad decision made by this Premier to build a luxury train for Bay Street executives who, it turns out, don't even use it themselves. The dirty diesel train is still inaccessible to most of the people through whose communities it runs, but they must help subsidize the train—and this is staggering, Mr. Speaker—at about \$46 per rider, even at the reduced fares.

Why is Metrolinx building pet projects for the Premier and then covering up—

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

Now I'm going to ask the member to withdraw her last statement as she was sitting.

Ms. Cheri DiNovo: Okay, I withdraw. Thank you.

Interjection.

The Speaker (Hon. Dave Levac): You don't have a choice.

The Minister of the Environment and Climate Change.

Hon. Glen R. Murray: I'm kind of amused by the third party's double standard. They were big supporters of Transit City, as was I—a very good project. All the Transit City lines would have run at an operating loss for many years through low-income neighbourhoods until ridership built and land use changed. They had no problem subsidizing that. And yes, they actually singularly advocated for advancing the Union Pearson Express electrification ahead of the whole thing.

Now, I share the CN GO line, the CN main line—which is completely run on diesel trains that run about every five minutes on that line. I think my constituents and the constituents in the south end of her riding have the same right to clean air as people in the middle of the riding. We actually believe in a bigger vision, and we actually believe in making decisions that raise the capital—which they also have consistently opposed—to pay for massive electrification. I wish the member opposite would get a plan or at least stick to one line of argument.

AFFORDABLE HOUSING

Mr. Lorenzo Berardinetti: Mr. Speaker, good morning. My question is to the Minister of Municipal Affairs and Housing.

Last Wednesday, the 2016 budget bill, Jobs for Today and Tomorrow, was passed in this House. In this vein, the budget includes investments to support and update

the province's Long-Term Affordable Housing Strategy. These investments continue the transformation of Ontario's housing and homelessness system.

There are communities in my riding of Scarborough Southwest that are very high priority when it comes to housing, and my constituents welcome this news as it helps to enforce and reinvigorate the housing community in my riding. Our government recognized that we needed more affordable housing in Ontario and our government took action.

1110

My question to the minister is, in opposing the 2006 budget, with investments in affordable housing, what did the opposition vote against?

Hon. Ted McMeekin: I want to thank the member from Scarborough Southwest.

I was disappointed when the opposition voted against our budget for a number of reasons, but being very concerned about social and affordable housing, it was an attempt to deny Ontarians the important and very necessary investments our government was and is prepared to make. That includes \$178 million over three years to provide housing subsidies and benefits, the construction of 1,500 new supportive housing units, and improving access for over 4,000 families to services like counselling and dispensing medication.

Our government knows investment in supportive housing is important. I was proud to have this commitment endorsed when we passed our budget.

The Speaker (Hon. Dave Levac): Supplementary?

Mr. Lorenzo Berardinetti: I know my constituents and many across the province welcome this \$178 million in new funding for the Long-Term Affordable Housing Strategy. Supportive housing is certainly an important component of helping Ontarians realize their full potential.

Related to this, I know the Minister of Municipal Affairs and Housing as well as the minister responsible for poverty reduction are working hard on our government's plan to end chronic homelessness. I was pleased to see that the housing investments in the budget will support this plan and will make sure everyone has the support they need to succeed.

Mr. Speaker, through you, can the minister remind this House how these investments help accelerate our goal to end chronic homelessness?

Hon. Ted McMeekin: I'd be delighted to. In voting against the budget, the opposition parties voted against important steps, ending our goal of assisting with chronic homelessness. That included voting against a \$45-million increase in CHPI funding and \$17 million to provide the portable housing benefit on a pilot basis to eventually support up to 3,000 survivors of domestic violence. Taken together, these investments will make an important difference in our work.

I'm also encouraged that the federal government has now committed in their own budget to working with us and matching some of our investments. I know that partnership between all levels of government will help

transform our housing system in this province, and it's great to see a federal government that finally gets it and wants to adopt a national housing strategy.

AIR-RAIL LINK

Mr. Michael Harris: Speaker, to the Premier: This weekend's Metrolinx bombshell took the wraps off countless reports dating back five years, warning again and again against the luxury fares that their government chose for what quickly became the UP ghost express.

There was the 2011 Northstar study showing half of the GTHA residents wouldn't pay more than \$17.50; a 2012 Steer Davies Gleave study showing drastic ridership drops as fares rise past \$20; and in 2014, we had Environics reporting that 50% of respondents considered \$12 fare good value.

Was it the instructions of the Premier or the Minister of Transportation to ignore the advice of government experts in choosing a \$27.50 luxury fare?

Hon. Kathleen O. Wynne: Minister of the Environment and Climate Change.

Hon. Glen R. Murray: It's a great pleasure to answer the question from the member opposite. The member may be aware that Metrolinx is an arm's-length organization with its own board and its own CEO. Part of the reason we created this is that we have other basic utilities—this is our GTHA—to make decisions and to weigh evidence. It's not the job of ourselves to second guess them. There's a good process in place and you have to have confidence that the ridership builds.

We know if they had been in power—as Dr. Phil says, previous behaviour is a good indicator of future behaviour—we would be at the end of cancelling the Eglinton, filling in the subway to Vaughan and to the university. We would see another 10 years of backfilling holes and cancelling projects, Mr. Speaker.

I would love for the member to stand up one day and demand we actually build something, rather than criticizing what we're doing.

The Speaker (Hon. Dave Levac): Supplementary.

Mr. Michael Harris: Right. We all believe Metrolinx is arm's-length to your government. We all believe that.

Speaker, these newly revealed numbers further highlight the expensive and avoidable mess that their government steered the UP Express into. The transportation minister told us in committee, with regard to transit funding plans, "People ... expect that we won't make these decisions ... on the back of a napkin and that there will be evidence-based decisions."

Will the Premier explain, in the case of the UP Express fare-setting, when it came to evidence versus napkins, why was it that the napkin won out?

Hon. Glen R. Murray: First of all, these studies have been up on the website for a couple of years now. They're hardly new news. I can always predict, by picking up my paper in the morning, which seems to be the substitute for Tory caucus research, what the

questions are going to be. You can at least go “click, click” and get the facts yourself.

Second of all, Mr. Prichard—former chair of the Bank of Montreal, former publisher of the *Toronto Star*, former chancellor of a university and former head of Torys—is a very eminent, independent-thinking person, as is Bruce McCuaig, our president and CEO. We have an excellent management team and board there, who are making very good judgments and supporting the funding that we’re putting in and the government’s commitment.

This is the biggest investment in transit and public infrastructure since John Robarts was Premier of this province. I hope that the member opposite has some confidence in Metrolinx.

ABORIGINAL PROGRAMS AND SERVICES

Mr. Gilles Bisson: My question is to the Minister of Health. Minister, you had an opportunity last week to go to Attawapiskat and see first-hand the situation there, as it affects a lot of people in that community when it comes to attempted suicide. I think you will agree with me that the response that you put forward is a good step forward, as far as the \$2 million you’ve announced. But the real issue here is that we do not have the types of services that we need in those communities permanently and organized in a way that is consistent with the values of First Nations people and being able to make sure that those systems function.

Is there a commitment on the part of your government to change the way that we deliver health services when it comes to mental health services, addiction services and others, so that it falls under an organization that is run and led by First Nations, so they themselves can be part of the solution?

Hon. Eric Hoskins: First of all, I want to acknowledge the member from the third party. Attawapiskat is a community within his riding, and I know that for many, many years he has been working with the local community in a respectful way and in true partnership to ensure that he does his part in ensuring that services are improving.

We were in Attawapiskat last week, Mr. Speaker, and we made the announcement of the \$2 million, which provides—in fact, they’re already on the ground—13 health care workers, four mental health workers, five nurses and other personnel who are hard at work. Part of it is providing relief to the overworked front-line health care workers in the hospital, but also providing that response to the immediate crisis.

I think, as the member alluded to, that we all agree that that is important at this particular moment in time, but it doesn’t take away from the necessity. I am happy to address his particular question with regard to a changing relationship.

The Speaker (Hon. Dave Levac): Supplementary.

Mr. Gilles Bisson: I think you will agree with me, Minister—and you’ve seen it first-hand along with your

colleague—that the system that’s designed by Queen’s Park, designed by the Ministry of Health and led by the LHINs out of Sudbury is not responding to the needs of that community.

What the community is asking for—and not just Attawapiskat, but the entire James Bay—is that we change the way that we deliver health services on the James Bay, so that we actually have an aboriginal organization that is funded by the Ministry of Health and follows their regulations, but is designed in such a way to be respectful of who the Mushkegowuk Cree people are, so that they have some control over how we deal with these issues within their community. Are you prepared to engage in that process?

Hon. Eric Hoskins: There’s not a lot of distance between myself and the member opposite on this issue. In fact, the Premier is meeting with the political confederacy this afternoon. I’ll be joining her for discussion about health concerns and that relationship going forward.

1120

With regard to the LHINs, quite frankly, our First Nations weren’t significantly or substantially involved when we created the LHINs, so we’ve created a separate process where we’re working in partnership with First Nations across the province to make sure we have a governance model, an approach that respects them, is culturally appropriate and meets their needs.

I think the member needs to acknowledge that there’s also a strong federal component to this as well. The three levels of government, along with local communities—so the federal government, provincial government and First Nations’ leadership at the political level. Of course, we all need to make sure that we’re focused on providing better health care to First Nations communities in this province.

SOCIAL ASSISTANCE

Ms. Ann Hoggarth: My question is for the Minister of Community and Social Services. Minister, as you know, Ontario’s social assistance programs are critical to our government’s poverty reduction goals to support the most vulnerable members of society. Maintaining an effective social safety net is one part of our government’s broader efforts to reduce poverty and ensure that we have an inclusive society and economy. However, constituents in my riding of Barrie know that the system can sometimes be complex to navigate for those who need it.

In last week’s budget, our government announced an income security reform process. Can you tell me more about your ministry’s work to reform the income security system for vulnerable Ontarians?

Hon. Helena Jaczek: Thank you very much to the member from Barrie for the question. Part of my mandate as Minister of Community and Social Services is to reform social assistance. Over the past year, my ministry has had ongoing discussions with stakeholders, experts and those on the front line. They told us that it’s

important to expand reform to include aspects of the wider income security system.

We listened, and we will be engaging stakeholders in the coming year to develop an action plan for more comprehensive reform. The plan will be informed by client experiences and a basic income pilot project, among other things. We will also engage with First Nations, Inuit and Métis nations to ensure we have an inclusive process.

As we develop this action plan, we will continue to take important immediate steps to improve income security, such as ending the full clawback of child support from social assistance.

The Speaker (Hon. Dave Levac): Supplementary?

Ms. Ann Hoggarth: Thank you to the minister for sharing information about this important action plan to improve our income security system for vulnerable Ontarians. It's important that we reduce barriers to ensure that we have a fair, adequate and accessible income security system that is simpler for Ontarians who are facing challenges in their lives.

We know that some of those Ontarians facing challenges are single parents who receive social assistance for their children. Minister, you mentioned ending the clawback of child support for social assistance recipients. Can you please share more information about this important change to social assistance?

Hon. Helena Jaczek: We know that children in single-parent families are disproportionately and more profoundly affected by poverty. As part of our government's commitment to combatting child poverty, my ministry will be ending the full clawback of child support for social assistance recipients. If I may remind the House, this is a budget that the opposition voted against.

Currently, families receiving child support have their social assistance benefits reduced by the full amount of child support they receive. This means families on social assistance are no better off when they receive child support and the parent responsible for making payments may feel little incentive to pay.

By not supporting our 2016 budget, the opposition voted to keep these funds from families in need. What we know is that, thanks to this budget, families who receive child support will see a positive change by this time next year.

HYDRO RATES

Mr. John Yakabuski: A question to the Minister of Energy: Here we go again. Electricity rates will rise again on May 1, up to 18 cents a kilowatt hour, the fastest-rising rates anywhere in North America. We're being told it's because we conserved too much energy—just one more Liberal excuse after another.

The minister stated he was taking steps to bring rates down yet, since November, the average bill is up \$187 per year. He says he's helping. Well, I have a message to him from consumers: Your idea of help is just too painful. Please stop.

For the minister, it's just catchphrases and fun with numbers, but for people in this province, it's reaching the breaking point. The minister needs to stop with the rhetoric and commit to action. When will he actually do something concrete to address skyrocketing electricity rates before Ontario reaches the point of no return?

Hon. Bob Chiarelli: Mr. Speaker, I'll provide some additional comments in the supplementary.

Ontario's residential electricity rates are and will remain competitive with similar jurisdictions in North America. When comparing the cost per kilowatt hour, Ontario's rates are lower than in many American cities, are significantly lower than electricity rates in European cities, and are competitive with some Canadian provinces.

The recent increase just announced—Ontario's 2.5% bill increase—is reasonable and stacks very competitively across our comparators. BC Hydro rates increased by 4% on April 1, 2016. Saskatchewan power rates increased by 5% in 2015. Manitoba Hydro applied for a rate increase of 3.95% as of April 1, 2016. Newfoundland Power Inc. applied for a rate increase of 3.6% for residential customers as of July 1, 2016, compared to Ontario's 2.5%.

Mr. Speaker, we're doing quite well.

The Speaker (Hon. Dave Levac): Supplementary.

Mr. John Yakabuski: With answers like that, he just doesn't understand the pain he's inflicting on people across this province. He's going around saying what a bargain people are getting for their electricity. Where did the minister get that idea? He did not get it from the single mother who has to make the choice of whether to heat or eat. He did not get it from the senior couple who freeze in the wintertime and are gasping to get their breath in the summertime because they can't afford the electricity to run their air conditioning. Electricity in this province is no bargain, and under this government, it has continued to get worse.

The first step the minister needs to take is to stop signing contracts for intermittent electricity that we clearly don't need. Will he do this? Or have those developers been just too generous at his Liberal Party fundraisers?

Interjections.

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

Minister.

Hon. Bob Chiarelli: As I just mentioned, our prices are competitive with most jurisdictions', notwithstanding that we've removed coal-burning generation, which almost all the others are doing. By completely eliminating dirty coal-fired generation in Ontario, our electricity system is now more than 90% emissions-free. Smog days in Ontario have gone from 53 in 2005 to zero in 2014, and Ontario is already living a cleaner future.

We also recognize that the price of electricity can be difficult for those who pay a higher share of their income towards their bill, particularly low-income families and seniors on fixed income. That's why we launched the OESP and removed the debt retirement charge on Janu-

ary 1 of this year, saving the average family more than \$430 annually.

We also know that bills can be even harder for families and seniors in rural and remote communities who heat with electricity or use medically assistive devices. That's why we doubled the monthly benefit these families can access, up to—

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

EMPLOYMENT SUPPORTS

The Speaker (Hon. Dave Levac): The member from Atikokan.

Mr. Michael Mantha: My question is to the Minister of Training, Colleges and Universities. Minister, your ministry replaced the Jobs for Youth Program with the Youth Job Connection program. Over the past seven years, Waubetek Business Development Corp. has successfully been delivering the Jobs for Youth Program in the Manitoulin Island region. This program change has resulted in youth employment positions for at-risk aboriginal youth being reduced from 50 to four positions.

Will your government reverse the cancellation of this important Jobs for Youth Program, which has done so much to guide aboriginal youth in a positive direction?

The Speaker (Hon. Dave Levac): I apologize to the member from Algoma–Manitoulin for forgetting. I apologize.

Minister of Training, Colleges and Universities.

Hon. Reza Moridi: I want to thank the member for his advocacy as well as for this question.

We believe, in the government, that all Ontarians, particularly youth from any background, should have access to the best training and education possible. That's why, under the leadership of this Premier, we have renewed our youth jobs strategy with \$250 million in investments.

This strategy has two components. One of them is the Youth Job Connection, which basically addresses the needs of those youth faced with multiple barriers, including aboriginal youth, newcomers, youth with disabilities and so on and so forth.

That's why, Mr. Speaker, we have been working very hard to make sure that our youth will have the training and the education they need so that they can contribute to our economy and be successful in their lives.

1130

The Speaker (Hon. Dave Levac): Supplementary?

Mr. Michael Mantha: Again to the minister: Over the past seven years, this program has enabled 420 aboriginal youth between the ages of 15 and 18 to be hired, trained and placed over that period. Their results have been outstanding, Minister: an increase in aboriginal youth in post-secondary from 62% to 91% in seven years. High-risk behaviours are curbed. They worked with aboriginal and non-aboriginal employers to bridge gaps of cultural relationships and understanding and contributed to the regional economy. After the program

ended, many of the youth were re-employed by their original employers.

We know that our First Nations children and youth receive less than equitable services when it comes to education and child welfare compared to other Canadian youth. Will your government take every step to support this programming that redresses these inequities?

Hon. Reza Moridi: Again, I want to thank the member for the question. Part of this youth jobs strategy is the Youth Job Link program, which includes providing training and education for youth from every background, from the age of 15 to 29.

Employment Ontario provides services through 320 locations across the province of Ontario, and of course aboriginal youth are no exception. We will make sure that every youth in the province of Ontario has access to the training and skills they need to be successful in their lives as well as to contribute to our economy.

CLIMATE CHANGE

Mr. Arthur Potts: My question is to the Minister of the Environment and Climate Change. Speaker, when the Leader of the Opposition flip-flopped on climate change, we on this side of the House were delighted, because we thought he was bringing the climate change deniers into the 21st century.

However, it would appear that most of his caucus hasn't yet gotten that memo. Despite telling the media that there was practically universal support in the PC caucus, many still are doing their best to delay passage of our bill. On Friday, the PC critic of the environment called for an end—

The Speaker (Hon. Dave Levac): Your policy question is?

Mr. Arthur Potts: Sorry? Oh. The critic called for an end to our cap-and-trade program. On this side of the House, we know that cap-and-trade is extremely important and the best method for us getting Ontario to reduce its greenhouse gases while simultaneously growing the economy. We are joining a global movement towards putting a price on carbon, and it's most effective to be an early adopter.

Speaker, would the minister please inform all members—

The Speaker (Hon. Dave Levac): Thank you. Time's up. A reminder: Questions are about the policy of the government.

Minister of the Environment and Climate Change.

Hon. Glen R. Murray: Mr. Speaker, a year ago—
Interjections.

The Speaker (Hon. Dave Levac): Order. The member from Lanark–Frontenac–Lennox and Addington, second time. The member from Prince Edward–Hastings, come to order.

Carry on.

Hon. Glen R. Murray: Thank you, Mr. Speaker. It was about a year ago, as members may remember, that we announced that we had decided on cap-and-trade as

the carbon pricing mechanism for Ontario. As a matter of fact, I think this week is the first anniversary of that decision.

That was done after very detailed conversations with industry leaders, and it enjoys the support of everyone from the president of Intact Insurance in the financial sector to the Ontario Trucking Association to Don McCabe and the Ontario Federation of Agriculture. Why, Mr. Speaker? Because it has three characteristics which the opposition opposed but business, the community, the government and environmental groups support:

(1) There's a cap and a cap decline rate. That means that a small number like \$17 or \$18 a tonne does the same amount which in another system would require a price four or five times higher than that—

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

Hon. Glen R. Murray: I'll continue in my supplementary.

The Speaker (Hon. Dave Levac): Yes, you will. Supplementary?

Mr. Arthur Potts: Thank you to the minister for his explanation and for his tireless advocacy on this extraordinarily important issue. His advocacy is so important, Speaker, because of the filibustering that we're seeing from the other side as it makes its way through clause-by-clause. They are demonstrating that they are very divided on this file and they are not at all serious about combatting climate change.

There are amendments that demonstrate that as well. It is not our government's policy, as their amendment would suggest, that we remove the sections that link cap-and-trade with other jurisdictions. Ontario firms, as a result, would lose access to low-cost reduction opportunities that may be available in other jurisdictions.

It's also not government policy to accept their amendments which would further restrict our investments in renewable energy. I've come to believe that the party fundamentally does not understand the threat of climate change and how to properly combat it.

Speaker, would the minister please inform the House what experts, stakeholders and those who are in the know are saying about this bill, specifically how its revenue could be spent to provide positive impacts for our economy?

Hon. Glen R. Murray: It's a good segue into the three characteristics you need in a carbon pricing system to be economically positive and to achieve greenhouse reductions, which is the other objective.

You need a cap decline rate. The revenue-neutral systems in other parts of the world—none of them are meeting their objectives. Their GHG emissions are going up. People who are using the model that the opposition is advocating for have seen two things: industries leave and GHG emissions go up. We know they're opposed to our system, but they seem to support a system that doesn't work.

The other reason for linking markets is that you need a large, stable market to keep prices down. In the opposition's mind, you'd have to have a price-only system

which would require a price four to five times higher than it would be in Ontario, Quebec, California, Japan or other places where this is working.

The third piece is, you need money. The trucking association, the farmers, banking, industry, insurance: All need us to provide the funding for low-carbon technology and fueling—

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

New question.

TRANSPORTATION INFRASTRUCTURE

Mr. Monte McNaughton: My question this morning is to the Premier. Premier, councillors at the region of Niagara are currently investigating the Burgoyne Bridge replacement project in St. Catharines and events that led to the escalation of the cost of the project from an original price tag of \$45 million to a total cost now well over \$90 million.

The taxpayers of Ontario contributed \$18 million to this project through the Infrastructure Ontario program. Is the Premier satisfied that the monies flowed to this project by her government were properly and appropriately spent and accounted for?

Hon. Kathleen O. Wynne: I can tell you that partnerships with municipalities are many in this province because we are investing tens of billions of dollars in infrastructure around the province. There are parameters around those partnerships. There are accountability measures in terms of money that flows.

I will get the member opposite more information on this particular project. I don't have that information but I'm happy to get it for him.

What I can tell the member opposite is that the investments that we are making in infrastructure, which are a fundamental part of our plan for economic growth, are critical to the communities around this province that are in need of those investments if they are going to be able to thrive. I know that those investments are not investments that the opposition supports, but we know that investments in infrastructure bring business, draw jobs to Ontario and create jobs as that infrastructure is built.

The Speaker (Hon. Dave Levac): Supplementary?

Mr. Monte McNaughton: Back to the Premier: The Premier should also be aware that concerned Niagara region councillors have not only ordered Deloitte to do a value-for-money audit of this bridge project but that they've also formed a standing Burgoyne Bridge task force to look into it further.

The first phase of this independent audit was quite damning, so much so that the councillors are not only proceeding with a second value-for-money audit, but they have now started a process to do a full forensic audit of this joint federal, provincial and municipal project.

Is the Premier aware of the initial audit? And is she still content that Infrastructure Ontario dollars were all spent appropriately and that Ontario taxpayers got full value for their money on this important project?

Hon. Kathleen O. Wynne: As I said, I will get more information for the member opposite on this specific issue, but I can tell the member opposite that as those processes are under way, we will obviously look at the recommendations. We'll look at the findings of those audit processes and we'll make sure that we pay close attention to any recommendations that flow from them.

As I said, there are very transparent and very clear rules in place for the investments that we're making in infrastructure. They are critical investments. They're critical to the economic viability and prosperity of municipalities, and they're critical to the overall economic viability and competitiveness of the province. We have not had support from the opposition on investments in infrastructure, but we can already see the importance of these investments as communities have new infrastructure and are drawing business to their communities.

MENTAL HEALTH SERVICES

Ms. Peggy Sattler: My question is to the Minister of Training, Colleges and Universities. Earlier this month, Western University mourned the loss of a student who took his own life, following the death by suicide of another Western student in November.

Speaker, there is a growing mental health crisis on college and university campuses. Western Student Health Services saw a 26% increase in the demand for mental health resources between 2013 and 2015. Since February of this year, more than 1,100 Western students have signed an online petition calling for improved student mental health services.

The Liberal government's approach to funding campus mental health on a project basis leaves too many Ontario college and university students without adequate mental health supports.

Will the minister commit now to providing long-term, dedicated and stable funding for on-campus mental health services?

Hon. Reza Moridi: I want to thank the member for that question. The health and well-being of students in our facilities, in our post-secondary institutions, those being universities, colleges or career colleges, are of prime importance for this government. That's why we have announced assistance to universities and colleges in order to come up with assistance to students.

For example, one of those programs in place is the Good2Talk program, which we announced last year, to make sure that students will have access 24 hours a day, seven days a week, 365 days of the year—every day, every moment—to assistance so that their well-being is met.

We will continue to work with our partners in the post-secondary education system, universities and colleges, to make sure that our students have the assistance that they will need to succeed.

The Speaker (Hon. Dave Levac): Question period is over. The time for questions is completed.

There are no deferred votes.

This House stands adjourned until 1 p.m. this afternoon.

The House recessed from 1142 to 1300.

INTRODUCTION OF VISITORS

Ms. Harinder Malhi: I'd like to introduce three guests who are on their way in. I'd like to introduce Jenny Gill, Jaskaranjit Singh and Balkaran Gill, who are all here to join us to celebrate Vaisakhi today. The CSA will be hosting a reception from 3 p.m. to 5 p.m. in rooms 228 and 230. I encourage all members to come out and visit the reception.

Ms. Soo Wong: They haven't arrived yet, but I know they're coming to visit Queen's Park today. My constituents from the great riding of Scarborough—Agincourt will be visiting us: Hratch Aynedjian, as well as his friend Vahan Ajemian. I'm going to welcome them to Queen's Park in advance of their arrival.

MEMBERS' STATEMENTS

SIKH HERITAGE MONTH

Mr. Todd Smith: We welcome our Sikh friends to the Legislature again today. I'm very pleased to be able to celebrate Sikh Heritage Month in Ontario. In my four years as PC caucus outreach chair I've had the personal experience of getting to know first-hand the many contributions of Ontario's Sikh community. Many of those community members I now call close friends.

Canadians of Sikh heritage play a vital role in our society. A few years ago, I had the opportunity to take my wife and my two daughters along with me to a gurdwara in Brampton. My family and I were given an education in the tenets of the Sikh faith and the value of Sikh culture. We were welcomed with open arms. We had the opportunity to participate in their prayers and sample some food from the kitchen at the mission.

It was on that day I learned that a hungry person in the community is always given a meal from the kitchen of a Sikh temple. They're open 24 hours a day. The Sikh community is always there to help. It doesn't matter if you're a member of the Sikh community or someone rolling in off the street who needs help.

April was specifically chosen for Sikh Heritage Month given its importance for Sikhs, as it is in April that Sikh Canadians celebrate Vaisakhi, which marks the formalization of the Khalsa and the Sikh articles of faith. Sikh Heritage Month is an opportunity to remember, celebrate and educate our future generations and society at large about the important role that Sikh Canadians are playing in communities across Ontario.

I look forward to joining many of my Sikh friends again next weekend as tens of thousands of Sikhs gather at Nagar Kirtans, to walk from Exhibition Place to Nathan Phillips Square in downtown Toronto this coming

Sunday, and again the following weekend up in Malton as we celebrate the Khalsa Day Parade there.

Remarks in Punjabi.

ORGAN AND TISSUE DONATION

Ms. Jennifer K. French: April is Be a Donor Month, in support of organ and tissue donation in Ontario. As the first flowers bloom on the front lawn here at Queen's Park, what better time than now to celebrate renewal and the gift of life?

As I look around the room, I imagine that many of our colleagues have been touched by organ donation, just as so many families across Ontario have. Last year, 1,086 individuals in Ontario received a life-saving organ transplant, 46 of whom were children or youth. That's over 1,000 families that will get to continue to spend time with a loved one they would otherwise have lost if it were not for the generosity of organ donors.

My family lost my aunt Kath a few years ago unexpectedly, and the fact that she was an organ donor gave us something to focus on in a time of such senseless loss. We were able to take heart in knowing that other families were so positively impacted by my aunt even after she was gone.

One organ donor can save eight lives. When you factor in family members, friends, co-workers and loved ones of those recipients, you realize that a single donation can touch thousands. In our family's time of loss it was comforting to know that my aunt had been able to give hope to so many others in their time of need. For those families, it meant a second chance.

So visit beadonor.ca, speak to your loved ones and consider registering. Like my aunt, I'm also an organ donor. I ask that you join me.

ONTARIO FARMERS

Mr. Mike Colle: I would like to stand here today to give praise to all of our Ontario farmers, especially our tomato farmers. As you know, as a result of the ketchup wars, Ontario farmers are now planting in bigger numbers than they ever did before because there is a huge international demand for locally grown Ontario tomatoes. People care—and the member from Essex knows this full well—passionately about locally grown vegetables. They care passionately about locally grown fruit. They care passionately about local jobs. That's why everybody stood in their place and said, "We support local jobs. We support the new expansion of ketchup production in Ontario because it means more jobs and more healthy local fruits and vegetables."

As you know, French's ketchup is now seeking to expand into a new bottling plant to meet the demand for ketchup. Also, Primo Foods, that old, venerable Italian company, believe it or not, is going to produce all-Canadian ketchup.

So more jobs, more ketchup, more tomatoes—everything is good on the farm in Ontario.

ORGAN AND TISSUE DONATION

Ms. Sylvia Jones: I am pleased to rise today to recognize April as Be a Donor Month, the time to celebrate organ and tissue donation and transplantation. Being a donor is an easy way for an individual to give back. It truly is giving the gift of life to another who needs it most.

I want to take a moment to recognize the efforts of Ontario Lions Clubs across Ontario, who are raising awareness for organ and tissue donor registration. I also want to recognize the great work taking place at the Trillium Gift of Life Network, which is working tirelessly to help give the gift of life. Last year, Trillium Gift of Life Network surpassed their registration goal by having more than 250,000 Ontarians register. Now there are approximately 3.4 million Ontarians registered to be a donor.

But there is still a lot of work that can be done. While there are 3.5 million Ontarians registered, there are still approximately 8.5 million eligible Ontarians who have not. Every registration makes a difference. One donor can save up to eight lives and enhance as many as 75 lives through tissue donations. There are still 1,600 Ontarians waiting for that gift of life, and sadly, one person dies every three days waiting for that transplant.

Anyone 16 years or older with an Ontario health card can register to be a donor. So please visit beadonor.ca, take the two minutes to register and give the gift of life, but make sure you share your wishes with your family.

ENVIRONMENTAL PROTECTION

Ms. Cindy Forster: Today, I want to thank 100 community members, environmental experts and academics who joined me for a biodiversity offsetting round table in my riding yesterday afternoon.

During the trade mission to China last fall, the Premier signed an MOU for a China-based company, GR Investment Group, to develop on over 13 acres of provincially significant and protected wetlands in the Niagara region, a majority of which fall in my riding. To circumvent wetland conservation laws, the government is proposing, through a white paper, a pilot project called biodiversity offsetting, where wetlands destroyed in this process will be re-created elsewhere. In principle, it sounds good, but the scientific evidence says otherwise. Worse, it's getting the go-ahead from the Liberal government—keen to see this pilot project for future investment by the Chinese in Ontario as a no-net-loss policy.

Mr. Speaker, call it what you will; we know that no-net-loss is another example of Liberal jargon, and my community is disturbed and troubled by the government's disregard for environmental priorities in my riding. We know that no-net-loss will have disastrous impacts on our ecosystem.

To be clear, development is an important part of the region's growth. We value jobs and development and we certainly value economic growth.

As legislators, we have an obligation to make sure the pursuit of development is always balanced with the protection of our ecosystems, especially those that are deemed provincially significant.

JOCELYN LEWORTHY

Ms. Ann Hoggarth: As this is the Trillium Gift of Life Network's Be a Donor Month, I would like to take this opportunity to tell the story of Jocelyn Leworthy from my riding of Barrie, who courageously volunteered to be a live organ donor at only 19 years old. A member of Jocelyn's family fell very ill and potentially in need of a transplant. While this person went on to make a full recovery on her own, the idea of being a live donor was still in Jocelyn's mind. In June, she began volunteering at SickKids, where she saw first-hand how illness impacted children and their families.

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Resolved to give a child a second chance, she began her workup at Toronto General Hospital's living donor program. After several months of screening and tests, she finally was scheduled for surgery this past October to donate the left lobe of her liver. She was not without fears, but knowing that what she was doing would help a child made it worth it. Afterwards, the doctor explained that her liver went to an infant and it worked beautifully. Jocelyn has peace of mind knowing that she was able to change a family's life for the better.

Speaker, 85% of Ontarians support organ donation, yet only 29% are actually registered. Over 1,500 people in this province are currently waiting for an organ transplant. It is both vital and easy to register at beadonor.ca. Everyone should find the courage that Jocelyn found to be a donor.

ONTARIO ONE CALL

Mr. Robert Bailey: April marks the unofficial beginning of the digging season in Canada. As such, I rise today to recognize April as Dig Safe Month.

Each digging season, underground infrastructure such as natural gas lines, electrical lines and telecommunication lines are jeopardized or damaged because of the failure to take a simple but important safety step: having locates completed before starting an excavation project.

Getting locates is now simpler than ever. The Ontario One Call system allows homeowners and contractors alike to click online or call for locates before they dig. This quick but important step can prevent injuries, avoid property damage and reduce the inconvenience of outages.

The provincial One Call system was created by the Ontario Underground Infrastructure Notification System Act, which I co-sponsored with my colleague the MPP from Hamilton East–Stoney Creek. The One Call system is available to take locate requests 24 hours a day, seven days a week, 365 days of the year. Already, Ontario One Call is taking over one million requests a year, 700,000

by the Web and over 300,000 by phone. It takes an average of five minutes to submit a request, whether you do it by telephone or online. Ontario One Call is very easy to use and is an effective tool that is offered free of charge. It takes a moment at the beginning of a project, but it can help avoid big problems down the road.

Remember, call or click before you dig.

The Speaker (Hon. Dave Levac): I don't like having my cable cut, either.

SIKH HERITAGE MONTH

Ms. Harinder Malhi: I rise today to celebrate the harvest festival of Vaisakhi, which is also the founding of the Sikh community, known as the Khalsa, and the basic Sikh belief that is represented by the phrase "Ik Onkar," meaning "One God."

Sikhism was founded by the 10th guru, Guru Gobind Singh Ji, in 1699 with the introduction of the Panj Kakar, or the five Ks, which are the five articles of faith that Khalsa Sikhs wear at all times. He prayed for equality, truthfulness, tolerance, honesty, brotherhood and respect for all.

Sikhism is a major world religion with origins that trace back to the 15th century. Guru Nanak Dev Ji had initially laid the foundation for a distinct community that started Sikhism as a social revolution and faith based on principles of equality and social justice. The Sikh community is based on fundamentals including faith, unity and equality for all.

I personally believe in a valued fundamental of Sikhism close to my heart: Seva. It means selfless service completed as a community action that is done for the goodwill and the benefit of others. The concept of Seva, though, is more than all of these things: It is the very essence of Sikhism.

Sikh Canadians have lived in Ontario since the middle of the 20th century and represent a growing and dynamic population, making significant contributions to the growth and prosperity of Ontario. I'm proud to stand before you today as a Sikh Canadian and recognize the important contributions that Sikh Canadians have made to Ontario's social, economic, political and cultural fabric.

April has been chosen as Sikh Heritage Month, as it holds importance as we celebrate Vaisakhi this month. It provides an opportunity to remember, celebrate and educate our future generations and society at large about Sikh Canadians and the important role that they play in communities across Ontario.

The Sikh nation is a strong, vibrant and diverse group and trusted among the core of Canada's current political framework. This is a testament to the sacrifice, support and outreach of the Sikh nation.

ARMENIAN GENOCIDE ANNIVERSARY

Ms. Soo Wong: Today, I rise to recognize the 101st anniversary of the Armenian genocide. On April 24,

1915, the Ottoman Empire ordered the systematic massacre of thousands of Armenians in their historic homelands. This ethnic cleansing of Armenians during World War I is recognized as the first genocide of the 20th century. Recently, Pope Francis referred to the Armenian genocide as one of the “three massive and unprecedented tragedies” of the last century.

Canada has always taken an active role in supporting the Armenian people. During World War I, Sara Corning, a Nova Scotia nurse, helped to rescue over 5,000 Armenian orphans.

Ontario has a long history of supporting the Armenian people, beginning in the 1920s, by accepting 109 boys and 40 girls orphaned from the Armenian genocide. They're known as the Georgetown boys and girls.

Recently, the Ontario government accepted over 10,000 refugees into the province. Since 2014, the Armenian community of Toronto has sponsored approximately 2,300 Armenian refugees to Canada.

This past weekend, representatives from all levels of government attended the annual Armenian genocide commemoration organized by the Armenian Community Centre of Toronto. The commemoration honoured and remembered both the victims and survivors.

I want to thank the Armenian community for ensuring that the memory of the Armenian genocide is shared with future generations. On this annual remembrance, we need to renew our resolve to stand united for truth, justice and human rights, both at home and abroad.

PRIVATE MEMBERS' PUBLIC BUSINESS

The Speaker (Hon. Dave Levac): I beg to inform the House that, pursuant to standing order 98(c), a change has been made in the order of precedence on the ballot list for private members' public business such that Mr. Fedeli assumes ballot item number 44 and Mr. Brown assumes ballot item number 59.

PETITIONS

MARKDALE HOSPITAL

Mr. Bill Walker: “To the Legislative Assembly of Ontario:

“Whereas Grey Bruce Health Services' Markdale hospital is the only health care facility between Owen Sound and Orangeville on the Highway 10 corridor;

“Whereas the community of Markdale rallied to raise \$13 million on the promise they would get a new state-of-the-art hospital in Markdale;

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

“That the Ministry of Health and Long-Term Care announce as soon as possible its intended construction date for the new Markdale hospital and ensure that the care needs of the patients and families of our community are met in a timely manner.”

I support it, affix my name, and send it with page Cooper.

EMPLOYMENT STANDARDS

Ms. Peggy Sattler: I have a petition to the Legislative Assembly of Ontario. It reads as follows:

“Whereas there are an estimated 100,000 to 300,000 unpaid internships in Canada each year, depriving young people of economic opportunity and potentially displacing paid workers; and

“Whereas unpaid internships perpetuate poorer labour market outcomes for marginalized groups and those who cannot afford to participate; and

“Whereas the Ontario Ministry of Labour is not adequately enforcing existing laws on unpaid internships;

“We, the undersigned, petition the Legislative Assembly of Ontario to pass” Bill 64, “the Protecting Interns and Creating a Learning Economy Act, 2015, which:

“(1) extends basic protections under the Employment Standards Act (ESA) to those currently excluded;

“(2) requires that posters with information about interns' rights in Ontario be conspicuously displayed in the workplace;

“(3) requires that employers provide interns with written notice about conditions of work, length of employment, hours of work, and job description, to be submitted to the ministry to enable the collection of data on internships; and

“(4) creates a system to allow anonymous and third-party complaints about unpaid internships.”

I totally support this petition, affix my name to it, and give to page Amelia to take to the table.

TRANSPORTS EN COMMUN

M^{me} Marie-France Lalonde: Il me fait grand plaisir d'apporter à votre attention une pétition à l'Assemblée législative de l'Ontario.

« Attendu qu'il y a un besoin criant en infrastructure de transport routier dans la province de l'Ontario;

« Attendu que d'offrir différentes alternatives ou options dans le choix du mode de transport aux citoyens aide à réduire le nombre de voitures sur les routes;

« Attendu que les transports en commun contribuent à améliorer la qualité de vie des Ontariens ainsi qu'à préserver l'environnement;

« Attendu que les résidents d'Orléans et de l'est d'Ottawa ont besoin d'une plus grande infrastructure de transport;

« Nous, soussignés, adressons à l'Assemblée législative de l'Ontario la pétition suivante :

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« Soutenir le plan Faire progresser l'Ontario et la construction de la phase II du train léger sur rail (TLR), ce qui contribuera à répondre aux besoins criants en infrastructure de transport à Orléans, à l'est d'Ottawa et à travers la province. »

Il me fait un grand plaisir d'appuyer et d'inscrire mon nom à cette pétition et de la remettre à la page Lauren.

ALZHEIMER'S DISEASE

Mr. Jeff Yurek: I have a petition to the Legislative Assembly of Ontario.

“Whereas a 61-year-old Alzheimer’s patient was kept in a hospital ER for eight nights due to lack of beds;

“Whereas the crisis centre isn’t set up to help patients whose needs are so great they need treatment in a psychiatric ward;

“Whereas the crisis centre only has five beds;

“Whereas none of the beds are high-needs beds;

“Whereas the number of people seeking help from the Alzheimer Society has soared 50% in two years;

“Whereas patients have the right to be treated with dignity and care;

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

“Immediately reform existing health care legislation and policies, and specifically provide emergency funding to increase staff and available beds in all ERs in Ontario;

“Provide immediate funding to increase number of long-term beds in SW Ontario;

“Provide immediate funding staff a team of experts to find ways to reduce violence among those with dementia in long-term care.”

I agree with this petition and affix my signature to it.

WORKPLACE SAFETY

Ms. Jennifer K. French: I have a petition to recognize the Workers Day of Mourning.

“To the Legislative Assembly of Ontario:

“Whereas the day of mourning is a day to remember and honour those who have been killed, injured or who suffered illness as a result of work-related incidents and to honour their families. It also serves as a day to protect the living by strengthening our commitment to health and safety in all workplaces in Ontario for the common goal of preventing further deaths and injuries from occurring in the workplace;

“Whereas a workers day of mourning is recognized in more than 100 countries around the world;

“Whereas 1,000 Canadian workers are killed on the job each year and hundreds of thousands more are injured or permanently disabled;

“Whereas it is expected that more than 90% of workplace deaths are preventable and raised awareness of this fact is necessary. Every worker is entitled to a safe work environment, free of preventable accidents, and that we, as a province, are committed to reaching such a goal;

“Whereas our MUSH sector (municipal, universities, schools and hospitals) as leaders in their communities are not doing enough to recognize and raise awareness of the seriousness of workplace injury and death;

“Whereas the flag symbolizes us as a province, and the lowered flag is a powerful symbol of our shared loss and respect, brings focus to the issues and symbolizes we are united on this front as a province at all levels, not divided;

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

“To support the workers of Ontario with swift passage of Bill 180, Workers Day of Mourning Act, 2016, that would require all publicly funded provincial and municipal buildings to lower their Canadian and Ontario flags on April 28 each year.”

Speaker, I wholeheartedly support this and will send it to the desk with page Sabrina.

ELDER ABUSE

Ms. Soo Wong: I have a petition addressed to the Legislative Assembly of Ontario.

“Whereas today, there are more seniors 65 and over than children under the age of 15, both in Ontario and across Canada;

“Whereas there are currently more than two million seniors aged 65 and over—approximately 15% of the population and this number is expected to double in the next 25 years;

“Whereas Elder Abuse Ontario stated that between 40,000 and 200,000 seniors living in Ontario experienced or are experiencing elder abuse;

“Whereas research showed that abuse against seniors takes many forms and is often perpetrated by family members;

“Whereas financial and emotional abuse are the most frequently reported elder abuse cases;

“Whereas current Ontario legislation incorporates the Residents’ Bill of Rights, mandates abuse prevention, investigation and reporting of seniors living in either long-term-care facilities or retirement homes;

“Whereas the majority of the seniors currently and in the future live in the community;

“Whereas Bill 148, if passed, will ensure seniors living in the community have the same protection and support as those seniors living in long-term-care facilities and retirement homes;

“Whereas Bill 148, if passed, will require regulated health professionals to report elder abuse or neglect to the public guardian and trustee office;

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

“That the members of the Ontario Legislative Assembly pass Bill 148, An Act to amend the Substitute Decisions Act, 1992 and the Regulated Health Professions Act, 1991, requiring health professionals to report any reasonable suspicion that a senior living in the community is being abused or neglected to the public guardian and trustee office.”

I support the petition, Mr. Speaker, and I will give the petition to page Diluk.

HOME CARE

Mr. Norm Miller: I have petitions in support of VON personal support workers in Parry Sound that reads:

“To the Legislative Assembly of Ontario:

“Whereas home care should be patient-centred and the priority is direct care, not profit; and

“Whereas the privatization of health services has led to the delivery of services that have become profit-driven rather than care-driven;

“Therefore we, the undersigned, petition the Legislative Assembly of Ontario to demand that home care be guided by the principle of caring for patients first, without regard for private profit-making.”

I have signed this petition and I will give it to Chandise.

RURAL SCHOOLS

Mr. Taras Natyshak: I'm pleased to present a petition to the Legislative Assembly of Ontario that reads:

“Whereas it is right for Ontario youth to be educated in their home communities;

“Whereas accessible schools that students can walk, bike or take a short ride to promote healthy lifestyles, a cleaner environment and emotional well-being;

“Whereas the economies of smaller rural towns are directly strengthened and vitalized by high schools in their own communities;

“Whereas community schools best serve special populations;

“Whereas rural high schools more than 15 km from the next high school should be considered eligible for enhanced top-up funding;

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

“To direct support and resources to Ontario rural community schools, such as Harrow District High School, so as to provide and sustain accessible education for youth within their home communities, preserving and sustaining rural town culture that diversifies the fabric of the province of Ontario.”

I wholeheartedly agree, affix my name and send it to the Clerks' table via page Amelia.

PUBLIC TRANSIT

Mr. Peter Z. Milczyn: I have a petition to the Legislative Assembly of Ontario.

“Whereas there are critical transportation infrastructure needs for the province;

“Whereas giving people multiple avenues for their transportation needs takes cars off the road;

“Whereas public transit increases the quality of life for Ontarians and helps the environment;

“Whereas the constituents of Orléans and east Ottawa are in need of greater transportation infrastructure;

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

“Support the Moving Ontario Forward plan and the Ottawa LRT phase II construction, which will help address the critical transportation infrastructure needs of Orléans, east Ottawa and the province of Ontario.”

I support this petition, affix my signature to it and hand it to page Harry.

HEALTH CARE FUNDING

Mrs. Gila Martow: I have a petition to the Legislative Assembly of Ontario.

“Whereas Ontario's growing and aging population is putting an increasing strain on our publicly funded health care system; and

“Whereas since February 2015, the Ontario government has made an almost 7% unilateral cut to physician services expenditures which cover all the care doctors provide to patients; and

“Whereas the decisions Ontario makes today will impact patients' access to quality care in the years to come and these cuts will threaten access to the quality, patient-focused care Ontarians need and expect;

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

“The Minister of Health and Long-Term Care return to the table with Ontario's doctors and work together through mediation-arbitration to reach a fair deal that protects the quality, patient-focused care Ontario's families deserve.”

I am affixing my signature and giving it to page Jerry.

POST-TRAUMATIC STRESS DISORDER

Mr. John Vanthof: “To the Legislative Assembly of Ontario:

“Whereas Bill 163 provides for WSIB benefits for a select few first responders diagnosed with PTSD; and

“Whereas MCSCS probation and parole officers and MCYS probation officers have been specifically excluded from Bill 163, despite overwhelming evidence that these front-line officers are exposed to primary trauma, secondary trauma and vicarious trauma often resulting in PTSD diagnoses; and....

“Whereas the Ministry of Community Safety and Correctional Services has neither programs for the prevention of PTSD nor employee assistance programs ... nor wellness programs that specifically support and treat those workers diagnosed with PTSD or like symptoms;

“We, the undersigned probation officers and probation and parole officers, petition the Legislative Assembly of Ontario as follows:

“That the Legislative Assembly of Ontario shall include probation officers and probation and parole officers in presumptive PTSD legislation under the Workplace Safety and Insurance Act and that the Ministry of Community Safety and Correctional Services creates programs aimed at PTSD prevention, along with employee assistance programs and wellness programs that address the mental health needs and occupational stressors related to trauma exposure.”

I wholeheartedly agree and send the petition down with Aarbhi.

LUNG HEALTH

Mr. Yvan Baker: I have a petition to the Legislative Assembly of Ontario.

“Whereas lung disease affects more than 2.4 million people in the province of Ontario, more than 570,000 of whom are children and youth living with asthma;

“Of the four chronic diseases responsible for 79% of deaths (cancers, cardiovascular diseases, lung disease and diabetes) lung disease is the only one without a dedicated province-wide strategy;

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“In the Ontario Lung Association report, *Your Lungs, Your Life*, it is estimated that lung disease currently costs the Ontario taxpayers more than \$4 billion a year in direct and indirect health care costs, and that this figure is estimated to rise to more than \$80 billion seven short years from now;

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

“To allow for deputations on MPP Kathryn McGarry’s private member’s bill, Bill 41, Lung Health Act, 2014, which establishes a Lung Health Advisory Council to make recommendations to the Minister of Health and Long-Term Care on lung health issues and requires the minister to develop and implement an Ontario Lung Health Action Plan with respect to research, prevention, diagnosis and treatment of lung disease; and

“Once debated at committee, to expedite Bill 41, Lung Health Act, 2014, through the committee stage and back to the Legislature for third and final reading; and to immediately call for a vote on Bill 41 and to seek royal assent immediately upon its passage.”

I’m proud to support this petition and give it to page Terry.

ENERGY POLICIES

Mr. Jim McDonell: I have a petition to the Legislative Assembly of Ontario.

“Whereas Ontario families and businesses have seen their hydro costs more than triple under the Liberal government since 2003;

“Whereas the Liberal government’s unaffordable Green Energy Act, the \$2 billion wasted on the smart meter program and the \$1.1 billion wasted on the cancelled gas plants will translate into a further 42% increase in hydro bills over five years;

“Whereas the Liberal government’s elimination of the clean energy benefit will mean an average increase in hydro bills of \$137 per year;

“Whereas Liberal electricity policies have driven up costs and made living in Ontario less and less affordable and rendered our businesses less competitive;

“Whereas the Financial Accountability Officer confirmed that the fire sale of Hydro One will leave Ontario’s budget worse off in the long-term;

“Whereas the planned syphoning off of the proceeds of the sale of Hydro One will leave ratepayers liable to pay the cost of retiring the utility’s \$27-billion debt;

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

“To stop the fire sale of Ontario Hydro.”

I agree—

The Acting Speaker (Mr. Ted Arnott): Thank you very much. Unfortunately, that concludes the time we have available this afternoon for petitions.

VISITORS

Mr. Jagmeet Singh: Point of order.

The Acting Speaker (Mr. Ted Arnott): A point of order, the member for Bramalea–Gore–Malton.

Mr. Jagmeet Singh: Thank you very much, Mr. Speaker. I ask for your indulgence to allow me to introduce my mom and dad to the Legislative Assembly. We have Dr. Jagtaran Singh Dhaliwal and my mom, Ms. Harmeet Kaur, as well as three friends of ours who are here. We have Dr. Navjeet Kaur Singh, Dr. Deeptej Singh and Dr. Gurcharan Singh—a family of doctors, with my family of doctors, who are only possible because of the support of my mom—that my dad’s a doctor, as well.

The Acting Speaker (Mr. Ted Arnott): Technically, that’s not a point of order, but we’re delighted to welcome your family and friends to the Legislature today.

Ms. Soo Wong: Point of order.

The Acting Speaker (Mr. Ted Arnott): The member for Scarborough–Agincourt on a point of order.

Ms. Soo Wong: Thank you very much, Mr. Speaker. I want to ask for your indulgence for a minute, to welcome my constituent Hratch Aynedjian, who is a prominent member of the Armenian community, and to thank him for all his hard work when it comes to the Armenian genocide and all his great work in the Armenian community. Thank you, and welcome to Queen’s Park.

The Acting Speaker (Mr. Ted Arnott): Technically, that’s also not a point of order, but we’re delighted, as I said, to welcome our guests to the Legislature this afternoon.

ORDERS OF THE DAY

ALTERNATIVE FINANCIAL SERVICES
STATUTE LAW AMENDMENT ACT, 2016LOI DE 2016 MODIFIANT DES LOIS
CONCERNANT LES SERVICES
FINANCIERS DE RECHANGE

Resuming the debate adjourned on April 14, 2016, on the motion for second reading of the following bill:

Bill 156, An Act to amend various Acts with respect to financial services / Projet de loi 156, Loi modifiant diverses lois concernant les services financiers.

The Acting Speaker (Mr. Ted Arnott): Further debate?

Ms. Soo Wong: I'm pleased to rise this afternoon in support of Bill 156, the Alternative Financial Services Statute Law Amendment Act, 2016.

Mr. Speaker, first and foremost, I want to let the members know that I will be sharing my time with the member from Etobicoke–Lakeshore, the member from Burlington and the member from Trinity–Spadina.

I also want to thank the minister for his leadership role in bringing forward this particular consumer protection legislation. Because of his previous legislation—I can vouch for how much it has protected consumers in my riding of Scarborough–Agincourt: just simple things, such as the furnace issue. We all here in this chamber have heard about incidents involving our constituents and those door-to-door salespersons selling furnaces. In my office in Scarborough–Agincourt, numerous constituents have complained about this piece.

The proposed Bill 156, if passed, will provide further protection of Ontarians when it comes to the whole issue of debt.

In 2013, the ministry committed to reviewing payday loan legislation. Now, three years later, the minister is bringing legislation about this particular issue, because we are concerned. Recently, I remember hearing my colleagues in the city of Toronto raising concerns about the payday loan stores and how they're all over, proliferating in certain neighbourhoods.

The review of this particular legislation has expanded to include other high-cost alternative financial services, such as instalment plan loans, cheque cashing, rent-to-own services and debt collection. The broad public consultation informed us that the approach we need is to strengthen the protections for consumers of alternative financial services. We're not talking about the traditional banks; we're talking about stand-alone little stores in local neighbourhoods or in strip malls that are trying, supposedly, to help consumers, and especially those struggling with their debts.

The proposed legislation, if passed, will protect consumers in the following ways:

Consumers with debts in collection would benefit from debt collection rules that apply more broadly, including applying to debt purchasers.

Consumers cashing government cheques at alternative financial service providers would have more information and may benefit from a cap on the rate of cashing a government cheque. This is really important, particularly when low-income families using these types of services get gouged in terms of 25% or 30% fees to cash a government cheque, when in fact we are trying to let the consumers keep all their money, not take away from their money.

This legislation, if passed, will also ensure consumers using rent-to-own services would benefit from a grace period for late payments, and a right to reinstate the agreement under certain circumstances. I hear about this concern about rent-to-own—like, when you rent a car, down the road you might own the car afterwards. So it is very important that there is a grace period to help those

who may have one late payment, but not taking the vehicle from them.

Consumers using instalment loans would benefit from the cost control of certain fees, such as optional insurance. Again, this proposed legislation, if passed, will protect and support consumers, giving them more benefits, not less, and also giving them the option to buy insurance if they wish.

Consumers of payday loans would also have to wait seven days between loans, giving them more time to consider their options. This is no different to when we passed legislation when it comes to cellphone bills. Recently, we passed cellphone bill legislation to give especially young people some cooling-off period, like we do with door-to-door sales with the furnaces. There is a cooling-off period. It lets them have some time to reflect, some time to think over their contract, because, again, sometimes people get pressured into signing contracts that may not be agreeable to them. When they get home, then they think, "Oh, my God, what did I sign?" That reflection is important. That's what I said when I was a nursing professor: that students—in this case, consumers—have time to reflect on what they signed, and then they can change as they see fit.

Also, those who are borrowing money repeatedly would have a longer repayment period in certain circumstances. You know, life happens. Things happen. For instance, recently in my riding of Scarborough–Agincourt, one of the assistants to their local councillor passed away unexpectedly. So things happen. If you are a repeated borrower for loans, you will now have some support through this legislation, if passed.

The other piece of the legislation that is very, very important to my constituents is the fact that there is, in the explanatory note—I want to read it out loud for the audience watching at home: "The bill also permits the registrar to conduct inspections if he or she has reasonable grounds to believe that a person or an entity is acting as a lender or loan broker while not licensed." We hear concerns raised in my riding of Scarborough–Agincourt: Who has the last say when it comes to this particular issue? Is it the minister? Is it the registrar? So now we're going to give additional resources and ammunition for the registrar.

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Mr. Speaker, I am looking forward to today's debate, and I encourage my colleagues opposite to also join in, but more importantly, to take this bill to committee so that we have a public discussion.

The Acting Speaker (Mr. Ted Arnott): The member for Etobicoke–Lakeshore.

Mr. Peter Z. Milczyn: It's a pleasure to rise this afternoon to speak to Bill 156, the Alternative Financial Services Statute Law Amendment Act, 2016.

Mr. Speaker, as the member from Scarborough–Agincourt has been telling us, this is a very important piece of legislation that is meant to protect not just consumers, but many of the most vulnerable consumers in this province: the people who depend on short-term cash loans or the

people who perhaps go through alternative financing for purchases that others might go through the banks or credit card companies for. Sometimes they might be recent immigrants. Sometimes they might be vulnerable seniors. Sometimes they might be people who have had difficulty securing a residence, securing ID, securing all those things that many of us take for granted in establishing our bona fides with a bank or other financial institution.

This legislation came about as a result of very extensive consultations with stakeholders across the province, especially many of those who are part of advocacy groups for vulnerable people. There was much discussion about whether payday loans should be banned outright, whether they should be eliminated. In fact, in the consultations the government undertook, what we found is that those groups that advocate for many of the most vulnerable have said that, perhaps unfortunately, it is an important part of the financial system in this province for many people. Those short-term payday-type loans are important to many people.

What this legislation will do is it will provide more controls on that system of payday loans. Most importantly, it's going to impose a seven-day wait period before somebody can have another payday loan. So for those people who, for whatever reasons, might feel that they need to take out additional loans, there's a period of time that they have to wait, and that potentially will assist them in managing their funds more efficiently but also in not finding themselves in dire circumstances where they simply continue adding to their debt. As part of that, there will be some additional opportunities for those payday loan providers to grant those people who borrowed those funds additional time to repay. It's also going to put some additional caveats on lenders, looking at who it is that they are offering loans to. These are all very important pieces of reforming this part of the financial services that Ontarians rely on.

The member for Scarborough–Agincourt also mentioned the many rent-to-own services that are offered to consumers in this province. Those also need to be better controlled, with a lot more information being offered to borrowers: knowing what their rights are, knowing what kind of lease they're signing, providing the opportunity for grace periods when lease payments can't be met for whatever legitimate reason, and the ability to get in and out of leases more easily.

These are very important measures to protect consumers. There are many more very important parts of this legislation that I'm sure my colleagues will touch on, Mr. Speaker.

The Acting Speaker (Mr. Ted Arnott): I'm pleased to recognize the member for Burlington.

Ms. Eleanor McMahon: Thank you, Mr. Speaker. I'm happy to be part of this ongoing and very important conversation about Bill 156. It's a great opportunity to stand in the House, always on behalf of my constituents in Burlington, and to join my colleague from Etobicoke–Lakeshore and my colleague from Scarborough–Agin-

court in this conversation. It's often the case in this place where we can disagree about certain elements of policy, but when it comes to protecting consumers, I know we're all standing in unison when it comes to protecting Ontarians from interests that would seek to exploit either their indebtedness or some of the challenges they may be having.

We know in just a quick review that Bill 156 would strengthen consumer protection in three areas: payday lending, alternative financial services, and debt collection; more specifically, protecting consumers who borrow from payday lenders, protecting them from unexpected costs of other financial services and protecting them with debt collector rules that apply broadly.

Our government wants to ensure that consumers using these services are aware of the costs, their options and their rights, because, quite simply, when consumers can make informed decisions, they make better decisions in the short- and long-term interest.

All too often, for whatever reasons, Ontarians may find themselves in financial difficulty and relying on payday loans, which can lead to an unending cycle of debt, and that's something that none of us wants to see. Some of the alternative financial services are specifically targeted to these vulnerable consumers, because when someone is in desperate need of financial assistance, they may be forced to take an option offered to them that really, again, isn't in their best interests.

Proposed changes to the Payday Loans Act would require a payday lender to implement a seven-day waiting period between loans for each borrower, provide the registrar of payday loans with authority to inspect unlicensed lenders and loan brokers, and provide repeat payday loan borrowers in certain circumstances with an extended payment plan.

Speaker, all of these things are in the interests of informed consumers. They also send a very strong signal to inappropriate players in the industry that their conduct cannot and will not be tolerated.

It would also give regulatory heft to require payday lenders to take into account certain factors about a borrower before entering into a payday loan agreement, restrict high-frequency borrowing so we end that cycle of debt and the trap that people can sometimes find themselves in, and improve payday loan borrower awareness of credit counselling services—because, again, that informed consumer is a better consumer.

Some might ask, why don't we just ban them altogether? Because community agencies who work directly with low-income Ontarians using payday loans advise us that it's preferable to have a safe payday loan than no small-dollar credit at all—so a better system than nothing at all. Our approach takes into account the stakeholder views and Ontario-specific circumstances. The majority of community agencies and poverty advocates we heard from did not support eliminating payday lending in the absence of short-term, small-dollar credit options. Consumers raised similar concerns about where they would obtain needed short-term loans. So, again, informed

consumers, better choices, a wider variety of choices, but in the right way and regulated properly with appropriate education and awareness.

The government is also monitoring the resolutions passed by municipal councils and communicating with communities in order to understand what additional powers they are requesting in order to limit payday lenders in their communities. We understand that certain areas have unique concerns, which is why the bill was informed by consultations with consumers and community agencies across the province. These include communities like Hamilton, Owen Sound, Guelph, Ottawa and Windsor.

But payday loans are not the only type of lending option that can have negative consequences on the borrower. Alternative financial services can also put Ontarians in financial situations that are not in their interest. That is why our government is addressing the cashing of government-issued cheques by alternative financial services providers, or AFS providers, as they are known—so non-bank, non-credit-union providers—by creating regulations that would require disclosures to consumers, regulate the cost of cashing government-issued cheques, and provide the consumer with more information. Again, there's an ongoing theme here of consumer awareness and protection, making sure that the bad actors don't continue to prey on uninformed consumers.

1350

Changes to rent-to-own agreements and instalment loans, through regulation-making authority, would provide information about the pricing of rent-to-own agreements and create a grace period for late payment on rent-to-own agreements; give rent-to-own consumers reinstatement rights in certain circumstances; allow the development of rules requiring instalment lenders to assess a borrower's ability to repay and provide a borrower with that assessment; and cap the costs of optional services such as credit insurance for instalment loans.

In essence, Mr. Speaker, protecting individuals in our communities who find themselves vulnerable is something that our government is interested in doing. That's what this bill sets out to do and I hope it will enjoy the support of the full House.

The Acting Speaker (Mr. Ted Arnott): The member for Trinity–Spadina.

Mr. Han Dong: I am very pleased to speak to this bill, Bill 156. First of all, I would like to congratulate the current minister for being such an advocate for consumers and the most vulnerable in our province. I also want to thank the previous ministers for working long and hard and putting consumer protection on the front burner of this government.

This bill is a very important bill. In my riding, there are many users, unfortunately, of payday loan agencies. In a perfect world, we wouldn't have to worry about payday loans and we wouldn't have these financial organizations. Unfortunately, they are needed in this society.

One of the reasons is because there is a lack of replacement. Now, I sat down with a not-for-profit organ-

ization in my riding; what they do is they actually provide a small amount of loans to individuals to get them through to the next paycheque. That service is really well managed and the default rate is very low. It's actually around 10%.

So when you think about it, those borrowers are legitimate borrowers who are just in a very difficult situation where they need some help. Some of those are newcomers. Newcomers come to this country, they have no relatives, very few friends and most likely their friends are in same situation. So when the time comes when they need some money but they know their paycheque won't be here for another two weeks, they need help. They go to these organizations. Unfortunately, there are not too many around so they have to use a payday loan service. It is a very important service, but we as a government and as legislators at Queen's Park should make sure that there is enough oversight on these services.

Now, I particularly welcome the part where, if passed, consumers cashing government cheques at alternative financial service providers will have more information and may benefit from a cap on the rate of cheque-cashing services. That's very important because again and again I have been told by local social workers that some of their clients are repeat borrowers running into problems, where they are running out of money by the end of the month, just because they are finding it difficult to manage their financial situation. I think they are the ones who really need the government to step up and provide some protection.

So I'm very pleased to see this bill being proposed. I think in today's world there are more and more expenses for people. You know, 30 years ago people didn't have to worry about cellphone bills. They didn't have to worry about all these additional expenses. It's getting to a point where more people sometimes need these kinds of loans to get by.

As a government, we must be here to protect them. By introducing this bill, I think it will do just that. I look forward to the support of the members across the floor.

The Acting Speaker (Mr. Ted Arnott): Questions and comments?

Mr. Bill Walker: It is a pleasure to speak to Bill 156, the Alternative Financial Services Statute Law Amendment Act, 2015. I know that my colleague Jim McDonnell from the riding of Stormont–Dundas–South Glengarry will be speaking to this for an hour. I believe that our general consensus will be opposing this unless there are some amendments that can be made.

Certainly, it's a case of legislation where there are some good things in there. There are some penalties and some fees, so people aren't going overboard. But at the end of the day, what I want to really reflect on is that a lot of the reality of the people having to go to these types of services is because of the Liberal government's mismanagement.

The highest hydro rates in North America: More people are struggling to pay their bills, and—this is

sometimes the case—they have to turn to this type of agency. Higher food costs—again, those day-to-day staples, those necessities of life, and people are struggling to keep all of that together; more taxes and fees; and higher heating fuel, diesel fuel, natural gas, propane: Those things are essential things that people need to heat and cool their homes.

There is less money in Ontarians' pockets at the end of the day, and they then are struggling. This is sometimes a way by which they are trying to get a bill paid. They need quick cash, and you need that ability to do it.

The government talks in here about perhaps dedicating more energy to appropriate credit card and financial literacy among the general consumer population. I think maybe they should try to lessen the burden on Ontarians, and then we wouldn't need quite as many of these services.

At the end of the day, Mr. Speaker, perhaps—and I'm not trying to be trite—they need to actually understand the whole reality of trying to manage their own credit. They have doubled, tripled and quadrupled our overall debt. They're still spending \$12 billion a year on interest payments, which, for the last four years, we've asked them to try to control and not overspend the way they have. They continue to do that.

Mr. Speaker, there are a lot of things—

Hon. Madeleine Meilleur: Mr. Speaker, I've been listening to the member since he started, and I hear nothing about—

The Acting Speaker (Mr. Ted Arnott): The Attorney General on a point of order.

Hon. Madeleine Meilleur: Oh, sorry about that.

I have been listening to the member since he started speaking, and I hear nothing in what he is saying about the bill. I'd like him to continue and speak on the bill.

The Acting Speaker (Mr. Ted Arnott): Questions and comments are intended to relate back to the speech that was given. The government members—four of them—gave a speech together. The questions and comments are related back.

I did hear the member for Bruce-Grey-Owen Sound responding to that speech, but I think it's a good idea to remind all members that the two-minute hits, as we call them—or questions and comments, as they're more properly called—are supposed to relate back to the speeches that were given and they're supposed to be relevant to those speeches. Sometimes members will go off a bit, but they should try to come back to the subject at hand.

You've had almost two minutes. I'm going to give you another few seconds to sum up.

Mr. Bill Walker: Thank you very much, Mr. Speaker. I just want to make sure that we're making sure that services are there and available for people when they need them. This government is making it harder, and they have to turn to these types of services. The services have to be available and applicable, and I'm happy to support it after we get some amendments.

The Acting Speaker (Mr. Ted Arnott): Questions and comments?

Ms. Peggy Sattler: I'm pleased to rise as the MPP for London West to offer a couple of minutes of comment on Bill 156, the Alternative Financial Services Statute Law Amendment Act.

I listened carefully to the remarks that were offered by the Liberals on that side of the House, and much of what they talked about focused on payday loans. I want to give a shout-out to the United Way London and Middlesex in my community, which really has been ahead of the curve on this issue. They conducted a comprehensive research study back in 2012 to really understand the landscape of payday lending in my community: who was borrowing and for what reasons. As a result, a member of the United Way London and Middlesex sat on the expert panel that reported back to the government in 2014.

I have to say that it is quite disappointing that a lot of the research and input that was provided to the government is not reflected in the legislation that we see before us today. This legislation falls significantly short of taking any real, concrete actions, the kinds of strategies that are needed to really address this problem.

I met recently in my constituency office with Sister Joan Atkinson from the Sisters of St. Joseph in my community, who talked about the fact that many people on ODSP and Ontario Works are not able to open a bank account at all. They can't afford the monthly service fees. They can't maintain a minimum balance. They are ending up paying 20% to Money Marts in order to meet their rent and food costs on a regular basis. So Sister Atkinson had recommended that there be some kind of alternative financial arrangements to allow these cheques to be cashed. We don't see anything like that in this legislation before us today. These are the kinds of strategies that will make a real difference to people living in poverty in Ontario.

1400

The Acting Speaker (Mr. Ted Arnott): The member for Etobicoke Centre.

Mr. Yvan Baker: It's an honour to join the debate on this important piece of legislation. I also want to compliment the minister, just like the member for Trinity-Spadina has, for his passion and advocacy. He and I actually sit very close together here in the Legislature and we have a chance to talk about these issues regularly. I know that he's passionate, not only about doing a good job as minister, but really about protecting consumers in an effective and balanced way. So I'm pleased to add my voice to this debate.

I have to say that, in one of my prior lives in business, I was in commercial banking and worked for the Bank of Nova Scotia. I used to be what is called a commercial banker, a commercial lender. I was responsible for lending money, on behalf of the bank, to mid-sized businesses. So businesses with revenues of anywhere from, let's say, \$10 million to approximately \$100 million was sort of the area of focus.

There were significant regulations imposed on the Canadian banks, primarily federal legislation and regulation, but there were a lot of things that the banks did, and

that I did as a banker and was taught to do as a banker when I joined the company, to make sure that the terms under which loans would be extended and the terms of those loans were well understood by the people that I was lending to. The people that I was lending to were generally quite sophisticated people. These were people who were in business; these were people who would have been approached by other banks for their business. They would have had the opportunity to be educated and knowledgeable, but it was still taught and understood that you went out of your way, as the banker, to make sure that every single aspect of the loan and its potential consequences for the business were well understood.

To me, what this bill is about is plugging that gap and making sure that people are properly informed about the loans that they're taking on and those potential implications. I think, all in all—there are a number of things in this bill that I won't have time to talk about, but this helps to protect consumers just like I used to protect businesses when I was a banker.

The Acting Speaker (Mr. Ted Arnott): Questions and comments?

Mr. Robert Bailey: I wanted to add a few comments to Bill 156. I'm looking forward to my colleague our critic from Stormont–Dundas–South Glengarry when he speaks in his hour lead.

I, unfortunately, have a number of these payday loan operations in my community. I didn't realize how many until I had a young lady come to work for me who had formerly been employed by these. One of the sad facts—and I'll get to some of the other details, but I was told that—it's unbelievable—her manager said, "I'm looking forward to Christmas." She said, "Oh, because of the holidays?" "No, no," she said. "Because people will overspend and have to come and use this facility." I said, "What a sad commentary on this province and on this industry that this is taking place."

What we want to see is access to credit counselling for individuals who are in this—I call it a cycle of poverty, distress, whatever the word is. By making life more unaffordable in this province, which is something that is the truth—I don't know how you can be ruled out of order for speaking the truth in this place, but if I am, so be it. We need to see more counselling.

I think the banks and the credit unions and the lending institutions in this province need to step up to the plate. Don't make excuses for them like the other member did. It's fine what you do for business, but what are we doing for the average person who doesn't have that type of access to credit? I think these banks and institutions are well paid. We see what they make every year: billions of dollars. They need to put some of those resources back into people so they don't have to—I'm not going to use the word that I would like to call these institutions. I won't use it in here, even though I could. I know there are people caught in the cycle who need to use them, but I would like to see the day come when we don't have that in Ontario.

The Acting Speaker (Mr. Ted Arnott): That concludes our questions and comments. The member from Trinity–Spadina can reply.

Mr. Han Dong: First of all, I would like to thank the member from Bruce–Grey–Owen Sound, the member from London West, the member from Etobicoke Centre and the member from Sarnia–Lambton for their very thoughtful responses.

Just to the point that the member from Bruce–Grey–Owen Sound was making, I know he is not a keen supporter of infrastructure investments, but when he talks about higher energy costs, he must consider that when the Conservatives were in government, they didn't invest any money in generation and transmission infrastructure building. That's why we're playing catch-up here on this side of the government.

He talked about high food costs. He probably didn't consider that the previous federal government tied the oil price with our dollar. That's why when the oil price dropped, our dollar dropped as well, so it costs a lot more to purchase from other countries when it comes to food. I know in my community, in Chinatown, some grocers are telling us that things are going up 30% because the currency has dropped so much, and he must consider that.

To the member from London West, I agree that more work needs to be done. But I think she must agree that this is a step in the right direction, especially when it comes to broadening the definition of a collection agency to include persons who purchase debt in arrears and collect it. This is bringing legislation up to date to address these issues.

I share the thoughts put forward by the member from Etobicoke Centre: This is very important work, and it has been in the works for a long time.

I take this opportunity to congratulate the minister, and I look forward to more support and more debate, actually, coming from the other side.

The Acting Speaker (Mr. Ted Arnott): Further debate?

Mr. Jim McDonell: As PC critic for consumer and government services, I'm pleased to offer my remarks today on Bill 156, the alternative financial services act.

I find it a little bit scary when I hear a member of the other side actually blaming our low dollar on the Harper government tying the price of oil to the dollar. I mean, how ludicrous is that? We have some problems in this province, like high energy, and it's affecting people's ability to pay bills.

Before we begin debating this, I would like to take a moment and give the House an appreciation of why the services discussed in this bill, such as payday lending, cheque cashing and lease-to-own, are defined as "alternative." Conventional financial products are those you and I and most Ontarians are very familiar with in our day-to-day lives. They are so familiar, in fact, that we either don't notice their influence in our lives or we simply take them for granted. While on the outside they may look simple, they are a result of a series of complex economic

and social transactions that happen beyond our field of vision.

Let's begin with banking. Banks have been with us for over a millennium. The oldest bank in continuous existence in the world today predates the discovery of the continent this House stands on. Their role has evolved dramatically since then, as have consumers of bank services. The greatest factor in the growth of banks and the array of services they offer, of course, has been the explosion of the middle class in the last three centuries, who now have enough money to begin thinking about personal finance rather than making it to payday.

Let me give you just an example of how priorities have changed. Ancient banks in Europe used to issue letters of credit to consumers who were travelling to different cities, with a branch of the same bank or a friendly local bank that would pay out according to the letter's terms. There was a clear and terrifying motive to this: The possibility of being robbed en route was very high. The less faceless and untraceable cash one carried with them, the less risk there was for loss of personal property. Today, we have debit cards, not because we are concerned about robberies, but because we like the convenience of withdrawing money when we need it and making small purchases without requiring cash.

It is easy to take this convenience for granted if we don't see the cost and the complexity of the system. In order to provide us with the convenience of using our plastic cards rather than cash, retailers have to forgo a portion of the revenue in order to pay the provider at the point of sale, or POS for short. This is also the reason we often see purchase minimums for cards used in stores. Too small a purchase would mean an unsustainable amount eaten out in issuing fees for the retailer.

When we participate in the conventional financial system fully, we run most of our financial transactions through a bank, including depositing our cheques. Here is where the bank policies can become frustrating for some. Some banks will apply a seven-to-10-business-day hold on depositors' cheques in order to have the funds clear before releasing money to our account.

1410

The bank's motivation is clear: Minimize the risk of a cheque bouncing and not having any recourse against the depositing customer. This is one of the many ways a bank shields itself from risk in order to provide us with lower fees and different financial products at advantageous rates, such as loans and lines of credit.

Conventional loans and credit cards also work on the principle of minimizing risk. These debt instruments are designed to provide the issuing institution with a steady stream of revenue at minimum cost and risk. For example, a no-fee, cashback credit card from a major bank is a great option for the consumer as it involves no annual costs and, as long as we pay off the balance each month, with no interest.

As folk wisdom tells us, there is no such thing as a free lunch. No-fee products are there because issuers want us to use them. When we do, a portion of our

purchases is handed over to the issuer by the retailer as fees. The more we spend on our zero-fee card with cashback bonuses, the more the issuer earns.

Whichever credit product we choose, issuers will want to ensure we don't run away with their money. While a functioning crystal ball may come in handy, the next best option is the consumer's credit report. This is a detailed document highlighting the consumer's history with many companies, the number of credit contracts the consumer has, how many of these contracts have been paid, whether there have been any late payments or any other negative events and whether the consumer is overall a good person who will pay back what he owes.

While we are on this subject, Speaker, allow me to diverge into somewhat of a public service announcement for the benefit of all Ontario consumers regarding credit. We get bombarded on an almost daily basis with offers to repair our credit, get our credit report or enrol in one of the thousands of credit-monitoring programs that, for a fee, will keep an eye on your private information stored with Canada's credit reporting agencies. All of the information that feeds into your credit report, however, is accessible for free to every consumer once every six months. By filling out a form and attaching a photocopy of an identity document, a consumer can request a copy of their credit file.

In the stack of papers they receive, they will be able to see which accounts are associated to their name, who inquired about their creditworthiness and whether those accounts have been paid on time. This information must be verified. Seeing accounts you don't recognize or inquiries from companies you never submitted a credit check to could point towards attempts at stealing your identity and open credit accounts in your name.

Just a few weeks ago, I got a call from Visa. They had noticed that just a few minutes before, actually, somebody in the United States had used my Visa card and had quickly refunded the money to the same account. So I got a call asking me if I made the call and if I was in South Carolina, I think it came from, but the bank picked up on it right away.

It reminded me that, last December, I was at a conference of the eastern states and provinces, and one of the sessions was on credit and verification. What they were using was your cellphone to identify where you were and where the purchase was made. The computer instantly tied these together and a red flag would go up, even to the point where they would deny the transaction if they didn't meet—so instantaneous verification. But this shows where they're going at the time. Even though the amount had been taken out and put back right away, they saw that as a potential test of the system by the person who was using this card to see if anybody noticed. So it just tells you where it's gone today and how fast banks can actually check what's going on.

These errors are fairly straightforward to correct, but if left to fester, they can wreak havoc on one's credit score and shut you out of a mortgage, a car loan or other financial products.

If there is one take-away from these proceedings, it is that every Ontarian should take control of their credit file by requesting a free copy every six months from a major credit reporting company. Our credit file describes us, just as our vital statistics do. It forms a part of who we are in the outside world, whether we choose to show it or not. When it comes to borrowing money, this history can be laid bare to whoever is looking at the computer screen at the loans desk.

Why do we go to such trouble, then? In exchange for our co-operation, time and good character, the financial institution can now issue a certain amount of debt that it is confident it will get back at a reasonable rate of interest. Banks minimize their stake in the debt game by weeding out those applicants whom they consider either too high a risk or whose record is insufficient to warrant a loan.

The old adage goes that to get a loan, you have to prove that you don't need one. In the conventional financial sphere, it appears that institutions try their utmost to reach the ideal zero-risk customer base.

As I have one hour, I beg your indulgence, Speaker, to share a joke on debt. A rich businessman asks a bank for a \$5,000 loan as he is leaving on a two-week vacation. When asked for collateral, he offers his brand new luxury car. The bank accepts eagerly and issues a loan at 8%, then brings the car into secure storage. Two weeks later, the man returns and repays the loan with \$15 of interest. When quizzed about why a millionaire would need a \$5,000 loan, the man says, "Where else could I park a luxury car for \$15 for two weeks and expect that it would be there when I return?"

This whole introduction should highlight just one key issue: Conventional financial tools are available to us and to many Ontarians; however, many fall through the cracks. A small but relevant percentage of Canadians, when interviewed in 2006 by the Financial Consumer Agency of Canada, said that they had difficulty opening an account at a bank or credit union.

We take bank accounts and their convenience for granted. However, without an account, life becomes a lot less convenient for the Ontarians who can least afford it. The challenges that immediately spring to mind include a forced reliance on cash, including carrying large amounts of cash on your person and storing cash at home. This increases the risk of being a victim of crime. While the middle class is concerned about the less violent but still damaging crime of card cloning, Ontarians without a bank account have to be consistently worried about theft, robbery and burglary.

An inability to receive payroll deposits from one's employer; the inability to deposit assistance cheques and government of Canada cheques, the latter being by law free of charge to deposit; and added challenges to proving one's address: This can then snowball into difficulties renewing Ontario and federal government documents.

While this House may, from my previous remarks, have developed an understanding of the working poor

Ontarians' and social assistance recipients' challenges when faced with accessing a credit product, there is another category that faces a Catch-22 situation with regard to credit. New immigrants are at a distinct disadvantage when arriving in Canada. Despite being adults, usually packing plenty of education and experience, their credit file in Canada is blank. As such, they are unable to access the same credit products at rates that Canadians of their age would, following years of building their credit through student loans, store cards and, depending on their age, even a mortgage. When financial institutions see a blank credit file or a social assistance number beginning with a "9," denoting temporary status such as a work permit or a study permit, the range of offerings for the customer goes down to almost nothing.

One of the very few credit products that new arrivals to Canada can gain access to is a secured credit card. These cards are issued under the condition that the borrower deposit into a locked account an amount equal to, or sometimes greater than, the demanded credit limit. Members will appreciate that very often, a family beginning their life in Canada and counting their pennies from payday to payday doesn't have \$500 or \$1,000 sitting around in order to make that deposit.

1420

The vicious circle then begins. Without the ability to build a credit file, the family is unable to build their access to financial products such as mortgages, car loans and lines of credit. When they do eventually build up their income in order to afford the deposit, their credit file's age will lag behind everyone else's by a significant amount, placing them at a disadvantage. When they eventually apply for a mortgage, the bank is likely to offer them a higher rate due to the combination of credit factors and credit report.

Whether we extend the credit or not, there are situations where individuals or families need cash, and they can't afford just to shrug and tell themselves, "Well, tough luck." The world, most of the time, doesn't work this way.

Conventional finance may have failed these people for a variety of reasons: risk-minimizing policy is certainly one; monthly fees that a client decided are not worth paying could be another; and a third is access. The most acute problem with financial service access is, naturally, felt in the most remote communities of the north. Banks do not have the incentive to serve such clients because the population density in the bank's catchment area won't justify the expense. Having to travel four hours to your bank is as good as not having a bank at all.

I would like to relay stories of my own riding of Stormont-Dundas-South Glengarry. Local branches seem to be following the fate of many gas stations and closing down, driven out by climbing costs, online banking and competition from urban centres close by. Just as an example, Scotiabank announced the closure of local branches in Maxville, St. Isidore and Avonmore. Residents of my riding who bank there are expected to move their accounts to the new bank location.

Other banks that closed—Lancaster, Williamstown and Martintown. Many banks in rural Ontario, in small towns—not really that remote, but the cost of doing business, for the banks, is driving these banks to close branches. There was an impassioned campaign to save the local branches, some of which have been in the community for more than a century. This, however, highlights that even Ontarians in rural areas in the south can experience a dearth of access to banks and other financial services. If the banks go and take their ATMs with them, local residents have no choice but to use one of the few ones available in town, often from a competing bank or a private provider. Using these ATMs results in higher fees for the consumer.

The same challenge of access brings people to seek cash loans at almost any cost when they need funds and conventional finances aren't available. As in my previous remarks, the perverse cycle of higher need and higher fees continues to apply. Payday lending is a risky business involving a much higher risk for the lender than in conventional finance. As long as you have an ID and a pay stub, you can borrow money until your next payday. There are no credit checks and there isn't much paperwork, and the payday lending provider doesn't shield their operation from credit risks as banks and other institutions do. The result: 10% of payday loans must be written off. They go up in smoke and become bad debt, the kind of debt that poisons any balance sheet.

Payday loans are designed for individuals who have a steady stream of income and who experience either an unexpected expense or an unexpected temporary drop in income. This can include new immigrants working several jobs, single mothers, self-employed professionals in need of funds to tide them over to the next client payout—you name it. These Ontarians aren't poor or exploited or financially illiterate; they just don't have conventional finance to turn to. Sometimes the unexpected drop in income can become permanent, or an unexpected medical expense can turn into even more needed spending. In those cases, it is very likely that the loan will go sour and the company won't be able to recover the money.

Here, however, lies the greatest difference between conventional credit and payday lending: Conventional interest is designed to accrue and compound. The longer you carry the debt, the more times the interest clock ticks, resulting in an overall higher charge. In payday lending, the loan fee is paid once, and it neither accrues nor is compounded. The consumer can't be charged the borrowing fee again, although a consistent late payer is likely to see their access to payday loans cut off entirely. It becomes a black-and-white scenario: You either can borrow or you can't altogether. Late payers in conventional finance are instead punished by higher interest rates and the denial of higher-premium credit products such as credit cards with greater perks or advanced bank accounts. This becomes a situation where one shifts between various rates of interest.

Advocates against payday lending build their argument on the fact that the maximum \$21 fee for borrowing

\$100 combines to form a very high annualized rate. Their argument would hold some water if the fee were designed to be accruable, i.e., if it were charged to the borrower's account at regular intervals and compounded; that is, calculated on total remaining principal capital plus the unpaid fees. This comparison between credit card interest and payday lending is therefore a fallacy. It is a comparison of apples to oranges. These two products can't be compared: firstly, because credit cards belong in the secured, filtered, shielded, credit-checked world of conventional finance where high-risk potential borrowers have already been weeded out. Secondly, the loan fee can't be recharged on the same loan at the next two-week interval. What you pay to get the loan is what you will be out of pocket for when you repay it: not a cent more, not a cent less.

Consumers aren't foolish. Most credit cards offer grace periods ranging from 14 days to a month on purchases. Cash advances are subject to fees and interest without a grace period. However, one can expect to get away with a \$5 flat cash advance fee and 0.75% total interest on the cash for a two-week period.

Let's work with the real numbers, then. A client walks into a payday loan provider and asks to borrow \$800. He is given \$800 and pays the \$168 maximum fee allowed in Ontario for a payday loan. If the same client had a credit card, he would take out the \$800 and be charged the cash advance fee immediately. Two weeks later, he would have accrued \$6 in interest, for a total of \$11. With these numbers in hand, if a consumer could have obtained a credit card with a high enough limit to satisfy the cash needs, wouldn't he or she have one already?

If consumers don't have a conventional financial product that suits their needs and they are resorting to payday lending, isn't that more a reflection on the Minister of Consumer Services and the Minister of Finance? If it is indeed the case, the government should be looking at themselves and taking a moment to ponder whether, rather than spending millions of dollars on promoting themselves and their job-killing policies, they could instead have spent their money on financial literacy and awareness, saving Ontarians hundreds of dollars in fees.

We have therefore established that payday lending is not an interest product, but a fee-based product. You pay once and you don't pay on the same loan again.

We have also established from conversations with the industry that 10% of all payday loans go sour and can't be repaid. If a bank had such a loan default rate on their books, they would be ordered out of business. Banks make revenue by charging us the interest rates that we are used to, close to \$5 on each \$100 per annum. This covers their expenses with the Bank of Canada, the necessary risk adjustments and their operating expenses, and leaves a margin for profit. A 10% default rate would drive a bank or credit card issuer into the ground.

Right off the bat, therefore, we see that a fee-based product that must be charged in full at the moment of taking out a loan should cost about \$10 for every \$100. This amount is designed to take into account the inherent

risk of the loan only. To that \$10, we must add the incredibly high licensing cost, hundreds of dollars per location in Ontario; rent and utilities for the location, including growing hydro rates; staff wages, because people don't work for free; bank fees for processing borrower's cheques and the corresponding bounce penalties, as well as the lender's own interest charges for the capital they need to borrow from the bank at market rates to lend to customers. The exception to the last point would be when a payday lending company sits on its own stash of cash waiting for customers to come in, a very poor strategic choice considering the same cash could be earning you more when properly invested in conventional finance products such as dividend stocks.

Back in 2004, Ernst and Young conducted a survey on the then-budding payday industry in Canada and found that the weighted average of extending each \$100 of credit was \$15.69. That was broken down as \$10.58 of operating costs, 52 cents as the cost of loan capital, 57 cents as the cost of supplementary capital and \$4.02 for bad debt costs. It appears that, in 12 years, we may have taken down the operating costs, but the bad debt costs may have risen. If you recall my previous remarks, I mentioned that if a commercial bank had the bad debt performance of the payday lending industry, they would face either a shareholder revolt or a run on the bank. So let's consider it in the vein of comparing apples to apples.

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We see the data from the same Ernst and Young report regarding banks' provisions for credit losses. This measure is a direct quantification of how much all lenders pay extra for loans because their loans go sour. In the same year, 2004, major commercial banks' provisions for credit losses ranged anywhere from 0.15% to 0.82% for average loans, a fraction of the payday lenders' reported bad debt provision portion of their writing of loans.

My advice to the government and to advocates, therefore, is not to make attempts to compare payday lending costs and services to conventional finance products because, in reality, most consumers who could opt for conventional finance products would take them. If they came to a regulated payday lender, there's a reason. Sometimes, it's access, but sometimes, it's just a matter of time.

For instance, a consumer with a line of credit can access substantial amounts of money fast. With a loan, the consumer needs to wait several business days for the bank to process the application. In both cases, the consumer will often need to offer the bank collateral, something that many Ontarians just don't have or are unwilling to for a variety of reasons.

Regulated payday lending fills the cracks in the federally regulated banking and credit system through which all Ontarians can fall. Despite this, the two industries are very different sides of the same coin. On one side, you have conventional finance, where consumers invest time to build their creditworthiness and net worth in order to access financial products at better rates and are prepared

to wait for all credit checks and internal bank reviews to be completed.

In the payday lending industry, the dynamic is much more rapid. A loan can be extended in minutes, as long as the customer's documents check out. If time is money, then the contrast between the conventional and alternative financial product costs expresses that concept clearly.

According to the Canadian Financial Capability Survey from 2006, the demographic most likely to have used payday lending and cheque-cashing services were aboriginal peoples in northern communities. Conventional banks do not extend their physical presence to small northern communities, and many on-reserve First Nation members find it nigh on impossible to secure any kind of collateral-backed financial product due to their community structure.

We come, then, to Bill 156. It follows in the footsteps of the payday lending act, which created a framework for payday lending to be legal in Ontario, after the government of Canada created an exemption to several federal provisions in matters of lending and interest.

Payday lending is widespread in Ontario. It is regulated, and consumers of payday loans enjoy a wide arrange of protections including current requirements for lenders to post the cost of their services very clearly and make consumers aware of their rights. Bill 156 takes the current regulatory framework and expands it immensely in favour of the government.

Let's begin by examining schedule 3 in detail. In its first section, the government's first salvo in its charge on the payday lending issue, if you wish, Bill 156 immediately takes business matters into legislative hands. Under this provision, a payday lender who extends a third loan within a two-month period to the same customer will offer that customer a two-month repayment program, no questions asked.

So let's analyze this, just for a second: one customer, three payday loans, two months. Something is definitely wrong here. Even an untrained analyst could see that a person who resorts to a payday loan three times in two months is selling one of every two paycheques they receive. These customers need credit counselling and money management skills, not different payment terms.

The industry is well aware of this. The Canadian payday lending association is always adamant that payday loans are supposed to be an occasional source of emergency funding to cover an unexpected expense or a sudden drop in income. I can sympathize with some of their customers who opened up a hydro bill and were threatened with disconnection, after surviving the shock.

A payday loan is not supposed to be a regular source of funding. It is an expensive way to receive immediate cash, and customers are well advised of this. Three payday loans in a two-month period means your situation isn't involving a sudden expense or an income drop; those factors are a consistent, gnawing stressor on your finances, and you will definitely need to look at your budget.

By introducing a mandatory extended payment period, the government is doing two things wrong. Firstly, they're allowing a distressed borrower with clear unresolved financial challenges to extend their payment period without providing any assurances that this particular course of action will make their financial situation any better. On the contrary; they are increasing the chances of the loan never being repaid as the borrower's financial situation is likely to demand another payday loan from another lender while the other one is being repaid. It is a recipe for personal financial disaster.

Secondly, the government is equating payday loans with the problem. Resorting to payday lending is a symptom of an underlying financial condition. Whether it is caused by one of the factors I listed in the opening part of my remarks or others, it is a borrower's budgeting that needs to be tackled, not the provision of a payday loan. Most payday lenders will meet customers they know and trust halfway already by offering extended payment periods when the customer indicates his or her economic situation is difficult. In those cases, the lender is happy to extend the payment deadline because they are confident the customer can meet their obligations.

What the government is doing, however, is creating a mandatory offer of a longer repayment period without any guarantees that the borrower can actually meet his or her repayments. The end result could well be an increase in loan defaults and, therefore, a higher cost for everyone, including conscientious borrowers.

Eventually, lenders may choose to simply not extend a third loan. This is arguably the intent of the legislation: to regulate third loans out of existence. This section is an effective way to achieve this; however, it doesn't solve the underlying problem of the client's financial challenges that drove him or her to a payday lending company in the first place. This person will still be in need of money whether the lender allows him to take out the loan or not.

Where will the client turn to? They could turn to a competitor since there isn't any national database on payday borrowers, and the cycle begins anew. People with such frequent payday lending needs don't need restrictions on payday lending; they need intense credit counselling and access to good money management skills. Cutting them off from the precarious lifeline of payday loans won't do them any good if they're still loose in the sea of their financial problems.

Just to explain that: When you walk down Yonge Street at 8 o'clock on any night, there are no less than a dozen of these payday loan offices open. If you don't go to one, you simply cross over to the other one. So we're not really doing very much by shutting the person out of getting a third loan. There's a problem there, and it needs to be fixed.

The next provision of the bill is also designed to cut people off from access to payday loans by prescribing a minimum waiting period between loans. My previous objections to limiting supply of a service apply here as well. How long a customer can be barred from payday

lending is irrelevant for the purposes of this discussion. A person in financial distress who has no access to conventional finance is no more likely to suddenly have the means to sustain themselves from paycheque to paycheque without access to payday loans than with it.

Let me reiterate that a payday loan is supposed to be a way for Ontarians with no immediate access to conventional finance products to come up with the cash to cover a sudden expense or drop in income.

As I said before, three payday loans in a two-month period are symptomatic of permanent financial distress. Payday loans aren't the problem in this case; they are simply an expensive lifeline. Diligent and law-abiding lenders already refer such clients to credit-counselling services in order to help them get their financial house in order. However, much more can be done to ensure that Ontarians don't fall into a situation where payday lending becomes the only financial product that can suit their needs.

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Next, the government delves even deeper into micro-management of the industry. Section 21 of the bill creates a power for the government to govern the content, size and location of advertising and signage for the payday lending business. This bears an uncanny resemblance to a much-maligned signage regulation in the province of Quebec, a characteristic of the province we have so far proudly avoided.

As anyone who has ever run a retail business will know, all locations are different. Depending on the property type, one could have any number of options or restrictions for placing signage or advertisements on their premises and on the outside of their buildings. What the government is going to create is a one-size-fits-all approach that will probably force many locations to either close or invest heavily in renovations in order to comply with this new regulation, while at the same time doing nothing to help payday lending clients access conventional finance.

The last provision written in the Payday Loans Act by this new bill allows the government to order businesses to stop providing financial services outside of payday loans if it so decides. Speaker, it would not make sense to separate key-cutting from automotive shops or shoe repairs, and it would make just as little sense to impose a separation between payday lending and other alternative financial products offered by payday lending locations, such as cheque cashing or prepaid credit cards. It is demonstratively the wrong thing to do.

Allow me to go back to the Ernst and Young report, which did break down operating and other costs and their impact on businesses in the industry according to whether the business provided just one product—payday loans—or a wider range of services. All costs were considerably higher for single-product businesses. The reason is crystal clear to anyone who has looked at the industry: The payday loan is a risky proposition for lenders while other products such as fee-based, prepaid credit cards, tax filing and cheque cashing are much

safer. Just as in many competitive industries, the profit comes from the higher-value-added products rather than the principal offering. We can compare the payday lending locations to a gas station. While there's a steady but small profit from the gas—or a payday loan—the largest profit comes from the convenience store.

I do not wish to question the government's good intentions, as I am confident they wish to ensure consumers entering a payday lending location aren't overwhelmed by the product offering and the potential pressuring to accept a product they don't really require. This is, however, the wrong way to go about achieving their aim. The minister is setting out a regulatory framework down the path taken by Quebec, which resulted in payday lenders quitting the province altogether.

When payday lending was legalized in Canada, Quebec chose to cap the annual interest rate at 35%, which would translate into about a 1.16% biweekly interest. If payday loans were an interest-based product—and they aren't—a payday loan would cost no more than \$1.16 per \$100 borrowed. As you can see, Speaker, this low fee wouldn't be enough to cover the operating costs of a payday loan operator or the cost of capital. Bad debts would then deliver the final blow to the business. The practice of payday lending was effectively priced out of the province of Quebec, leaving only other services such as cheque cashing.

Don't think for a moment that the financial stressors that contribute to people seeking payday loans vanished altogether with the everyday loan providers. Just as taking a decongestant won't cure your cold, driving payday lending out of business doesn't resolve the question of residents being in worse financial shape than they would like to be and without access to conventional financial products to suit their needs.

In the absence of alternative financing service providers, people would then be driven to the unregulated and underground markets, which carry infinitely more risk and both higher social and economic costs. A simple Google search can reveal hundreds of companies operating outside Ontario and, potentially, federal regulation, soliciting Ontarians for financial information in exchange for cash. There are no guarantees regarding the trustworthiness of these companies. There's no way of knowing whether their privacy policies comply with Canadian or Ontario laws, and there is certainly no guarantee they won't just take your valuable data and sell it to the highest bidder. Most of us would back away from such a deal immediately, but if we put ourselves in the shoes of the self-employed person whose contract just fell through and whose next contract won't generate enough income for a while, we would find ourselves tempted to go to great lengths to put food on the table.

In an ideal world, payday lenders wouldn't be needed, but we don't live in one and we won't see one in the foreseeable future. Payday lending is the safety valve that stands between people's legitimate need for cash and money management advice, and the unregulated, unscrupulous and unreliable underground debt market.

As far as the Payday Loans Act is concerned, this bill is bad legislation. It refuses to tackle the cause of Ontarians' financial distress while at the same time micro-managing an already tightly regulated, overseen and taxed industry.

Shortly after my first appointment to the role of critic for consumer services, the Auditor General released the 2011 annual report, which contained a follow-up to the previous value-for-money audit of the Ministry of Consumer Services. As in the previous audit, the auditor found that most Ontarians wouldn't consider the ministry a top source of information about their own rights or an avenue to resolve a complaint against a company. In this year's estimates, tabled on March 23, we see a net reduction of \$1.1 million in the funding level for the consumer protection program at the Ministry of Government and Consumer Services. This pales in comparison to the drop since fiscal year 2014, the last for which public accounts were available. In 2014, the ministry's consumer services division was funded with \$19.3 million. This year, the program will receive just \$15.6 million.

My constituency office fields several complaints a month from constituents who are unaware of the existence of the ministry or its consumer protection program and the help they can provide through their toll-free line. My advice to the minister is to get rid of schedule 3 of this bill altogether and focus instead on giving Ontarians better access to conventional financial services, credit counselling and financial literacy.

Some of these initiatives can be carried out in-house. I suggest that the minister begin by reducing his reliability on the ministry's website and engage Ontarians more broadly in the community in order to educate them about their rights as consumers and the money management tools available to them, which would prevent the stress of unexpected expenses that can't be covered out of savings or insurance.

The government could also give Ontarians more chances to retain a larger portion of their incomes and save it or use it for investment. As their policies over the past decade have eroded Ontarians' disposable incomes through job-killing policies, payroll deductions and sky-high hydro rates, the government could look themselves in the mirror and reverse their actions, which are leading more and more Ontarians closer to the limit of not being able to afford to pay their bills.

While banks are federally regulated and credit unions may choose that option under new federal rules, the Ontario government can still facilitate more Ontarians' access to conventional finance by promoting bank account ownership and direct deposit. One initiative I would suggest the government take into consideration would be the reduction of the impact of bank account and transaction fees for the neediest Ontarians, in the same spirit as Ontario Works today covers vital statistics certificate fees for its clients.

According to a 2006 general survey on consumers' financial awareness, 56% of Canadians reported their bank fees being \$10 a month or lower. Conversely, 44%

of Canadians spend in excess of \$10 a month for a bank account. These fees may appear low to Ontarians with a stable income close to or above the median. However, they can be a significant impact on a budget of a low-income family or a social assistance recipient. Mitigating this expense could assist in reducing other expenses for the government and its agencies, such as the expense of producing, mailing and tracking cheques. The government may be trying to shield consumers from bad players in the payday loan and lending industry; however, with the law of unintended consequences, they may be depriving Ontarians of access to lawful, alternative services without giving them a way to transition to conventional financing.

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Let me now turn to two significant amendments this bill makes to the Consumer Protection Act. The first change concerns agreements to cash government cheques. Payday lending outlets will often offer their service for a fixed fee plus a percentage of the cheque amount. In exchange, the customer receives the full amount of the cheque without delays or holds. The cashing service, naturally, assumes the risk of a cheque being fake, an increasingly common problem as printing and editing technologies evolve.

There are already plenty of options for cost-free cashing. First and foremost, cashing a government of Canada cheque is absolutely free of charge in any Canadian financial institution, regardless of whether the client has an account at the institution or not. However, in the 2006 Financial Consumer Agency of Canada survey that I mentioned, only 22% of the respondents were aware of this.

References from 2015 highlighted that Royal Bank of Canada branches in Toronto would cash an Ontario Works cheque free of charge. This is the kind of partnership the government of Ontario should be promoting with banks and credit unions across the province in order to give recipients of government cheques more options to keep all of their money rather than seeing it evaporate in fees.

Instead, Bill 156 simply gives the government carte blanche for regulating the total fee charged for cashing a government cheque and mandating that the information must be displayed where such a service is offered. Regulated payday lending locations where cheque cashing is offered already provide consumers with ample information regarding the fee they will be charged to cash a cheque. The net result of the disclosure provision will likely be minimal.

The current fee structure for cashing cheques of all kinds, including government ones, tends to fall within the “three and three” rule: for instance, a fixed \$3 service charge and an additional 3% of the cheque amount. This is undoubtedly higher than the fee for depositing cheques into an account at any financial institution. Yet some consumers may choose this route if they require the funds immediately and can’t afford to wait for the deposit to be held. As I said before, Speaker, time is money, and if the

consumer has an account at a financial institution where cheques are normally held before being cleared into the account, the consumer may opt for a faster but more expensive route in order to access funds on the same day.

If this legislation passes into the books, I advise the minister to be extremely careful in drafting regulations under the fee cap provision. Whichever amount the ministry chooses as the fee cap, it must be significantly high enough to cover the inevitable losses from falsified cheques. If it doesn’t, we will experience what Quebec experienced with payday loans: Cheque-cashing services will vanish without there being any conventional finance alternative available. This won’t solve the problem. Cheques will still be issued to individuals unable to deposit them in financial institutions, but where will they turn to?

I will also point out that this bill doesn’t take into account that many users of both payday lending and cheque-cashing services are self-employed and therefore likely to come into the store with a non-government cheque for cashing. Their transaction will not fall under the provisions of this bill, potentially creating a two-tiered cashing framework.

Let me turn now to the leases, where general credit agreements are covered in two distinct parts of the Consumer Protection Act.

Bill 156 contains a short amendment to section 87 of the act to give the ministry the power to terminate, by regulation, more types of leases to which the Consumer Protection Act, part VIII, will apply. This is a powerful amendment, but we’ll have to wait for the regulations to be issued under this new authority in order to gauge the government’s aim.

The ministry and advocates report, ostensibly, that the intent of the bill is to provide a grace period for consumers who went into a lease-to-own contract. The wording is nowhere to be found in Bill 156. There is, however, a general regulation-making provision written into the existing Consumer Protection Act for part VIII leases that allows the minister to issue regulations governing those leases. Section 87’s definition of the leases that fall under its jurisdiction includes four particular types of leases:

- fixed term leases of four months or more;
- indefinite-term leases;
- auto-renewing leases until such time as one of the parties terminates them; and
- leases where the consumer is expected to pay some additional fee at the end.

Most rent-to-own contracts would fall within these parameters, and I would encourage the minister to highlight why the inclusion of the carte blanche provision is necessary.

We have heard stories about rent-to-own companies charging consumers the equivalent of almost 60% annual interest rates, resulting in significant overpayments by those consumers who can least afford them. Missed payments can trigger severe penalties or even the forfeiture of the goods, as well as the funds already invested in

them. Members on all sides of this House agree that an annual interest rate with recurring charges and compoundings greater than 60% is usury, plain and simple. Approaching such an interest rate on any kind of long-term lease may be legal, but is nevertheless reprehensible and morally objectionable.

We support the government's initiative to make rent-to-own contracts more transparent, including giving consumers the true cost of the contract and a grace period for missed payments. We would like, however, to see these regulation-making powers hard-coded into the legislation rather than simply falling under the general regulation-making power existing in section 128. Allow me to explore a tangential issue here, Speaker. Rent-to-own contracts would look much less appealing to consumers if they saw what the true lifetime cost of the contract was. This is one facet of the all-in pricing issue.

The minister will be well aware of other industries where all-in pricing is being demanded. Consumers in Ontario who wish to buy a vehicle are currently faced with two price sets: one provided by the manufacturer's advertising and one provided by the dealer. The two are different because the manufacturer is not obliged to include the dealer's costs or any other costs associated with the vehicle purchase in the advertised vehicle price. Consumers therefore find themselves at a loss at the dealership, where the all-in cost of the vehicle becomes clear. This is unfair to the dealer, whose honesty is called into question, and to the consumer. If price transparency is good for the goose, it must also be good for the gander.

The new sections of the Consumer Protection Act also deal with general credit agreements. Bill 156 establishes a particularly curious precedent where a lender that ends into a credit agreement regulated by part VII of the Consumer Protection Act has to disclose to the consumer an evaluation of the risk factors that led to the decision to issue or not issue credit. As an example, we don't ask this of our banks, credit card companies or insurers. Their risk evaluation methods are proprietary information and consumers can see only the outcome. These algorithms are one of the trade secrets that lenders compete on, screening for the most secure borrowers.

In a recent judgment, the Supreme Court highlighted that provincial disclosure regulations might now impinge on federally regulated agencies and the federal government's ability to regulate them. In that particular case, a Quebec lender was found guilty of not making certain Quebec-specific consumer disclosures. If and when the government chooses to amend the Consumer Protection Act, part VII, to increase the range of credit agreements part VII extends to, we could see a significant challenge coming our way, where credit issuers would be required to disclose their evaluations of a consumer's credit risk. I wish to share my concern that this would restrict Ontarians' access to credit across the board.

I will now turn my attention to the last portion of the bill, the amendments to the collections act. Collections is a thankless job where a company sells bad debts to a collector for pennies on the dollar and the collector then

expends his resources trying to recover those debts from the consumer. In short, the direct owner of the contract has thrown in the towel on the consumer and sold off the liability to cut his losses.

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Collections agencies are consistently the most-complained-about businesses, according to the ministry's own statistics, and there are very good reasons for this. A collector's duty is to be persistent and annoying until such time as the debt is repaid. When exercised correctly, the collections profession is a source of consumer annoyance and stress. When the collectors overstep their bounds, however, it can be a case of criminal harassment, uttering threats and more.

The current collections act regulates individual collectors and their employees very tightly. There are very precise, legislatively coded restrictions on what a collector can do, how often they can call and when they call etc. Consumers at the receiving end of collection calls are, understandably, subject to incredible amounts of stress. They often don't have the funds available to them, and could potentially face the stigma of their debt situation becoming known on the street.

In this optic, I find it surprising that the government is removing the requirement for individual collectors to be registered with the Ministry of Government and Consumer Services. Today, collectors must be registered and any changes to their employment status with an agency must be notified to the registrar. No one can collect money in Ontario without that registration, and the registrar may deny either an individual or an agency registration based on past conduct. If this bill makes it into law, the individual requirement will be gone.

Here is a worked example. Under the current system, if John works for WeCollect, both John and WeCollect must be registered and in good standing with the ministry. When John leaves WeCollect, his registration remains valid but he may continue collecting and be subject to the ministry's disciplinary procedures if he steps out of line. Under the new law, WeCollect notifies the ministry of John's hiring and firing; however, John can still go and collect on behalf of agencies that are not headquartered in Ontario and may turn a blind eye to John's antics.

The only individual collectors who will remain registered under this new act will be those single-person operations that purchase debts and collect them. For all others, it will be a free-for-all. As I've highlighted before, Speaker, the ministry's record of making Ontarians aware of their rights and their ability to call the consumer protection line is far from optimal.

Considering the heat collectors place on consumers, I wish to convey to the minister our strongest objection to removing the requirement for individual collectors to be registered with the ministry. There will always be bad players in any industry.

Payday lenders had their black sheep in the Cash Store, which sought to circumvent provincial payday lending regulations by marketing their product as a line

of credit, with a mandatory repayment period for a significant portion of the borrowed capital. That sorry tale is finally over, as the Cash Store was ruled against in an Ontario court and has filed for bankruptcy due to ongoing financial problems.

Collection agencies have their own demons as well. Consumers have the right to be protected from bad players in the industry. Although we welcome the government's initiatives to impose harsher penalties on collection agencies that breach the law, I strongly urge the minister to take out all provisions that would allow any individual to carry out the business of collecting debts without first being registered in Ontario. We don't need this complication.

The ministry will also have to step up its efforts to improve its inspection and enforcement regime. In the 2011 annual report, the Auditor General highlighted that a significant amount of work remains to be done in order to address consumer complaints and promote compliance in the areas of business that the ministry regulates. Cuts to expenditures in the consumer services programs don't point to an improvement on this front.

Overall, this bill contains one good provision on penalties for collection agencies, one so-called provision regarding rent-to-own contracts, and the remainder could be defined as either bad or redundant legislation designed more for publicity than the actual improvement of the Ontario consumer's lot. We will be filing amendments to trim down this bill and to make the bill address the true concerns of the industry.

Speaker, we have many issues where we see this government micromanaging business. This is just another case of where it's getting in the way and not getting after the real issues that are hitting consumers in Ontario.

We see people coming into my constituency office, and they have problems trying to decide whether they'll eat this month or do they pay off their bills. One example that was given to us: A person is hit with a surprise hydro bill. We've had hydro bills brought into our office where it was three or four or, sometimes, 10 or more times of what the normal rate is, supposedly because of an issue with smart meters.

The consumer has to decide: Does he make that payment or does he take a chance of having the service cut off? We all know that, if the service is cut off, there's a huge penalty to get it hooked up again. So, yes, in some ways maybe the \$100 fee seems like a lot to someone who needs money today, but the alternative may be a \$1,000 fee to get the hydro reconnected, plus all the problems and delays that go with no hydro. In my own riding, we had a grocery store owner hit with that situation. He can't afford to turn his freezers off, or he's out of business.

Those are the issues that are hitting many consumers in Ontario. I think that we're not giving them any help by getting in the way of some of these businesses that are there. If they are closed, people are into trench-coat borrowing, which we've seen over time as not being the right answer.

The Acting Speaker (Mr. Ted Arnott): Questions and comments?

Ms. Peggy Sattler: I am pleased to rise in response to the comments from the member for Stormont–Dundas–South Glengarry. One of the things that he said during his speech that really struck me was about the fact that Money Mart and similar institutions were never intended to provide ongoing, monthly cheque-cashing services; they were intended to be emergency services that would be available for temporary situations. But what we have seen, in my community and across the province, is people going month after month after month because they can't stretch their ODSP cheque or their Ontario Works cheque to the end of the month; they have to try to cash it early just in order to make ends meet.

In my community, the Mayor's Advisory Panel on Poverty just reported. That panel did a six-month, very extensive public consultation. One of the recommendations that they made was to have collaborations with the financial sector to provide banking alternatives, eliminating the need for predatory lending. What we have seen is that people don't have access to bank accounts; they aren't able to afford the monthly fees; they aren't able to maintain a minimum balance. So they end up having to go back to these payday loan companies on a regular basis and end up paying amounts like 20% or more.

I appreciate that this legislation includes a provision to put a limit on the fee charged for cashing a government cheque. Unfortunately, there are no details about what that limit might be, which is similar to most of what is in this bill. It's left up to regulation, with no information about what's going to happen. But we need much more in place to stop these predatory practices.

The Acting Speaker (Mr. Ted Arnott): Questions and comments?

Mr. Chris Ballard: I'm delighted to stand and make some comments with regard to those put forward by the MPP for Stormont–Dundas–South Glengarry.

I can think back to the days when I was the executive director of the Consumers' Association of Canada. This is long before we had payday loan companies; they were not in existence in Ontario. But we had other household-finance-type companies that I'm sure that people of a certain age will recall, and all the troubles that went along with them.

People in those days would say, "Why doesn't the government simply ban them? They're preying on vulnerable consumers." In some cases, that might have been the truth. But I know, as we did our investigation as consumer advocates, that what we heard from the anti-poverty activists and those communities was that, in many ways, these institutions are preferable—to have a safe payday loan than to regulate these types of companies out of existence. In those days, the fear was that people would simply go off to an unsavoury character who would loan them money at even higher rates than those finance companies. I think that underlies a lot of the reasons why we don't want to outright ban payday loans altogether.

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As I said, the majority of community agencies and poverty advocates we talked to in this round did not support eliminating payday lending in the absence of other short-term, small-dollar credit options. Consumers raised similar concerns as those we heard from advocates, and I think this legislation will go a long way to protecting vulnerable consumers and making sure that those companies remain viable.

The Acting Speaker (Mr. Ted Arnott): Questions and comments?

Mr. Toby Barrett: As our critic pointed out, a loan rate of over of 60%—I think he described it as incomprehensible and morally objectionable. Sixty per cent is the maximum interest rate allowed under the Criminal Code of Canada.

However, through the Ontario legislation—that would be the Payday Loans Act, 2008—Ontario is exempt from that federal legislation, which means that the interest rates being charged in Ontario are something like 546% if you compound this annually, which is the normal way of comparing loans.

The Globe and Mail had quite a good article and a series on payday loans; the one article was written May 15, 2015. We know that currently, with an industry that charges a maximum fee on a two-week payday loan—\$21 on \$100 that's borrowed—that does translate into 546% a year. It's interesting to read that in British Columbia, Alberta and Saskatchewan, the industry is allowed to charge 600% a year. Newfoundland does not have legislation. That means they're subject to the Criminal Code of Canada, and the interest rate there is 60%. New Brunswick is at 60%. It's quite interesting, by way of comparison, that in the province of Quebec, the interest rate cap is at 35%. It probably goes without saying that there aren't any payday loan vendors in the province of Quebec.

The Acting Speaker (Mr. Ted Arnott): We have time for one last question or comment.

Mr. Taras Natyshak: I'm pleased to rise in debate on Bill 156.

The government here had an opportunity to make a real difference in the lives of Ontarians, and once again we see that they've failed at that simple task. They've been talking about taking control of payday lenders and that predatory practice that has really exploded in the province of Ontario over the last decade or two. We have to ask why, in fact, we see such a prominence of payday loan sharks setting up in communities all across the province. There's a lack of good employment. There's an explosion of precarious employment. We've got pay equity issues. We've got lower rates of industrial unionization. We've got lack of access to quality child care. We've got massive student debt loads.

This has all, again, expanded under the watch of the current Liberal government, and they wonder why they have to bring about legislation to take control of predatory lenders. Well, you've created the economic conditions that require people to live hand to mouth. They

cannot make ends meet and they have to find out any way that they can to pay the bills. This will continue and it will continue post passage of this bill. The efficacy of this bill is in question. I'll leave it to the vice-president of the Consumers' Association of Canada, who says, "It's very difficult to comment on an announcement about an announcement about an announcement."

"I hate it when government does that. It says, 'We're going to do something but it's going to be a year before we do something and we can't tell you anything until we do it.'"

Lots is left to regulation in this bill, Bill 156, which is not uncommon for the government side.

We'd love to see really substantial, concrete actions to address the precarious nature of financing in the province of Ontario.

The Acting Speaker (Mr. Ted Arnott): That concludes our questions and comments for this round.

I return to the member for Stormont–Dundas–South Glengarry.

Mr. Jim McDonell: Thanks to the members from London West, Newmarket–Aurora, Haldimand–Norfolk and Essex for their comments.

The point that's being missed in this legislation is helping out the consumer who has to use payday loans. As I said, there are even some examples of people who are fairly well off, but there are always times when they can get stuck, especially if we're talking about new Canadians who don't have the ability to go into a bank because they don't have the established credit.

The banks are in business to make money, and there's nothing wrong with that. We encourage it. We have a strong banking system. But they don't take on the vast majority of clients that use these services, and for good reason. These are people who desperately need money, sometimes just through a lack of financial management skills. We don't do anything through this bill to enhance that. It's fine to stick in a card and say, "If you want the cheque, you're going to have to sign the card." Everybody knows that that's done readily.

Anybody who's desperate for cash doesn't want to be tied up with small details—details that on the surface are made to sound like they're really going to make a change, but everybody knows they won't. All we're doing is micromanaging an industry. They could make some changes that would help people who are in need of money. Go back to the banks; make some low-cost accounts available to them—low-cost, but low-services as well. There needs to be something that doesn't cost, for some of these people, a good portion of one of their cheques a year just to hold a bank account.

We need to look at something that's going to make a difference and, in the end, reduce the need. There will never be an elimination of these services, but we need to reduce the need for them.

The Acting Speaker (Mr. Ted Arnott): Further debate?

Ms. Jennifer K. French: I'm pleased to have this opportunity to rise to speak to Bill 156, An Act to amend

various Acts with respect to financial services. It proposes amendments to the Collection and Debt Settlement Services Act, the Consumer Protection Act and the Payday Loans Act. It is meant to strengthen protection for consumers who use alternative financial services, but it does fall significantly short of delivering any real action to Ontarians in financially precarious circumstances.

Speaker, I am always glad to be able to stand in this Legislature and bring voice on behalf of my constituents. This act deals with consumer protection when it comes to those alternative financial services, and those alternative services are those that are outside of credit unions and banks. We're talking about payday loans, cheque-cashing places, payday advances, these alternative financing operations—basically predatory money lending and loan sharks.

This bill is scheduled to take effect in 2017. It's basically a wish list that this government plans to address through consultations. Most of the bill's value is in its regulations, and of course, those are yet to be determined. Even the minister admitted there "are not perhaps as many details as we would all like immediately right now."

We see here another bill that is a framework without substantive amendments. I guess Ontarians are going to have to wait until 2017 to see if any action is taken by this government.

My colleague already mentioned this quote—but it's a good one, so I'm going to share it myself—from Mel Fruitman, who is the vice-president of the Consumers' Association of Canada. He said, "It's very difficult to comment on an announcement about an announcement about an announcement. I hate it when government does that. It says, 'We're going to do something but it's going to be a year before we do something and we can't tell you anything until we do it.'"

Something else it doesn't do is address all of the proposed reforms that are raised in the 2015 consultation paper. In the fall of 2013, the province launched its review of the Payday Loans Act, which then led to an expert panel report in 2014. The further consultation that followed was undertaken in 2015 and was on broader changes to payday lending, other alternative financial services and debt collection. That paper was released by the government in mid-June 2015.

1520

Again, as I said, this bill doesn't address all the proposed reforms that were raised in the 2015 consultation paper. It doesn't introduce any new requirements regarding money transfer services, a new licensing regime or price caps. My colleague from Bramalea-Gore-Malton, our deputy leader, has called for payday lending fees to be capped at \$15 per \$100 and for the creation of a database to enforce the ban on rollover loans; it doesn't address those issues either.

I don't personally have a particularly deep understanding or historical background when it comes to predatory lending. I've certainly spent time in various

communities and driven around and seen many cheque-cashing, payday advance or Money Mart establishments. I didn't necessarily know all of the ins and outs—I had an idea of what they did—but I've learned a lot in preparation for this talk today.

I will say that "alternative financial services" seems to be a misleading label. "Alternatives" are options. Most people think that something that is an alternative is an option, but these are not options. These predatory lending businesses prey on those without options. They make their money at the expense of those in need and in precarious situations.

I have always been fortunate when it comes to finances. I have had options. I remember opening my very first bank account in a bank not far from my house. I lived in an area where there were banks. We have many parts of Oshawa that are areas of more need, and they don't have banks in those areas. They have these payday loan places and alternative financial facilities.

But I was fortunate enough to grow up with options. Actually, I recently just left my long-standing relationship with the TD Bank. My grandfather was a TD Bank manager in a very different time, and my grandmother was a teller, and now she's a TD Bank pensioner. But I am no longer part of the TD family. I have been glad—

Mr. Percy Hatfield: I am.

Ms. Jennifer K. French: Well, it might explain the blazer today, your TD green blazer.

Since coming to this House, what I've been learning about big banks and I would say a broken moral compass—the more disillusioned I have become. Fortunately, I have options and I've been able to leave the banking world and have moved my finances to a community credit union, because I have that option in my community. But many people in our communities find themselves without fair financial options and find themselves in the predatory lending cycle.

I'd like to share a voice from my community. Tracie is one of my constituents. She came into our office to get help because she found herself in a muddle with payday loans. She had had some family challenges and tough choices and few, if any, options, as she saw them. I spoke to her yesterday, actually, and she told me a few things that I'd like to share.

Tracie said, "I was in trouble with some payday loans and needed the loan.... I needed the loan. And found myself in trouble and turned to someone. I couldn't get it at a bank because of my income...."

"I know I was stupid. I signed it ... and then I realized I was in trouble. So I got a loan ... at Citibank—and remortgaged—for a lot less than what they were giving me...."

"I phoned them and said I have the money to pay it back—nope, you have to pay the higher amount, and the insurance company—they charged to stop a payment when they hadn't even sent the paperwork. It cost me \$2,000 to get out of it. Two weeks cost \$2,000...."

"They are just gouging people. [I] tried everyone to help me. They are just like loan sharks—except they

don't come and break your legs. It's terrible. I just think they are taking advantage."

We chatted for quite some time so that I had a clear understanding of her circumstances. She had gotten in a tangle with payday loans and wanted a consolidation loan. She went to one of these companies—this was weloanmoney.ca. They say, "If you can buy it, we can finance it!" She went to them and wanted a consolidation loan, around \$8,000. In terms of all of the fees—a fee of almost a thousand dollars and another \$700 fee that was basically to walk across the hall and do paperwork—by the time it was all added up together, the cost of borrowing was actually almost the cost of the principal amount. So what she had to pay, with taxes and everything, was basically double what she had gone in for.

Looking at these numbers and recognizing that these are the alternatives for people who are wanting to dig their way out of debt, are wanting to have a solution and climb out of the hole—that isn't a way to effectively climb out of the hole. We've been talking today about coming up with strategies and coming up with some kind of solution that allows people to move forward. That's a conversation I think we should have.

This government is talking about more consultations. This bill, as I said, is a framework. They want a consultation period, but that consultation period might actually provide the alternative lending industry with more time to prepare for more regulation, if any regulations are actually introduced at all.

These issues are not new. In fact, I'd say that money-lending has been around since there's been money. I remember Bible stories and I remember it was the moneylenders who were unceremoniously kicked out. But here in this Legislature the government kind of rolls out the red carpet and seems to invite them in.

Anyway, with all the discussions about banks and big money, I'm always surprised when there's a bill put in front of us that doesn't proudly announce its sponsors. I think that that will be the next thing, that we'll pick up a piece of legislation with "This legislation sponsored by" this corporate donor.

Mr. Percy Hatfield: Money Mart.

Ms. Jennifer K. French: Yes, by Money Mart.

Anyway, through the various consultations and committee hearings with any of the bills that we have, they seem to be quite Toronto-centric. The details are put online; you can find them in that tiny little time-allocated—

Interjection.

The Acting Speaker (Mr. Ted Arnott): I have to ask the member to withdraw her unparliamentary remark.

Ms. Jennifer K. French: I withdraw. I'll try not to accidentally say it again because I am not sure what I said.

The Acting Speaker (Mr. Ted Arnott): You can't impute motive. You can't suggest that a donor would get a bill.

Ms. Jennifer K. French: Ah, thank you. Okay; I withdraw.

But to the point of consultations and committee hearings across all of the bills that deal with payday loans and lending, through the years—because as I said, this is not a new issue—the Legislature has heard from voices explaining and defending these alternative financial services. We hear from loan sharks. We hear from their slippery friends who like to swim in behind them, but we don't hear from those who are broken and beaten by these lenders and companies.

We will continue to reach out to stakeholders, but more importantly, I think we all need to be listening to, and talking with, our constituents who are living in precarious circumstances. So many people come into our offices in dire need. While they may not be discussing this part of their struggle, while they may not share with us that they are ensnared or entangled in predatory lending cycles, perhaps we should recognize that while they're struggling with everything else—paying their bills, finding child care and working for too-low wages—this is another part of their struggle.

In Oshawa, in a preliminary search that I did and just looked up—at first glance I did a quick search for Money Mart, cash advance locations and payday loans. There were about 30 little dots that came up on my Google map in the downtown and south end area. In that same area there were 23 banks and credit unions. However, in this area it was a very clear divide: The north end and the downtown part were where the banks and credit unions were; and in the south, the area with more need, you would find these predatory lending facilities. It was really frustrating, actually, to look and see that there is just such a clear divide and there aren't options in our areas with need.

1530

I'd say that this whole industry really does capitalize on poverty and need. People don't choose to use lenders because they have the best deal or the best products; they choose them, or are forced to choose them, because they don't have other options when it comes to food and rent or helping their kids, if there's something that they need. That is what drives people into these facilities. We find many people who are struggling with mental health and addictions; they are also quite vulnerable and find themselves in these lending cycles.

These are individuals who, as I said, don't call to tell us their stories very often. They don't often know that what is being done to them might be illegal. They don't recognize that sometimes if they were—that they could be part of a class action lawsuit, that they could have a lawyer working for them. They just know that they won't have enough money for the rent to clear; they know that there isn't grocery money or bill money for a few more days.

I may not have been very familiar with payday loans, but I do get the concept of desperate and immediate need. We know that I came out of teaching; I had been teaching in Whitby at a school that has long since closed, but it was an area that drew from a community with higher economic need—newcomers to Canada, great kids, great families, but many families who were struggling.

I remember one time, actually, a class trip. It was five bucks for each kid; they had to bring in this \$5. One of my students, day after day, said, “Nope, don’t have it, don’t have it, don’t have it.” That wasn’t unusual, but I wasn’t able to reach mom, because mom worked interesting hours. Anyway, I called her, I managed to get her, and she said that there was no problem, and she could send in the \$5. But I asked this child, “Why wouldn’t you tell me it was okay and that there was the money?” Because he had made me feel that they didn’t have it, and he couldn’t; I was more than happy to cover it, because that’s what most teachers do. But he said that he didn’t want his baby sister to not have milk so that he could go on a trip. So here I had a grade 5 child who was not telling mom that he needed this money because he was making the grown-up decision for her that, if there was \$5, it should go to the milk for his sister instead of to him for this trip.

I think we already know that children are learning lessons along the way all the time—in this case, not just about money management or prioritizing—but they learn where they live. They learn what they see. They learn what they’re immersed in. So for children whose families are stuck in this cycle, that’s what the children see as well. To not have fair options that allow people to manage their money, make plans and be able to get ahead, we’re just furthering that cycle.

Oh, man, time flies. I was worried that I would run out of things to say.

Something else that I will say: I taught in the south end of Oshawa as well, most recently—again, an area of significant need. There are a lot of people struggling to earn fair wages, to find and pay for child care, to pay bills and to make their money stretch to cover what it is that they need. One of the things I learned when I was teaching those kids, my grade 7s and 8s, is that we had a lot of challenges when it came to computers. If they had homework to do and they wanted to type it up, they didn’t have computers at home. They didn’t have access to the Internet. They might have access to the Internet through their video game’s hand-held system or their phone, and they knew where the WiFi was in the community because that was free, but most of my students didn’t have access to consistent Internet. They might have had a friend who did, but they didn’t themselves. So we had challenges in that community that, across the broader community, were unheard of.

I bring this up because this is a government that hosts consultations almost exclusively in Toronto, with notices posted online. We have short, time-allocated windows of opportunity to respond to notices. When we see things posted, when we see things—I was going to use the term “advertised”—communicated, you have to respond in short order. In communities without computers, in communities without consistent access to the Internet, how are they just going to happen upon these consultation times or navigate the committee process? Also, to travel to Toronto is expensive. For people who are watching every dollar, to pay to take the train to come on in here

and share their stories about being stuck in this predatory lending cycle, that’s just not an option. They’re usually working a few jobs, so they don’t have the flexibility of time.

Mr. Speaker, I’ve been learning a lot about this industry, and I think I’m going to take the opportunity, rather than to use my own words, to share some from Mr. Peter Kormos—I’m drawing from Hansard back in 2008—on this issue because, as I said, this is not a new topic in this Legislature. The former member from Welland said:

“The bill demonstrates this government’s perspective towards poverty. This government doesn’t want to abolish or eliminate poverty; it wants to manage it. It wants to sanitize it and put a little bow on it. When you’re regulating payday lending, that’s all that you’re doing: You’re dressing up poverty a little bit. We should be passing legislation banning payday lenders, abolishing them and making sure that every resident of this province has reasonable access to a financial institution—and specifically, that means credit unions and caisses populaires, those that are provincially regulated, so that they don’t have to resort to payday lending.”

Also, he said:

“If you really wanted consumer protection in this province, the government would be telling payday lenders, ‘You’ve got to have a big rip-off sign at the front door and at every kiosk.’ Instead of saying, ‘May I help you?’ the clerk in the payday lending operation would have to say, ‘Good afternoon, sir. I’m here to rip you off. I’m here to take your money and give you nothing in return. I’m here to turn you into a payday lending junkie.’”

I’m pleased to be able to take us back in time, but these are the same conversations. We have individuals who probably were stuck in this cycle back in 2008 and continue in this cycle now.

We use very polite and accepting language in this House—and I accept earlier when I was unparliamentary and I apologize. We use very polite language. We’re talking about “consumers.” I think that’s ironic when we’re talking about a predatory lending system. Those who are being consumed are who you’re calling “consumers.” They are literally being consumed by this industry. “Alternative services” sounds so nice, like an option, but really, they’re not enticed, they’re not invited; they are ensnared. They are tangled and strangled by this industry.

Any of our industries, whether it’s going to be the tobacco folks or predatory lending that targets those in need, I would say, shame on them, but I would also challenge this government to really give these regulations that we have yet to see teeth to make this worthwhile and to make a difference to those who are suffering at the hands of these lenders.

The Acting Speaker (Mr. Ted Arnott): Questions or comments?

Mrs. Kathryn McGarry: It’s always a pleasure to rise in this House and add a few comments to the debate on the payday loans amendment act, Bill 156, on behalf

of my constituents in Cambridge. I know that those watching at home—David and Ann Harvey, this afternoon—are listening with great interest about this bill and this important legislation.

In 2013, the ministry committed to review the payday loan legislation, and here we are debating it in the House, and it's a good thing that we are. This review was expanded to increase other types of high-cost alternative financial services such as instalment loans, cheque-cashing and rent-to-own services, as well as debt collection.

We undertook broad public consultation to inform our approach to strengthening protections for consumers of alternative financial services and for those who are struggling with debt.

The proposed bill will protect consumers in several important ways. For instance, consumers of payday loans would have to wait seven days between payday loans, giving them more time to consider their options. Also, for those who borrow repeatedly, they would have to wait for a longer repayment period in certain circumstances.

As we know, Speaker, these institutions often prey on vulnerable citizens who get into a circle from which they can't easily get out of, and it's why our government really needs to step in and help to protect them.

Some alternative financial services are often targeting consumers with limited financial resources or in financially vulnerable situations. So our government wants to make sure that consumers using the services are aware of their costs, their options and their rights.

If passed, Ontario will be a leader in Canada when it comes to protecting consumers from the risks of using alternative financial services. Reducing the risk of accessing these services supports our vision of Ontario marketplaces that are fair, safe and informed.

1540

The Acting Speaker (Mr. Ted Arnott): Questions and comments. The member for Lambton–Kent–Middlesex.

Applause.

Mr. Monte McNaughton: It's great to have the member from Bruce–Grey–Owen Sound here today, as he's always in the House working hard debating many of the bills. I'm sure he'll be up on this bill, which is Bill 156, an act to amend the Consumer Protection Act, the Collection and Debt Settlement Services Act and the Payday Loans Act.

I listened to the member from Oshawa, who had a number of good points on this bill. I guess we have, as our critic said, a number of issues with this bill. For me, I think we need to be having a discussion on the broader economy and the cost of living in Ontario. It's unfortunate that so many people in the province have to use the services of some of these institutions, and I think the government really needs to be focusing on getting hydro bills under control. I know we've been talking about that for five years. Every MPP is hearing from their constituents—whether it's a senior on a fixed income, a mom and dad with kids at home or the small business—that costs are going up when it comes to their hydro bills.

The second thing is—and it punishes workers in the province—the level of taxation in Ontario. In fact, it actually discourages people from working extra, harder and more hours, the way the tax system is set up in the province. In fact, I think the highest rate now has been increased to about 54% in the province.

Wages are stagnant. If we had people earning more income, it would deter people from using these institutions that we're talking about in Bill 156. Most importantly, we need well-paying jobs. The manufacturing sector has been hit particularly hard, with over 300,000 jobs being lost.

I look forward to speaking to this bill a little later to talk about more of these things.

The Acting Speaker (Mr. Ted Arnott): Questions and comments.

Mr. Percy Hatfield: I'm proud to stand in place today and make comments on behalf of the residents in Windsor–Tecumseh about the wonderful 20 minutes just delivered by my good friend and colleague from Oshawa.

A hundred years ago when I was at university, I remember having a piece of leather around my neck. It had a brass medallion and it said, "Poverty is no crime." For some reason, I still remember that. I still believe that it's no crime to live in poverty, although I think it is criminal the way some people who are poor or living in poverty are treated.

I want to say that when I was looking into this bill, I talked to a member of my family who works at a pawnshop. She said, "Don't go under the understanding that only people in poverty are using the pawnshops or the payday loans," because she deals with people all the time who are factory workers in our area, and perhaps they've overextended themselves on buying a home with more bedrooms than they really need, having the newest truck out there and having a snow machine, a cottage and a boat. If they don't get all the overtime they're expecting, then with payday coming up a week or so down the road, and they're just running out of money to keep paying the bills, they do often put something in the pawnshop for a short-term loan or they go to the payday loans.

These are people that could be on the sunshine list if they were working for the government. Don't think of just the people living in the lowest margins of society as the ones we're talking about here today. When we're talking about payday loans or about short-term borrowing, it affects us all. So this legislation, whatever we do with it, will affect us all as well.

I just want to commend the member from Oshawa for the brilliant 20 minutes that she just delivered, because she really knows what she's talking about.

The Acting Speaker (Mr. Ted Arnott): Questions and comments.

Mr. Glenn Thibeault: It truly is my honour to be able to rise in this House after a small hiatus for some knee surgery and recovery. It's always great to be able to stand up and speak in this House.

I will echo many of the comments that were made by my colleague from Windsor–Tecumseh. While he has

factory workers, in Sudbury we have nickel bonus miners. In my nine years of politics, this is an issue that I've been dealing with quite often. One of the owners of a cheque-cashing facility in Sudbury said, "It's not the individuals who you would think that come into my facility; it is actually the nickel bonus miners who come in." We relate it then to, I think, the bigger picture about financial literacy and making sure people are financially literate and have a really clear understanding of what they're getting into, because they graduate or they get into this job and they make a big paycheque and then they don't understand that at the end of the month, if they are overextended, they just get themselves into this cycle, and the cycle continues to keep them going to these payday lenders.

So what you see in this legislation—and I think if you went to every party in this House, we all think something needs to be done. Of course, the opposition has their points that they're trying to get across to us, but if you really look at some of the things that they're going to be doing in this legislation, there are steps that are going to address that perpetual cycle that some people get stuck in.

Of course, this is also going to committee, where I know the opposition will bring forward some of their ideas and some of their amendments. But I think the member from Oshawa talked about how this isn't a new topic. This has been something that's been talked about even at the federal level. At the federal level, prior to this current government, the Conservative government that was there had been bringing forward voluntary codes. Those voluntary codes were toothless. At least now we have something that has some teeth to really help protect consumers.

With that, thank you, Mr. Speaker.

The Acting Speaker (Mr. Ted Arnott): That concludes our questions and comments. The member for Oshawa can now reply.

Ms. Jennifer K. French: I appreciate the comments made by my colleagues around the room, from Cambridge and from Lambton–Kent–Middlesex.

To his point about really focusing on the cost of living, since I've been elected, the theme in this room has been Hydro One and the cost borne by our constituents and the rising cost of getting by, whether that's bills, whether that's affording families, whether that's affording groceries. I also appreciated his point that wages are stagnant and that someone who is working full-time should not be in poverty. Those are pieces of the conversation that we need to be remembering.

While I have a significant distaste for this industry, it does exist. While we need to regulate it, we also need to do our best to help people avoid it entirely. Thank you to the member from Windsor–Tecumseh for the reminder, also echoed by the member from Sudbury, that people who use these facilities or use these services—I use the term loosely—are not necessarily who you would think. Anyone can find themselves in a challenging situation, and so to have alternatives that are fair is important.

When we're talking about cycles, short-term borrowing in cycles, sometimes it's education that is missing or the financial literacy piece that needs to be addressed. I would worry, though, that any time we are talking about financial literacy and education, there's always that idea that if you give them the information, then all will be well. We need to make sure that the information isn't coming from this industry and that it is coming from a positive place to try and encourage people out, not to keep them in this cycle.

The Acting Speaker (Mr. Ted Arnott): Further debate?

Hon. Liz Sandals: I'm pleased to rise and speak to Bill 156, the Alternative Financial Services Statute Law Amendment Act. I'll be sharing my time with the Minister of Natural Resources and Forestry and also with the member for Etobicoke North.

Speaker, you may recall that a year or two ago, we amended the Collection and Debt Settlement Services Act. At that time, what we were looking at were some really quite objectionable practices that some of the debt collection agencies had in terms of pressuring people and some of the measures they were taking to try and collect debt. So our first priority was addressing the predatory conduct that we saw in some sectors of the debt collection industry, but we've always understood that there was also a need to look at the whole payday loan sector and also at things like instalment loans, cheque-cashing establishments and rent-to-own services. We've done extensive consultation on what we should do about some of those issues.

1550

I thought it was interesting that my colleague from Newmarket–Aurora was speaking a few minutes ago and talked about his experience in consumer protection, because there's a tension between making some of these financial services—just getting rid of them in some cases, but also there's a tension with some of them actually being useful to people. I think we heard that in some way with the remarks from the member from Windsor–Tecumseh.

One of these things where there's a bit of a tug-of-war is the whole practice around cheque cashing. What we often find in our constituency office, which happens to be located quite close to the Ontario Works office, is that when people who are in those difficult circumstances, or people who maybe don't have the stability of a permanent home—in many cases, banks won't cash cheques. In many cases, banks will have rules that say, "If you bring us a third-party cheque, we'll only cash it if you have an account with us." Of course, many people with risk actually don't have a bank account, which means they can't get their cheque cashed except at one of these cheque-cashing outfits.

One of the things that we're doing here is setting out some new rules around the cheque-cashing establishment. These rules don't apply to federally regulated banks or the provincially regulated credit unions. They apply specifically to these alternative financial services.

They require the cheque casher to disclose information and provide consumers with an actual statement of what they're up to. This is because, in many cases, the cheque cashers really don't disclose how much of a fee they're charging to cash the cheque. People don't realize that when you take your cheque to one of these cheque cashers, they may be discounting the cheque, taking a very, very large chunk of the cheque, and charging it as a fee. That has to be disclosed to the person, under the new legislation, before cheque cashing happens.

The other thing we hear, again from constituents, is that if they get a cheque from the government, standard financial organizations may not even agree to cash that cheque. Certainly, a lot of the cash-chequing agencies historically have again wanted to charge one of these unreasonable fees for cashing a government cheque. There's no risk in cashing a government cheque. I mean, it's backed by the government of Canada or the government of Ontario or maybe the municipal government. There's no risk in cashing that cheque. One of the things that this law would do is provide the authority to cap fees for cashing government-issued cheques so that these people can at least go to the cheque casher and get their government cheques cashed without being charged some unreasonable fee.

Another thing that we sometimes see happening is people who have somebody coming to the door, or somebody, in some way—maybe online—doing rent-to-own. Of course, when you look at rent-to-own—something like a water heater or something like that—when you look at the terms of rent-to-own, you'd actually be further ahead to go to the bank and get the loan and just pay for it, because in essence, the interest that is charged in the rent-to-own is so high that it's really quite an appalling deal.

Once again, on these rent-to-own services, the amendments would provide additional lease regulation-making authority to govern the information that must be attached or displayed around a good to be leased; provide consumers with a grace period for the lease period's payments—right now, we have grace periods for things that you buy outright door-to-door; govern the right of a lessor to terminate that lease; and allow for reinstatement, if you miss a couple of payments, to carry on with the deal that you signed.

There are a number of things in this bill that I think actually will help consumers who are financially stretched in one way or other to be treated fairly by the institution.

I'm now going to share time with the Minister of Natural Resources.

The Acting Speaker (Mr. Ted Arnott): I'm pleased to recognize the Minister of Natural Resources and Forestry.

Hon. Bill Mauro: Thanks to the Minister of Education for sharing the time today. I'll be sharing my remaining time with the member from Etobicoke North. I just—sorry? Did I get it right, Etobicoke North?

Hon. Liz Sandals: Yes.

Hon. Bill Mauro: I thought so. Thank you.

I'm happy to speak for just a few minutes today on Bill 156 and congratulate the minister for bringing this forward.

Consumer protection and consumer protection initiatives are obviously very serious to our government. I can remember in my constituency office in Thunder Bay—Atikokan—like most members, I expect we all spent a lot of time when it came to dealing with energy retailers in the province of Ontario. I can think of dozens of examples of constituents coming into the constituency office in Thunder Bay. I would say that as a result of the changes that we brought in, consumer protection initiatives, our constituency office in Thunder Bay and I'm sure others around the province were able to help their constituents that had entered into energy-related contracts from door-to-door retailers and who found themselves in very difficult circumstances. Through our legislation and regulatory changes, we were able to help a number of those people, and I would expect that through this legislation as well, Bill 156, we are going to see some of those same benefits accrue to our constituents right across the province. So it's a good thing.

I was just going to make a few comments, in my little bit of time this afternoon, about a comment that was made earlier. I suppose it's not a surprise that there was a link that was attempted to be made—that there has been this explosion of payday loan lenders in the province of Ontario as a result of the economic conditions that have been created by the government; at least, I think that was the language that was used by one of the earlier speakers. In one sentence, the speaker said that they had been around for at least 10 to 20 years. Well, I guess if they've been around for at least 10 years, that gave us two years before that, because we came into government in 2003. If they've been around for 20 years, as the speaker went on to say, I guess that means they've been around for a very long time, and the explosion of these businesses had absolutely nothing to do with our particular government. They are a business, like many others. They are a business that we have concerns with and that we're trying to regulate and make safer for the consumer side of the equation. Nevertheless, they are here, and they've been around for some time.

I would say that those comments seemed to be made in a bit of a vacuum, as if the economic conditions that we all find ourselves in were, in some way, shape or form, not created by that great recession that we all went through in 2008, where 30 million to 40 million people worldwide, I would say, give or take, lost their jobs. We in Ontario find ourselves in a very difficult circumstance. Ontario is the biggest subnational economy in Canada. Ontario, I think, represents approximately 40% of the total GDP of Canada. As such, when the global economic recession took hold, Ontario was of course disproportionately affected by that great recession relative to the rest of the country.

In fact, I remember the criticism would be—we would find ourselves often compared to Alberta. You'll

remember, in 2007, 2008, 2009, 2010, 2011 and 2012, when the oil was gushing out of the ground, those who wanted to criticize us for the economic climate that occurred as a result of that recession would say, “Well, that’s fine. There’s a recession going on. But why don’t you look out to Alberta? They seem to be doing okay.” Of course, that was a ridiculously simple narrative, but it seemed to be something that people wanted to try to put out there and criticize us for. Of course, we see now that the oil is no longer just gushing out of the ground, although it could, but they just can’t economically do it. As a result, Alberta is finding itself in some very difficult circumstances as well and, I would say, through not necessarily any fault of their own. The price of a barrel of oil has just a little bit to do with whether or not they’re going to keep getting it out of the ground.

1600

Speaker, there is a lot that has gone on, and any link that’s attempted to be made to the economic climate in Ontario being somehow responsible for an explosion of payday lending retail outlets in the province of Ontario, I would put forward, is a bit of a stretch.

I would say further on the economic climate in Ontario, as well, before I yield the floor here shortly, that we have done, on a relative basis—I think most would agree—quite well post-recession. I think I’ve heard the Minister of Economic Development, Employment and Infrastructure on a number of occasions talk about—I think the number is somewhere in the range of 700,000 net new jobs that have come back to Ontario since the depths of the recession. I’m pretty sure that I’ve also heard him state that the vast majority of those are full-time, good-paying jobs. We’re often happy to remind people in Ontario that we are leading, I think, Canada or North America, when it comes to foreign direct investment.

So I think that by and large we’re doing some things quite well in terms of trying to get the province to come back economically. There’s a significant amount of job creation that has occurred. I think we are still, as many people know, in a period of slow growth. There are some who will say that it’s going to persist for quite some time, that those years of 3% to 5% GDP growth may not come and revisit us for some time—some would say perhaps never again.

Speaker, all in all, I just wanted to put those comments on the floor, relative to the comments that were made by an earlier speaker that somehow Ontario is responsible for the growth of this particular sector. I think it obviously cannot hold water when you put even a little bit of a test to it.

This is about Bill 156 and consumer protection. I spoke a bit earlier about some of the energy pieces we’ve done in the past. I thank the minister for bringing this forward and I’m now happy to yield the floor to the member for Etobicoke North.

The Acting Speaker (Mr. Ted Arnott): The member for Etobicoke North.

Mr. Shafiq Qaadri: Thanks to my colleagues the Minister of Education as well as the Minister of Natural

Resources, who shares the same floor as me on the sixth floor of Whitney Block: top floor, corner office.

As the MPP for Etobicoke North, I have many residents, constituents, family, friends and so on who may be of more modest circumstances and modest means. In that circumstance, many individuals do find themselves having to take up the services of outfits such as those we are attempting to regulate and to monitor and to—shall I say—cleanse.

It reminds me, Speaker, if I might for a moment use a bit of a medical analogy—because I will encounter people in a state of vulnerability who may have tried this-that-or-the-other-type of therapy. It may be something that is actually either debilitating or possibly even life-threatening, but certainly very worrisome, whether it’s bad asthma or cancer or HIV and so on.

Unfortunately, many people, trying to perhaps go beyond the usual channels of medical care, may end up either signing away, paying for and contracting with outfits that are offering perhaps services or therapies or devices or procedures that may not really be scientifically validated or approved. Of course, there’s a whole movement to try to regulate that. So I see this almost as a kind of financial health bill, precisely, as it says, strengthening consumers’ financial protection. By analogy, I think it’s astute and warranted.

Now many people, for example, will know that things like alcohol and smoking have detrimental effects—even sugar, by the way—and people come up to me and say, “Why don’t you just ban it? Why don’t you just ban sugar?” I’ve had constituents say that to me literally. I suppose, if you were a hard-core diabetic doctor, maybe you would try to attempt to ban sugar, but that is something beyond the realm of possibility for a hundred different reasons and, no doubt, 47 laws and statutes.

Having said that, we can nevertheless bring to bear the government of Ontario and the various ministries—the Ministry of Finance, the Financial Accountability Officer and so on—to regulate an industry which of course can, on occasion, prey on individuals who are vulnerable, who are financially in debt, who are destitute, who are maybe having trouble making ends meet. That is, of course, what this particular bill is all about. Basically, I suppose, it’s to go through the golden mean, a middle pathway—unlike, for example, banning sugar or alcohol or tobacco, because that is something not really within the purview of the government.

Government is committed to protecting consumers and, of course, to protecting Ontarians from a cycle of debt. The cycle of debt is something that’s very important. Speaker, as you will know, for individuals, whether they’re using the services of payday loans or cheque-cashing outfits or even pawnshops and so on, these tend not to be one-shot deals. They tend to be recurring. There may be a cycle of dependency that is created, and through the miracle of mathematical compound interest, as you will know—5%, 10%, then 5% and 10% on the 10%—it keeps going on, ad infinitum. I can write you the equation if you’d like, Speaker. That is

an inescapable debt cycle, and unfortunately, there are individuals—certainly within my own riding, and perhaps elsewhere in Ontario—who are succumbing to that cycle.

What do we plan on doing? The bill would help to protect consumers in several important ways. Consumers with debts in collections would benefit from debt-collection rules that apply more broadly, including applying them to debt purchasers.

Consumers cashing government cheques at alternative financial service providers would have more information and may benefit from a cap on the rate of cheque-cashing services. Whether we're talking about horrendous interest rates or, as it will be known, usury, which is like interest rates with a vengeance—which is, by the way, outlawed in all major religions, probably for precisely this reason—this will be brought to bear to regulate the level of interest that can be charged. As I mentioned, especially when that interest is in the double digits, that's when the compounding effect goes exponential, literally and figuratively.

Consumers, for example, using rent-to-own services—which are very hard, I would say, to understand the finances of. If you actually run the numbers on rent-to-own or even just pure mortgage financing, it can be something very significant and, I would say, probably beyond the understanding or true comprehension of the many, many consumers who are, unfortunately, the very people who fall victim.

Consumers using instalment loans would benefit, for example, from cost control of certain fees, such as optional insurance. God bless the corporations that are out there: There's a fee for everything, Speaker, as you will know. There's a fee for telling you that you have a fee. It gets literally to that level of absurdity. Unless you read the fine print—which I cannot, because it's usually in a six-point or an eight-point font, unless I stick my face right into the paper, myopic as I am—you really will (a) not be able to physically see it and perhaps (b) not be able to intellectually understand it. Corporations of this nature know this. That's why I think it's very important that we speedily pass, expeditiously pass, Bill 156—strengthening consumers' financial protection—the Alternative Financial Services Statute Law Amendment Act, 2016.

The Acting Speaker (Mr. Ted Arnott): It's time for questions and comments related to the speeches that were just made by the government members. Questions and comments?

Mr. Bill Walker: I just want to bring a few points in. I had to step out for a little while to cover some committees, so I'm not certain of all of these.

I think there are a lot of people who actually need this type of service, who access these services, including the cashing of cheques. As some of the members have mentioned, in our vulnerable times, there are a lot more people needing to use these. Sadly, that's a result of where this government has taken us. A lot more people, with the increasing rates, are forced sometimes to have

that short term, and they need it. It's not always a bank account. Some people can't even get that bank account. For people who have just recently arrived in Canada or who have negative credit experience, this is a very valid thing for them.

One of the concerns that has been raised is that the consumers who resort frequently to payday loans need to receive credit counselling. Limiting their access to payday loans doesn't solve the underlying problem, so we need to make sure that these types of services are there.

One of the concerns that has been raised to me is that the bill is more about micromanaging by the government than creating a safer and more informed consumer environment. I think that's one of the things we can't lose sight of.

The member from Windsor–Tecumseh, my friend Percy Hatfield, suggested that there are people at various income levels who are needing these types of services because of the state that they find themselves in with this government.

1610

A number of their members talked about the debt cycle, and yet I find it very interesting, in the almost five years I've been here, that we've been asking as, certainly, the PC opposition—and I believe some of the third party members share this concern: that the government actually continues to overspend and they become debt-dependent. They're actually trying to tell other people, "Don't do as we do; do as we say. Hold the line; don't get into these situations. You shouldn't need these services." At the end of the day, this government has doubled our debt to \$308 billion over their 12 years. So they've become dependent on that debt cycle of which they speak. It's great that they bring in legislation and try to spin that this is going to save everyone and it's going to make a big difference—but at the end of the day it's their management of money and it's their ability to keep the deficit and debt under control and particularly hydro rates, so people aren't in those vulnerable positions.

The Acting Speaker (Mr. Ted Arnott): Questions and comments related to the speeches that were given just now by the Minister of Education, the Minister of Natural Resources and Forestry and the member for Etobicoke North?

Mr. John Vanthof: It's my first opportunity to speak on Bill 156, the Alternative Financial Services Statute Law Amendment Act, and to respond to the members of the government on this issue.

First, I would like to say that I don't think any of us are big fans of payday loan businesses, but they fill a role. Unfortunately, that role continues to exist.

I would like to respond directly to something the Minister of Natural Resources said. He seemed to take umbrage that members of the opposition blame the financial state of the economy under the government as one of the reasons why there are so many more payday loans.

I both agree and disagree with what he says. It's not all the government's fault. That's obvious. Payday loans

existed before this government came into existence, so it's not all the government's fault. He seemed to state that it was none of the government's fault, but then a few breaths later he was saying how the economy was doing much better because of the government. You can't have it both ways. Often, we sit here and hear that the government has created 300,000 or 400,000 jobs. That's also not completely accurate.

One thing that is accurate is that more people, specifically in my riding, need payday loans so that their hydro doesn't get shut off. The hydro is getting shut off because they cannot pay the bills in rural Ontario, specifically with the delivery charges. If you're on low-density delivery charges, you just cannot pay the hydro costs in this province. It's a huge issue, and that's one of the reasons why payday loans are running rampant: so people can heat their houses.

The Acting Speaker (Mr. Ted Arnott): Questions and comments related to the speeches that were given by the Minister of Education, the Minister of Natural Resources and Forestry and the member for Etobicoke North?

Mrs. Kathryn McGarry: It's a pleasure to rise and add a couple more comments on today's debate on the payday loans amendment act, Bill 156. It's an important debate and it's interesting to hear comments from all corners of the Legislature this afternoon. I think all of us in office, those even before I was elected in 2014, recognize that there have been ongoing issues with some of these payday loan companies that are preying on some of the more vulnerable folks, and that people have gotten themselves into a cycle of being unable to pay for them. The comments that I hear this afternoon, certainly from the Minister of Education, the member from Etobicoke North and the Minister of Natural Resources, are talking about how we need to move forward with legislation that's going to go out and protect some of the people who don't know what they're getting into sometimes. Innocently, they will go in and try and get a payday loan and will recognize too late, without having really looked into it, that they're now having to get another loan to pay for the loan that they just got into—that continuing circle that we talk about.

I think that this government has recognized that there's an important piece of legislation behind Bill 156 that we've consulted broadly on—on rent-to-own agreements and instalment loans, through regulation-making authority, that would insist that these agencies have to provide information about the pricing of rent-to-own agreements, create a grace period for late payment on rent-to-own agreements, and give rent-to-own consumers reinstatement rights in certain circumstances. That goes a long way to protecting the vulnerable citizens we were talking about.

The last point that I wanted to make is that it will allow the development of rules to require instalment lenders to assess a borrower's ability to repay and provide a borrower with that assessment. That will go—

The Acting Speaker (Mr. Ted Arnott): Thank you. Questions and comments related to the speeches that

were made by the Minister of Education, the Minister of Natural Resources and Forestry and the member for Etobicoke North? Questions and comments?

We will now have the reply from the member for Etobicoke North.

Mr. Shafiq Qaadri: Speaker, I'm willing to accept that admonition that the speech refer to the speech of the member from Etobicoke North and others.

I thank my colleague from Bruce–Grey–Owen Sound, at his auctioneer pace, in which he admitted his thoughts; the always sincere comments of the member from Timiskaming–Cochrane; and, of course, my honourable colleague from Cambridge.

Many things to say with regard to this industry: We've been, for example, asked in our broad consultations, especially with some of the unique circumstances across Ontario, to ban the industry, which of course we cannot, because many places in Ontario—including my own riding of Etobicoke North—may have, as I mentioned earlier, many folks of modest income, modest circumstances who may actually require the services of this industry. Having said that, when we see interest rates at a baseline of, for example, 21%-plus being charged, with hidden fees and hidden clauses and hidden contingencies, this is something that really, probably, needs to be exploded, explained, regulated and protected. At the end of the day, as stewards of the province of Ontario, it's our responsibility to make sure that the services that are available to our residents, our consumers, our constituents are honourable, legal and in their very best interests.

For example, there are individuals who will approach—and I've seen some of this, or maybe you have seen some of these documentaries or programs. Various clauses are offered—literally, it's written in legalese of a very high-level bureaucracy which no one can really comprehend. I have to say that that's part of what Bill 156, the Alternative Financial Services Statute Law Amendment Act, is attempting to do. Ultimately, it's about protecting our consumers who are in the financial marketplace.

The Acting Speaker (Mr. Ted Arnott): Further debate.

Mr. Monte McNaughton: I'm proud to stand up today and follow our lead from our critic from Stormont–Dundas–South Glengarry this afternoon, to discuss Bill 156, the Alternative Financial Services Statute Law Amendment Act, 2015. First of all, I want to thank my colleague from Stormont–Dundas–South Glengarry, our critic for consumer services, for his thoughtful lead-off on Bill 156 this afternoon. I thought he did an outstanding job outlining the position of the official opposition. He gave an excellent overview of the financial services this bill is dealing with and how the government's proposed changes would impact related businesses and customers in Ontario, Speaker.

I think we have all heard stories, back in our ridings or wherever we've been across the province, about predatory practices from payday lenders and heart-wrenching stories of consumers who have become trapped in an

endless cycle of debt—actually much like, I would say, this Liberal government. We talked about the debt last week, that \$308-billion debt in the province—that I tried to cap, mind you. I just want to remind the House that the Liberals and the NDP joined together to defeat that. But this story of struggling families and individuals being taken advantage of is a huge concern, and many cities have considered or are currently considering measures to deal locally with that issue.

As elected officials, I would say we have a moral and ethical obligation to do what we can to prevent these situations from occurring. I will say at the outset, though, that I don't think it serves us to paint all lenders or all borrowers with the same brush. Harsh, one-size-fits-all legislation for an industry with a few very bad apples is a clumsy approach. Those bad apples absolutely need to be dealt with, Speaker. We do absolutely need to do right by the communities that we serve in our ridings across the province. But unfortunately, what I see in Bill 156 is more micromanaging the industry and providing window dressing rather than doing the difficult work of dealing with the root cause of the actual issue at hand.

1620

Payday loans are a financial last resort for people, Speaker. Unfortunately, now more than ever, people are being pushed to this extreme. Just last week, we heard hydro bills are going up yet again. My colleague from Renfrew–Nipissing–Pembroke highlighted that issue in question period today. Life continues to be more unaffordable for people in this province—small businesses, seniors on a fixed income, families with young kids. We all hear it time and time again in the communities in which we serve.

Some time ago, the Minister of Energy tried to brush off the \$2-billion price tag on the gas plants as “just a cup of coffee.” Well, the fact is that this government wants to keep brushing off adding to hydro bills every few months, a few more dollars for licensing fees, a few more dollars for fuel—in fact, 4.3 cents a litre for fuel—a bit more for wine, and a nice chunk off the paycheque for ORPP. Speaker, these extra charges add up. Since November 2015, the average electricity bill in Ontario has gone up by almost \$187 per year.

Since the so-called net-zero deal the government struck with teachers included raises for teachers, that means savings will have to be found in the classroom. This comes at a time when parents of children in public school are getting hit almost weekly for fundraisers to cover classroom costs.

The product of these decisions is more people being forced to seek out loans and creative financial manoeuvres just to get by. Parents are going without so their kids can join in on pizza day at school, and staying up late to do their laundry at off-peak hours to save on hydro. Many more are accessing food banks to feed their families. In fact, in 2008, the average person using a food bank used it for 12 months. In 2015, it was up to 24 months. Thirty-eight per cent of these people using food banks have a college or university education. This is Ontario we're talking about, Speaker.

The point here is that there are systemic problems in our province that are making life tough even for a family with an average income. A survey conducted at the end of last year by the Canadian Payroll Association showed that more than half the people in Ontario are living paycheque to paycheque. That is the highest rate of all the provinces in our country. More people are living paycheque to paycheque in Ontario than anywhere else in Canada. Nationally, almost half of the population reported that it would be difficult to meet their financial obligations if their paycheque was delayed by even a single week. Forty-two per cent of the people in this province reported feeling overwhelmed by their debt. Again, this was the highest rate in Canada. As an aside, I wish the government felt the same—overwhelmed by the debt that they're pushing on to future generations in this province—because I think it's immoral and unethical.

Speaker, these aren't just statistics. These are numbers that paint a heartbreaking picture of life for too many families in Ontario. Put into this position, overwhelmed by debt, living paycheque to paycheque and struggling to provide for their families, people are too often forced to access payday loans.

Close to home, Speaker, the United Way London and Middlesex took a look at the issue of the use of payday loans. They sat down with the industry to discuss how and why these services were being used in that region. After studying the problem, Andrew Lockie, executive director of the United Way London and Middlesex, said, “The use of [payday lenders] isn't predicated by irresponsibility—it's predicated by desperation.... People aren't using these services to get extras. It's to keep a roof over their heads or put food on the table.”

Now, I am not saying consumer protection isn't important, because clearly it is. But it overlooks what the real underlying problem is in our province: Reducing access to legal ways of obtaining emergency cash without providing consumers with a clear path to financial sustainability is likely to drive them to the illegal loan market, which is far more—

Mr. Paul Miller: A point of order.

The Deputy Speaker (Ms. Soo Wong): The member—

Mr. Paul Miller: Madam Speaker, I do believe we don't have a quorum.

The Deputy Speaker (Ms. Soo Wong): I turn to the Clerk.

The Clerk-at-the-Table (Ms. Tonia Grannum): A quorum is not present, Speaker.

The Deputy Speaker (Ms. Soo Wong): Okay, we don't have a quorum. We're going to ring the bells.

The Deputy Speaker ordered the bells rung.

The Clerk-at-the-Table (Ms. Tonia Grannum): A quorum is now present, Speaker.

The Deputy Speaker (Ms. Soo Wong): Okay. All right.

I'm going to return to the member.

Mr. Monte McNaughton: Great. Thank you. It's great to see some government members back in the

House, Speaker, to debate their bill, their legislation, Bill 156.

I'm going to go back to what I was saying about consumer protection obviously being important, but it overlooks what the real underlying issue is. Reducing access to legal ways of obtaining emergency cash without providing consumers with a clear path to financial sustainability is likely to drive them to the illegal loan market, which is far more dangerous. People need to continue to have access to these services, including the cashing of cheques.

Not every recipient of government cheques can deposit them into a bank account. The reason why people who seek out these sorts of financial services are so vulnerable is because they are desperate and, quite frankly, they're out of options. That's why protection is so important, but it's also why we need to be mindful that this is a service driven by real need. The member from Stormont-Dundas-South Glengarry had it exactly right when he called these types of loans "an expensive lifeline."

What I would like to see from this government is some real effort toward improving the lives of the people of this province so that a missed paycheque or a car repair or an unexpectedly high hydro bill doesn't force them to make such tough decisions. We need to be promoting financial literacy so that people can make informed decisions about their credit and finances. Making conventional finance more accessible would be another way to actually help the disadvantaged people of this province. People who have only recently arrived in Canada or who have experienced negative credit events such as bankruptcy, missed payments or a consumer proposal are put in a compromised position because they can't access the banking services that we take for granted.

Payday loans are most often a symbol of a problem. They are a market reaction to an unmet need. We're getting to the end of April and I think that at tax time, we all have a renewed appreciation for how complex our financial system is. We have a very secure, highly regulated system that works well for most people and effectively minimizes costs and risks for consumers as well as financial institutions. Terms of service are built around keeping fees down for customers while giving banks security.

Providing short-term loans is often painted as a licence to print money, but the fact of the matter is that 10% of payday loans have to be written off. This is a much higher proportion than regular, credit-backed lending by banks. There is no credit check prior to receiving a payday loan. The only documentation needed is ID and recent pay stubs. This is in contrast to regular credit, where the decision to lend you money and the rate at which it is lent depends on an individual's credit rating.

The interest rates are exorbitant sounding, but the short repayment time means an interest rate of 35% would translate to about 1.16% on a two-week lending scale. Now, payday loans aren't an interest-based product, but I mention this because those high interest rates

are often used to demonize the practice of short-term lending.

The fees are really the devil in the details. The fees are very high for payday loans, but that is mostly because the risk is also very high. Again, there are some very bad apples out there, as I mentioned in the beginning, and I certainly don't intend to paint this industry as angelic. But it is important to understand both sides of this question and for government to work with this industry to preserve service while ensuring that consumers are adequately protected.

One of the provisions written into the Payday Loans Act that seems to tread on the toes of industry and which gives me pause is the allowance for government to step in, at their own discretion, and order businesses to stop providing financial services outside of payday loans. We're talking about related services here. Separating payday lending from offering prepaid credit cards or cheque-cashing would seriously disadvantage a business, since it would force them to rely on the riskiest side of their business—payday lending—without the cushion of the more secure income streams of services like cheque-cashing. It's also a much more expensive venture to offer just one of these services. In a competitive industry, this represents potentially extremely detrimental interference by government.

1630

I would also like to say that I think consumers would be better served by being tasked with finding one reliable alternative financial service provider rather than going to multiple businesses. Most people who use conventional finance rely on one bank, and I think that model of amalgamation is even more important in instances where financial literacy may be wanting. Of course, we don't want to see people getting pressured into using these services they don't need—and I think that's probably the intention of this regulation, but this may be overstepping the line and I think something that the government should pay attention to and hopefully something that can be dealt with at committee or at least discussed.

High-interest loans can absolutely have a terrible impact on the financially vulnerable. But some of these measures, like extending the time of repayment for repeat customers, seems like an idea hatched at the kitchen table rather than as a product of thoughtful study and consultation. Quite often, such terms are extended voluntarily, and, frankly, if we're talking about someone who has to keep taking out these types of loans, we're talking about someone who needs credit counselling, money management skills and possibly public assistance, not different payment terms alone. What I'm taking away from that particular change is that the government doesn't really want lenders extending third loans. They make that assumption because they're mandating that the lender take an increased risk and accept a slower rate of return, regardless of the likelihood of repayment. If that is the case, again, we're talking about limiting the availability of a last-resort service and offering no alternative.

The provision in the payday loans amendment act which prohibits lenders from opening another loan within

a certain time of the last loan's repayment is another question mark that I have. I don't see how this would impede someone from going out and taking a loan with another institution, so it really does very little to discourage cyclical borrowing.

The Toronto Star recently ran an article about the alternative financing industry and concluded:

"The payday lending business in Ontario, where the annual rate of interest on short-term loans exceeds 540%, is a black box. The target market: the unbanked, the underbanked, the vulnerable—and young workers with conventional bank accounts who can't make ends meet, paycheque to paycheque.

"It's time for the province to undertake a deep investigative dive into the industry, including undercover on-site inspections. So much has happened while some of us weren't paying attention."

We all want to make sure things are above board with this industry and that they're operating in a way that's ethical and accountable. We want people to be able to access these services the way in which it was intended: rarely and in emergencies. I think that's sensible; that's the approach that should be taken.

Many of the regulatory changes proposed in this bill seem to be window dressing. Besides not dealing with the underlying problems, there is redundancy here and more of a focus on making the government look busy on consumer protection than anything else. A common theme in the bills coming forward from this government is the expansion of ministerial powers. In this particular bill, this includes giving the minister power to regulate payday lenders by determining which factors a lender must consider before extending credit, capping the amount of money that can be borrowed, forcing a disclosure in writing of the evaluation of factors affecting a lender's decision to issue credit, banning lenders from contacting customers to offer refinancing and prescribing a grace period for rent-to-own contracts.

We can clearly see that the minister is going to have significant influence on how this industry does business here in the province of Ontario, all the way down to the content, size and location of advertising and signage for payday lending businesses. This sort of top-down micro-management from government seems to be getting more prolific under this Liberal government. Heavy regulation of this industry doesn't do anything to address the need that's driving it. I think we should also be focused on getting our economic fundamentals right—I've said that a number of times since I've been at Queen's Park—so the demand for and appeal of payday loans and these services goes down.

The government's initiative to impose harsher penalties on collections agencies that breach the law is a measure I'm absolutely onside with, but I do have concerns about provisions that would allow an individual to carry out the business of collecting debts without being registered here in Ontario. While I'm not familiar with the details of cases in which this regulation would be involved, this naturally sends up some red flags. If

collectors aren't registered, I would question their level of accountability and would like to know more about what is in place to prevent unsavoury measures from being taken to collect debts.

On the whole, this bill speaks of positive intent, but it just doesn't seem to tackle these issues in a serious, comprehensive way. Getting rid of payday loans won't eliminate the drivers of demand for them.

I just want to go back, because I do have a couple minutes—really, just to get back to the message. I think all of us agree that the government's approach to the economy and getting people away from using payday loans would be, first, financial literacy. I think that's an easy one. But I think the government has to focus on getting the fundamentals right, the economic basics right, in the province.

I know I've been demanding for four months now that this government release a complete list to everybody in Ontario of their corporate welfare schemes because I think, quite frankly, that's a failed policy of this government. In the weeks and months ahead, we're going to see more revelations come from this \$5-billion corporate welfare scheme. Instead of that approach of the government's, where they sit here in a ministry office and pick winners and losers from Toronto, from Queen's Park, I think they'd be better off to get the basics right: get hydro bills down, stop signing these expensive wind and solar contracts, and get serious about cutting red tape. For every business that I talk to in my riding, it's usually the second or third issue they mention. Hydro is always first.

Third, they need to create conditions for all businesses to succeed. In turn, with all businesses succeeding, wages are going to go up in the province.

There's one story I want to tell about this corporate welfare scheme and why it just really irritates—the approach that this government's taking. I have a business in my riding. The owner went out to get financing to build an expansion to his frozen food warehouse. Right when he was in the middle of building this expansion to a warehouse, there were leaked documents in the 2014 budget saying that his competitor was going to get a \$3.5-million grant from the Liberal government. So he called me up and said, "Why am I paying higher taxes all the time so that a grant can be given to my competitor to compete against me?" And this competitor was 40 or 50 miles down the road.

This is a failed approach. It's fine for them to go to local businesses, big companies across the province and have photo ops done, but it does nothing to help lift people out of poverty and it does nothing to help paycheques increase in the province.

The Acting Speaker (Mr. Ted Arnott): Questions and comments? Again, these would be questions and comments related through the chair to the member for Lambton–Kent–Middlesex based on the presentation that he has made this afternoon. Questions and comments?

Mr. Paul Miller: I'd just like to say to the member from Lambton–Kent–Middlesex that he made some good points on the effect on poverty: How is this going to help?

Frankly, Speaker, I've heard people in my community who don't use these services and have basically called them legalized loan sharks. The bottom line is that I probably have 30 to 40 of them in my riding, and 20% of the people in my riding are living below the poverty level. They use these—well, I don't want to call them businesses—stores on a regular basis between cheques. They'll get some free cards from a Walmart or somewhere, and they'll go in there and cash them in. They were giving them 30% of the value and they were walking out—if it was a \$100 gift certificate, they were giving them \$30. Then they would go and cash it or buy goods at Walmart and resell them or whatever they do. But the bottom line is, when you go from pay to pay, if you use what little substance you have—the whole group might be pulling in \$1,200 to \$1,400 a month—you can go through that pretty quickly with a large hydro bill or whatever other things you're facing, like food.

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Let's look at it this way, Speaker: You're paying the same price for a loaf of bread that those people on fixed incomes and lower incomes are paying. You're paying for the same gas—if they're lucky enough to have a car to drive; more like a moped. The bottom line is, there's no relief from month to month to month. And then these guys in these businesses pile up the interest rates, to the point where they're never going to get out of debt. This goes on and on, in a cycle that's got to be—let's look at Quebec; that might be a good idea. They don't have them.

The Acting Speaker (Mr. Ted Arnott): Questions and comments related to the speech given by the member for Lambton–Kent–Middlesex?

Hon. David Oraziotti: I appreciate the opportunity to respond to the member from Lambton–Kent–Middlesex, who was mostly on topic during his discussion, although he introduced a number of other issues that were completely unrelated to Bill 156, the Alternative Financial Services Statute Law Amendment Act. I hope he'll focus his two minutes on the bill when he has an opportunity to close here in a few minutes.

Speaker, what I would say is that this bill is incredibly important to move forward. We know that from the time that the federal government downloaded the responsibility of this area to the provinces, and from the time that our government first introduced legislation, more specifically, around payday loans in 2008, we have continued to put in place improvements and supports for individuals that are the most vulnerable in the province, who from time to time access alternative financial services and payday loans.

This piece of legislation, I would say, is much broader and much more encompassing in this sector. We know that these organizations continue to reinvent themselves, if you will, and adapt the criteria and the products that they offer to consumers to attempt to drive profits for their organizations. We as government need to make sure that we have legislation and regulations in place that help to protect the vulnerable consumers in this province who access these services.

This bill includes areas of cheque cashing, instalment loans, rent-to-own services, as well as those with debts in collection and, of course, payday loans. I know that social service organizations have participated in many of the consultations. We've had consultations across the province, and we look forward to hearing the continued debate on this bill.

The Acting Speaker (Mr. Ted Arnott): Questions and comments with respect to the speech given by the member for Lambton–Kent–Middlesex.

Mr. Norm Miller: I'm pleased to add some comments to the speech from the member for Lambton–Kent–Middlesex on Bill 156, An Act to amend various Acts with respect to financial services.

I did hear the member from Lambton–Kent–Middlesex talking about the endless cycle of debt and how Ontario citizens get into that, but he also did relate it to the current state of affairs in the province of Ontario: the fact that this government is, like so many citizens that find themselves using a payday loan, spending well beyond its means, which is the way a lot of individuals end up using payday loan businesses.

We see the Ontario government keep racking up the debt. They started out with \$140 billion in debt and this year we're going to be at \$308 billion in debt. They're paying huge interest costs, of course, even with low interest rates, so that this year, the third biggest item in the budget—if it was a ministry, we would have health care, then education and then the \$12 billion to pay the interest on the debt. So I guess my question is: What payday loan company is the Ontario government going to go to when the current institutions decide to stop lending them money?

The member also talked about the fact that life is becoming unaffordable in Ontario, and I totally agree with that. I see in my riding of Parry Sound–Muskoka, where average incomes are below the provincial average, hydro is absolutely huge. We just heard that there's another hydro increase starting May 2, and I see constituents writing to me about that.

That's the sort of thing that drives people to use payday loan companies, because they can't afford to pay their bills, and it becomes a question of heating or eating. That's the current situation here in the province of Ontario.

The Acting Speaker (Mr. Ted Arnott): Questions and comments with respect to the speech given by the member for Lambton–Kent–Middlesex?

Mr. Percy Hatfield: I'm pleased to make comments on the comments made by my friend from Lambton–Kent–Middlesex. He talked a great deal in there about his concerns for the debt that these people face, and he always refers it back to the debt that the Liberal government has. Nobody, I think, in the House stands up more and reminds us of the size of the debt, the cost of borrowing, the cost of paying it back and what we're facing. He calls it the economic fundamentals.

The people using these payday loans are also struggling with the economic fundamentals of life. My

friend and colleague from Hamilton East–Stoney Creek suggested that in Hamilton, there are 30 to 40 payday loan shops, and he's absolutely right. I found out today, for example, that Hamilton may be the Tim Hortons capital of Canada for, per capita, the number of Tim Hortons locations, but it's also, unfortunately, the payday loan capital of Canada, based on per capita population. That, I don't believe, is something to be proud of—not in any way to diminish the overall reputation of my good friends from Hamilton. But when you have that number of shops isolated in certain parts of the community, it certainly says something about the economics, the downturn in the economy and the downturn in certain neighbourhoods. When you see these signs, they don't encourage you to move into that part of town, because these aren't the welcoming signs put out by the welcome wagon, so to speak.

I'll shortly have 20 minutes to say more about this, Speaker. I look forward to that opportunity. I did want to comment that my friend for Lambton–Kent–Middlesex was right on when he said it's all about the debt.

The Acting Speaker (Mr. Ted Arnott): That concludes our questions and comments for this round.

I return to the member for Lambton–Kent–Middlesex to give him the opportunity to reply to the questions and comments.

Mr. Monte McNaughton: It has been a pleasure to debate Bill 156 this afternoon. I'd like to thank my colleague from Hamilton East–Stoney Creek, the Minister of Government and Consumer Services, the distinguished member from Parry Sound, and the member, and my friend, from Windsor–Tecumseh.

Speaker, as elected officials—I said this when I was speaking during my 20 minutes—we have a moral obligation to do what we can to prevent bad situations from occurring when it comes to these payday loans. We've all heard stories about predatory practices from these lenders, and heart-wrenching stories of consumers who became trapped in an endless cycle of debt. I'm not going to deviate to what I said originally in my 20 minutes about the debt of the government. I think I spoke a bit about that. The story of struggling families and individuals being taken advantage of is a huge cause for concern, and many cities have considered measures, as I said, to deal locally with this issue.

But I do want to reiterate that I feel strongly that all of us, as MPPs, have a moral responsibility to turn Ontario around. We have to change the direction that we're going.

We've been here two years since the last election, Speaker. We have yet to see an actual jobs plan from this government, an economic plan to raise wages in this province and help people find better jobs, to lift people out of poverty. We're living in a province where we've had a government in power for 13 years, and we're recycling old ideas. We desperately need change.

I know that the people using the payday loans and these services are looking to us to bring about change in Ontario. I would urge the government to get the fundamentals right in this province.

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The Acting Speaker (Mr. Ted Arnott): Further debate?

Mr. Percy Hatfield: It's always an honour to be called upon and asked for my opinion in this provincial Parliament. The citizens of Windsor–Tecumseh have sent me here to speak on their behalf. As a New Democrat, as a member of the progressive opposition in this House, it is a pleasure to comment on Bill 156.

Now, the bill does have a fancy title, but if you ignore that, it is proposed legislation to deal with what we call payday loan operators. Another way of putting that is more regulation on the small-dollar credit market. Let me remind you that my friend and colleague from Bramalea–Gore–Malton, our party's deputy leader, was way ahead of this bill back in December 2014.

That's when he introduced a motion that would have capped lending fees at these payday loan establishments at \$15 for every hundred dollars borrowed. Mr. Singh's motion would have extended the grace period for any loan to be paid off without penalty. He suggested the creation of a database that could be used to enforce a ban on rollover loans, and the member for Bramalea–Gore–Malton also called on the government to work with credit unions and banks so that they could develop alternatives to the payday loan culture in low-income neighbourhoods. I note the Liberals did borrow one of his ideas and that this bill would extend the grace period for loans to be paid back without penalty.

Actually, Bill 156 falls short of delivering any real action at all. It's more of a wish list that the government hopes to address after they have done more consulting on it. There aren't a lot of details in here, and even the minister has admitted to that. Critics of this bill have suggested that it's little more than “an announcement about an announcement about an announcement.” Those aren't my words; those are the words of Mel Fruitman, a vice-president of the Consumers' Association of Canada. He says, “I hate it when governments” do this. According to Mr. Fruitman, they propose a bill that says, “We're going to do something but it's going to be a year before we do something and we can't tell you anything until we do it.”

Since we have some time, allow me to tell you about a really interesting document I discovered while researching what to say about this bill today. Speaker, you probably haven't heard about Cardus. It's a non-partisan think tank based in Hamilton. Among other things, Cardus is dedicated to the renewal of social architecture in North America. What initially caught my eye was an article published in the Windsor Star, titled “Reducing the Payday Lending Trap.” It was written by Brian Dijkema; he's a program director at Cardus.

His article was intriguing because it began with a glossary of terms that are sometimes associated with payday lenders. He actually said it reads a bit like a description of a B-grade horror film maybe on a poster outside a theatre, detailing what you could expect to see should you come inside to see the movie—predators,

thieves, vampires, slave drivers, or his favourite term, “rapacious usurers.” If those terms are accurate, they got Mr. Dijkema to thinking that if they’re so awful, and despite what seems to be a universal hatred for them, why have they popped up like mushrooms in certain neighbourhoods across most of Canada?

Well, his conclusion was that, yes, payday loans are awful but they can also be a lifesaver when the need for cash is urgent and credit from traditional sources is unavailable. He puts it this way: If you think of a family with a hydro bill in arrears and the local utility company is knocking at the door, threatening to disconnect the service—just say they owe \$200. If they go in for a 10-day loan at a payday branch, it will cost them \$42. If they don’t, and the hydro gets shut off, it will cost at least \$95 just to have that service reconnected. So in this case, not only is the payday loan the best option for credit; it actually makes economic sense—that is, of course, if they couldn’t qualify for a loan from a bank or a credit union, and if they didn’t have family or friends that could put up the money until the next payday.

Brian Dijkema and Rhys McKendry of Cardus wrote a 50-page research paper on finding ways to build an enabling small-dollar credit market. It’s titled *Banking on the Margins*. I highly recommend it, especially to the Liberals as they stumble through their next round of consultations dealing with this issue. Let me touch on a few more points from the original article that was published in the *Windsor Star*, and then I’ll get more in-depth with the Cardus research paper on the payday loan industry itself.

The industry, the small-dollar credit market, is designed in such a way—well, it’s like a teeter-totter. You sort of tilt customers away from short-term ruin into long-term debt. Research shows that payday lending is associated with increased family breakdown, negative health outcomes, increased crime and a host of other social ills. However, there’s a cautionary tale here because we’re dealing with the people on the margins of society. Simply doing away with payday loans or bringing in hard interest rate caps may help some, but it will also hurt others. What’s needed is a combined effort, much like the member from Bramalea–Gore–Malton suggested nearly a year and a half ago—a joint effort between government, credit unions and the banking industry to come up with real alternatives.

Payday loans have been available in Ontario for 20 years. Across the country, it’s estimated that between 1.8 million and 2.5 million Canadians a year tap into the \$2.5 billion that’s been made available through payday loans.

Speaker, much of what I’ll be saying for the next little while comes directly from the *Banking on the Margins* report by Brian Dijkema and Rhys McKendry. It’s available on the Cardus website, and again, I highly recommend it, especially to the minister and the Liberal members across the aisle.

Payday lenders, according to a story in *Maclean’s* magazine, are an industry that “profits off the poor and bleeds users dry.” The *Walrus* likens payday loan users to “a gerbil trapped on a wheel” and users to addicts.

Opponents of payday loans argue the industry exploits the poor, taking advantage of those in vulnerable circumstances with predatory lending practices and usurious interest rates. Proponents believe payday loans are simply a market response to a real need.

Seven provinces have established regulations that allow payday lending. Quebec bans the industry outright. There is no regulation in Newfoundland and Labrador, and although New Brunswick brought in something eight years ago, it has never been put into law.

The cost of a payday loan, unlike loans issued by Canadian banks, does not change with the length of the term of that loan. In other words, if your next cheque from work comes in 10 days or 30 days from now, and that’s when you repay the loan, the cost of borrowing from a payday lender remains the same dollar amount.

In 2009, Ontario set a maximum fee on payday loans at \$21 for each \$100 borrowed. Remember, the member from Bramalea–Gore–Malton would have lowered it down to \$15 from \$21. Speaker, that’s an effective annual percentage rate of 766.5% on a 10-day loan. That is a scary number. But compare it to the one in Nova Scotia: The fee there is capped at \$31 for every \$100 borrowed, and that is an effective annual percentage rate of 1,131% on a 10-day loan.

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Under current federal law, you can’t borrow more than \$1,500 on a payday loan and you can’t take more than 62 days to pay it back. In Ontario, the average payday loan is about \$460. In 2014, in this province, there were 800 licensed payday loan outlets operated by 250 different businesses. They issued loans estimated between \$1.1 billion and \$1.5 billion to 400,000 households. Evidence suggests the market has been saturated and the demand has been met.

Payday loans are where we turn if we don’t have a credit card or have maxed it out, if we don’t qualify for a line of credit, if we don’t want to put up an item of personal value at a pawnshop, or if we can’t or don’t wish to ask for a loan from friends or family. The sad, sad fact of life for many of us here in Ontario is that in order to keep a roof over our heads, in order to put food on the table, in order to buy our prescribed medications, put gas in the car, replace a muffler or buy a new pair of steel-toed workboots, we need a bit of money to get us through until our next paycheque comes in.

We may be working two or even three jobs: maybe one full-time and one or two part-time. For the most part, it’s precarious work with little or few benefits. But, like that gerbil on a treadmill, we can’t stop; we can’t slow down; we have to keep grinding away every hour, every day. That’s when we turn to the quick and easy solution.

Payday loan outfits are everywhere, especially in Hamilton, as I’ve mentioned. In some neighbourhoods, they’re on every corner. Municipal planners have a problem with that. They see these outlets with their garish signage as anchors holding a neighbourhood back, lowering property values and sending a message that this is not a community that you would choose to live in had you

the choice. There's talk in some planning circles of limiting the number of such establishments within a certain distance of each other.

Location, convenience, quick and easy access to money—payday loan outfits are where we turn if we need money in a hurry. These lenders call this “asset limited, income constrained, and employed.” The acronym is ALICE. Like Alice, when we sign on with these lenders, we go down a rabbit hole, only it's taking us down a spiralling staircase into deeper and deeper debt, from which many of us will never recover.

According to a payday loan survey of their Canadian customers, 68% had full-time jobs, 8% worked part-time and 2% were self-employed. A payday loan can be a lifesaver to the family in need, but when they can't get out of debt and keep coming back for more loans, they get trapped, like Alice, in a crippling cycle that leads them further down the economic ladder. It's in the best interest of the payday lenders that you remain in debt. That's their business. They have a clear profit incentive for you to keep coming back.

Speaker, the state of Colorado made some changes back in 2010. The state transformed the payday loan industry structure without reducing access to consumers. They mandated that all payday borrowers would have six months to repay a loan; introduced a three-part fee structure; gave consumers the ability to repay a loan early without facing a financial penalty for doing so; the most you could borrow was \$500; lenders could charge no more than 20% on the first \$300, and no more than an additional 7.5% on anything more than \$300; and the interest charge was capped at 45% a year.

So how did the industry respond? Well, initially, 60% of the operators closed up shop. The number of retail operations was cut in half. People still needed to borrow money, though, so the remaining outlets became more efficient. The number of borrowers at each store doubled. Loan revenue at each store increased by almost 25%. No one knows if we would have similar results here in Ontario with those types of changes.

Payday lenders aren't banks where you save money. They don't encourage you to save money or invest money. They want your loan business. There's an American survey that shows that 76% of payday loans are renewals, that 60% of their loans go to individuals who borrow 12 or more times a year, and the average customer is indebted for five months of the year. Ernst and Young has discovered that here in Canada, the average payday lender provides 15 repeat or rollover loans for every first-time loan. In BC, of 70,000 borrowers in 2014, 36% took out six or more loans and 43% borrowed more than 10 times. This is a system designed to create consumer dependency.

Payday lenders don't report to a credit bureau. That doesn't help those who borrow, because if they did and you always repaid your loan on time, you would earn a favourable credit rating based on your credit history, and that would make it easier to take out a loan elsewhere.

How can this system be fixed? How can this bill be amended so that it introduces real, meaningful change to

the lives of the people of Ontario who rely on the small-dollar credit market? The researchers at Cardus have some ideas. They say that we need a system where people can make payments that are affordable over a term limit that is reasonable. We need to have no doubts about the true cost of borrowing money, and that information must be written in such a way as to be clearly understandable. When we repay our loans on time, we should be rewarded with an option—should we choose, the next time we need money—to borrow to a little bit more money at a lower cost of borrowing. Loans should be made recognizing a borrower's ability to pay.

We need a marketplace where consumers can turn to an enabling credit option instead of a payday loan. That's where the government has a meaningful role to play. That's where our credit unions and our banks can step into the picture. That's where our community foundations can play a role. This would provide a viable alternative.

Mainstream financial institutions can play an important role in providing high-quality alternatives to payday loans. Banks and credit unions already have much of the existing infrastructure and operational expertise to deliver small-dollar loans to households. They're also built on business models that are much more aligned with long-term customer service.

The greatest barrier to the development of high-quality alternatives is the challenging economics of the subprime small-dollar credit market. These outlets have small profit margins and they deal with high-risk borrowers. It would be imperative to reduce the cost of providing such a service, and there would have to be a buy-in to the externalized social value created by offering such an alternative. They could do it online, with no frills. There would be real cost savings since there would be no main branch with counter staff, office rent, property taxes and so on. There's already an online alternative being offered in Canada that targets payday loan customers: MogoZip offers loans at half the cost of the location-based payday loan operators.

I see that I'm running out of time here, so I'm going to skip ahead. I won't give you the example in Australia where this happens, but I will say that if you get on a subway or a bus, there's all kinds of advertising space that isn't being used. Municipalities could make that available free to the alternatives to the payday loan operators. It takes political will by this government and others to help shape a new and more tolerable small-dollar credit market. Some say it's a pie-in-the-sky solution, but it can work. The feds have to step up as well to make it available. There's no easy solution to it.

There are examples out there that can do it. The conclusion to the paper written by Brian Dijkema and Rhys McKendry says that this country is a very prosperous country, but despite our wealth, many of us in Canada remain stuck in cycles of debt that restrain freedom and act as a ball and chain on the country's long-term vitality and economic prospects.

Let me just say that we must find ways to address the structural issues in the current system without restricting

access to small-dollar credit for those living on the margins.

Unfortunately, I'm out of time.

1710

The Acting Speaker (Mr. Ted Arnott): Questions and comments related to the speech given by the member for Windsor–Tecumseh?

Mr. Bob Delaney: There's a part of me that says I was very much enjoying listening to my colleague from Windsor–Tecumseh on a subject that we seem to be on the same page on. So while there's a part of me that says perhaps we should just let him continue, I think I can probably pick up largely where he left off, with only a slight nuance in my viewpoint, because I feel pretty much as he does on this particular bill.

The legislation that the government is considering is not for the well-educated and the wealthy and the people with a lot of connections. It's for people who have always existed at the margins of society—and I'm going to talk about an instance that I have spoken of in the House before that I remember when I was out in British Columbia, where I was dealing with some guys on a team I was playing with, and their approach to modern financial services.

The measures that this bill proposes are not those that would regulate financial institutions that deal with sums of money that have four, five and six or more zeros attached to them. They deal with small sums of money, with people who live at the margins, with people who are not well educated, and they are measures that are reasonable protections to ensure that the most vulnerable in our society are not nakedly exploited at interest rates that are absolutely usurious even though they sound like they are reasonable and affordable and that the place is sort of friendly, but really it's not. The interest rates are through the roof. The service isn't anything close to what a bank would offer. I'm going to pick this up again in my remarks, but I thank the member for his contributions and I look forward to moving forward with this bill.

The Acting Speaker (Mr. Ted Arnott): Questions and comments?

Mr. Michael Harris: I did also enjoy listening to the lead-off for the third party, the member from Windsor–Tecumseh. He referenced a report and study done by Cardus. I've had the chance to meet with Cardus on several occasions; in fact, they have done a bunch of in-depth, thorough reports on a lot of important topics. I can think of one offhand: the competitive situation when it comes to open tendering here in the province of Ontario and the cost implications for taxpayers when it comes to labour monopolies in communities like my own of Waterloo region. But that will be a discussion for perhaps another day.

We are talking about an act to amend the Consumer Protection Act, the Collection and Debt Settlement Services Act and the Payday Loans Act: Bill 156, the Alternative Financial Services Statute Law Amendment Act.

I was just speaking to my colleagues here while we were in between things. If you walk from Bloor to

Wellesley in the morning, unfortunately, you see many of these establishments open early, and folks are in them accessing funds, of course, because many of them are using them as a last resort—those who have bad credit or no credit and who experience an unexpected expense or an unexpected drop in income.

I know we're going to have more time to discuss this, and I appreciate the minister bringing this forward. As I've often said here in question period, sometimes I wish the minister of consumer affairs would actually protect taxpayers from some of their own ministers and other pieces of legislation coming forward. I can think of many of those things. If you look at the Drive Clean program, the government made a recent announcement on that, but we had a bill recently, last session, that I asked a question on previously, and I didn't get much of an answer. But I'll save that for another time, Speaker. Thank you.

The Acting Speaker (Mr. Ted Arnott): Questions and comments?

Mr. Paul Miller: I'd like to thank my colleague from Windsor–Tecumseh. He always brings new aspects to anything he deliberates.

I find that there's a part of this equation that's not being addressed. It's the amount of money that traditional banks and lending institutions make in a year—astronomical profits. You'd think that they'd be able to take a small percentage of that and use it to help people who are struggling from pay to pay in precarious loan situations. These “one-stop shops,” as I like to call them—and people in my riding basically call them “legalized loan sharks”—are putting these people into debt that, as the member pointed out, they will never ever get out of. It's an ongoing cycle. But if some of our traditional lending institutions—even some of their rates are high, in my opinion, but some of their rates would be reasonable and steady and not increasing if you miss one payment after six months and it doubles, like these guys, or triples or quadruples in a year. They end up owing more than they actually borrowed, and they can't pay it off. It doubles and triples, to the point where, if they do have any assets, they put a lien on what assets they have. So it makes the cycle of poverty even worse.

In a country this wealthy, in a country this rich, and with the profits that some of these lending institutions make, you'd think they could take a little percentage—and I guess they call it a “high-risk loan,” but isn't it worth it to lift these people out of constant poverty and the cycle of paying forever and ever? I think so.

The Acting Speaker (Mr. Ted Arnott): Questions and comments related to the remarks by the member for Windsor–Tecumseh?

Mrs. Kathryn McGarry: It's a pleasure to rise on behalf of my constituents in Cambridge and add a few more comments to the debate this afternoon.

I listened very carefully to the thoughtful comments made by the member from Windsor–Tecumseh. As I said before in this House, I know that all of us in our ridings have had individuals approach our offices regarding some of the issues with payday loans. I was listening

carefully, but I just really wanted to spend a couple of minutes about online payday loan applications. I know that this proposed legislation will help protect Ontario residents who engage in payday loans online. We hadn't talked about it till now, but I know that that was a question that has come forward before in some of the consultations that we've made broadly across Ontario.

The payday loans amendment act will apply to all payday loans if the borrower, the lender or the loan broker is located in Ontario when the payday loan is made. This is the case no matter how the payday loan agreement is entered into. The existing protections will apply to payday loans made remotely, such as online payday loans, and the proposed amendments would also apply to online payday loans. I think this is very important: to ensure that we have protection of consumers no matter how they enter into these agreements.

I also wanted to mention that there are community agencies who work directly with low-income Ontarians who are using payday loans. They advised us, during consultation, that it was preferable to have a safe payday loan rather than no small-dollar credit at all. Our approach takes into account these stakeholder views and our Ontario-specific circumstances.

The Acting Speaker (Mr. Ted Arnott): That concludes the questions and comments. We look to the member for Windsor–Tecumseh to reply.

Mr. Percy Hatfield: Thank you to all the colleagues in the House who commented on what I had to say for those 20 minutes.

When I was talking to different people about this payday loan proposed legislation, one thing that stood out was with a young woman I talked to—she said, “What you could really do, if you want to help, is, in elementary schools and high schools, offer courses on financial management—how to run a budget, how to work within a budget—and get young people thinking about how they spend their money. Tell them about compound interest and other things and how money can build up, but that you also have to live within your means.”

When you realize how much it does cost to borrow, you can look at your spending priorities and all of that, but when you're out there and you have no other option, be it a payday loan or some other place to turn, then you're in trouble and you're spiralling down on a debt.

1720

I agree, as the member from Hamilton East–Stoney Creek said: Look at the big banks. They could offer, be it online or elsewhere, a no-frills, low-cost alternative. They would do it out of—well, call it the goodness of their heart. They would have to look at the social value to the communities that they make their big money from, putting back into the community, making these loans available at a reduced interest rate so that those of us who have to go to a payday loan operator wouldn't have to do that if the money was available from a credit union or a bank at a lower rate in smaller amounts—and looking at the ability to pay it back over a reasonable length of time. The big banks could do that. They'd still make money,

Speaker—not as much on this no-frills approach, but they still would make money by offering such a service to their communities.

Thank you very much for your time this afternoon.

The Acting Speaker (Mr. Ted Arnott): Further debate?

Hon. Madeleine Meilleur: I will be sharing my time with the member for Etobicoke Centre and the member for Mississauga–Streetsville.

It gives me great pleasure to speak today on Bill 156. I was listening carefully to the speech by the member from Windsor–Tecumseh. I think that a lot of his comments, if not all of his comments, I agree with.

I could picture what the member was talking about, because in my community, around my office, on every block there is a payday lender. Yes, it's true: It's not a pretty scene, and I've been working very closely with the municipal councillors to do something about it, to try to control the number of these institutions that you have on one street. I hope that we will be successful.

The proposed legislation will strengthen consumer protection in the areas of payday lending, other alternative financial services and debt collection by protecting consumers who borrow from payday lenders. It's so important.

When I was the Minister of Community and Social Services—these people often don't have any other option, because they cannot get an account with a financial institution. I think that it's important today to call upon financial institutions to develop such a program. As the member for Windsor–Tecumseh was saying, they make a lot of money. The banks make a lot of money. It's important to support those who have no other means, to help them out, either by giving them a credit card that will be reloaded when they receive their welfare cheque or by other means. I call upon them to join the minister—and I wanted to congratulate the minister for presenting this bill to us today.

Some of my constituents are saying, “Why don't we just ban payday loans altogether?” Surprisingly, after consultation, there are quite a few community agencies working directly with low-income Ontarians who use these payday loans, and they advised us that it is preferable to have these institutions, to have a safe payday loan than to have no small-dollar credit at all. So the approach of the minister takes into account these stakeholders' views and Ontario-specific circumstances.

Again, talking about my municipal councillor and trying to find a way where we can limit, through zoning or whatever, for them to be able to pass a resolution to—and I know that he has been asking me this for quite some time: “What can you do at the province to help us limit the number of these payday loan institutions in the municipality?”

I hope that we will continue to work with the municipalities, because some of the municipalities wanted to have municipal bylaws in their municipality to limit payday lenders in their community. We will, as government, be monitoring that, and I hope that we will find a

solution. It's not okay to have—at every block on a stretch of the Montreal road, we have these institutions. I hope that we will be able to help the municipalities to control that.

The Acting Speaker (Mr. Ted Arnott): The member for Etobicoke Centre.

Mr. Yvan Baker: It's an honour to follow the Attorney General in speaking to this important piece of legislation.

I'd like to share a little bit about my background and why I feel strongly about this bill. Those of you who were in the Legislature earlier may have heard me refer to this, but I wanted to repeat it and maybe expand on it a little bit in the time I have.

Prior to being in elected office, I was in business. My first full-time job out of university was working for Scotiabank as a commercial lender. In that role, what I used to do was lend money to companies, mid- and large-sized businesses, on behalf of the bank. One of the things that was ingrained in me early on, as part of the bank's training exercise of staff, and was ensured and enforced internally, was that we had to always make sure that the businesses we were lending to were very clear about what it was they were signing up for when they were borrowing money.

The people I was dealing with were very sophisticated, accomplished business people. They were folks who you wouldn't think needed protection. But the bank went out of its way, and certainly, I went out of my way, and the team I worked with went out of their way to make sure the client was always aware of what the implications of the loan were, what the implications of the loan could be for their business, and to make sure that there were no surprises further down the line. That was just good business practice.

Unfortunately, what happens too often is that there are folks who are, in this particular case, borrowing money from payday lenders, who don't enjoy that same level of due diligence on behalf of the lender, who don't enjoy that same level of protection that is put into place, both internally by banks but also through federal regulation legislation.

I think it's really important that we remember that we have to make sure that consumers who are borrowing money, particularly if they're borrowing money under urgent circumstances or under dire financial circumstances, have the information they need and have the protections they need, to ensure they can secure their financial future and their family's financial future.

There are a number of things here in this bill that I think are really important. There are a few highlights I'd like to point out. One of the things is trying to protect folks who are engaging in repeat borrowing. There are a few elements of this bill that are important, that would provide for an extended payment plan to consumers entering a third loan agreement in 62 days. If you're entering into multiple loans, you have an extended payment plan to protect yourself against loan payments that you couldn't otherwise pay.

There's a restriction on payday lenders from offering a loan to a borrower until seven days have passed since their last payday loan. That just makes sense to me. Restrict loan brokers from arranging a loan for a borrower until seven days have passed since their last payday loan. Again, these are ways of ensuring that people who are in dire financial straits aren't entering into financial contracts that could be damaging to them.

There are also a few things that are being done in this bill that ensure that consumers are better informed and can make more informed choices. One of the things that would be allowed through the bill is that this would govern the information to be attached or displayed around a good to be leased. This is in rent-to-own services, I'm talking about now. It would govern the right of a lessor to terminate the lease or would also allow for reinstatement of the lease.

1730

These are the kinds of things that, again, ensure that consumers are protected and have the power to be able to act in their family's best interest and don't get caught in a situation where they're borrowing money at very high rates and are unable to pay that back and fall into a cycle that leaves them and their families in a difficult financial position.

I think that, at the end of the day, what I want to get across is that we need to make sure that consumers are informed. This bill helps to ensure that borrowers are informed and it helps to ensure that borrowers have the protections that they need to make sure, should they be in a position where they're borrowing money on an ongoing basis from payday lenders, that they can protect themselves.

I think that that's responsible government. I think that's about standing up and looking out for our consumers. Like I said earlier, when I go back to my banking days, this was just part of due process and part of how we did business. I think it should be part of how the government ensures that people do business as well.

The Acting Speaker (Mr. Ted Arnott): The member for Mississauga—Streetsville.

Mr. Bob Delaney: When I was commenting a few minutes ago to the member for Windsor—Tecumseh, I indicated that I was going to address this topic, and I'd like to do that now.

I want to start with a story that happened to me back in the early 1980s when I was living in British Columbia. One of the sports teams that I was on at the time wanted to buy some new equipment. We had done all of our fundraising and all the rest of it. We had a team bank account. There were two of the guys, Glenn and Scotty, and their task was to go out and buy the stuff that we needed. All well and good so far.

It's a Saturday morning and my phone rings, and it's one of them. A they said, "Listen, we have an issue with buying all the stuff that we need." I said, "Well, what's your issue?" They started to say, "We have to get a cheque cashed," and I said, "Why? Just put it on a credit card and the team bank account will reimburse you."

"Well, I don't have a credit card." I said, "Come again?" I'm talking about two guys who at the time were in their early to mid-twenties. I said, "What bank do you deal with?" "Well, I haven't got a bank account." I said, "Where are you guys now?" "We're over at Glenn's house." I said, "Stay there."

So I drove over and I said, "Now, walk me through this." How did these two guys make ends meet from month to month? They would take their paycheques, which were issued in the form of a cheque, they'd put it in a drawer and when they needed money they would cash a cheque. And I said, "Really?" "Yeah." I said, "Haven't you ever had a bank account?"

Well, neither had ever had a bank account in their entire lives. I said, "Do you both do this?" "Yes." So trying to contain my frustration at the time, I said, "Boys, where are your cheques? We're going to deal with the equipment later in the afternoon, but first we have a problem. Get all of your deleted, deleted cheques." I went into both of their apartments with them and they literally opened a clothing drawer and grabbed out a sheaf of cheques, and there were a few that were in very great danger of becoming stale-dated.

I walked them down to the closest bank to them and I walked in and I said, "Sit." I went in and introduced myself to the bank manager. I explained the situation and I said, "These two guys are going to have their first bank accounts, and you are their first banker. We're going to fix this problem and you're going to lavish a little bit of care on them." He laughed and said, "Yeah, I get the point. Bring 'em in." It took the whole morning with these two esteemed gentlemen to have them get their first-ever bank accounts.

Now, unfortunately, they weren't the only ones in Canada and that wasn't the only time in our history that that happened. I bring up this story because it's very germane to this legislation here. That's the kind of people that this legislation aims to protect. It isn't possible for enough people to get to the vulnerable in our society early in life and say, "You need to have a bank account and you need to have a financial history."

By the way, you also need to file your taxes. The downside of not doing that, of being part of that grey market, is that you're going to deal with these payday lending institutions who are going to look at your paycheque and say, "What do I have to do to get 10%, 15%, 20% of that?" Why are you giving upwards of a quarter of your paycheque to someone for absolutely nothing when you can go into a bank and say, "If I have a bank account, this can be direct-deposited and I can withdraw money, and I'm not paying these horrendous fees"?

That's the problem that this legislation aims to fix, and those are the kinds of people—especially if you're one of those and you're listening to me, for whom we are trying to do this in order to, first of all, make the game that you're currently playing fair and, secondly, to educate you to the point that you look at these storefront payday loan places and say, "Do I really have to be doing

business with a firm like that?" The answer is, "No, you don't."

If what you really want to do is take this class of business and drive it out of business, no one will be sorry to see them go. But most importantly, the best way to do it is for people to learn a degree of financial literacy, to open up a bank account, to establish a credit history, to make sure you file your income taxes every year, and—lo and behold—if you do that and you have an RRSP and whatever else, you'll ask yourself, "Why would I have ever used one of those stores before?"

For those who do, what Bill 156 is proposing is a series of amendments and new rules that seek to make the game, as it's played now, as fair as it possibly can be. You're still going to pay far too much money if you deal with these payday lending institutions. You should still have an account with an established bank. You should still have a bankbook at home and you should still do all of those things that establish your credit history and that cause you not to need to deal with that. You should have a proper credit card and you should learn how to use credit.

But if you're still stuck in this cycle, we would like to see you out of this cycle and we would also like to see you not be so nakedly taken advantage of by a sector that grew because it wasn't well regulated. We're going to put a framework of regulation around it so that the most naked of manipulation can no longer happen, and the kind of people who gravitate to them—people who may be new to the country, who may have a below-average education, who may not, for one reason or another, have entered the Canadian financial system—will at least be playing on a level playing field.

Whether it be in collection and debt settlement, whether it be in consumer protection, whether it involves cheque-cashing and the fees to cash government-issued cheques—let's look at that. If you walk into a normal bank, it should cost you nothing to cash a government-issued cheque. Even better: If you've got a bank account, you don't need that government-issued cheque because the government will direct-deposit it into your bank account. You can just look at your statement online and there it is, and it happens a lot quicker, too.

Whether it be that or whether it be instalment loans or rent-to-own services or things that prevent the payday loan companies from simply rolling over loans so that they can continue to charge you rates that, if you calculate them out, maybe it's 20 bucks over such-and-such a period of time—but that's a small amount of money that it's 20 bucks on.

What would that be, if you project it out over a year? What interest rate would you be paying? Well, no one is actually going to tell you that, except in the tiny mice print at the bottom of the poster or buried on the last page of the contract. If you look it up, you're going to find that you're paying upwards of half of the proceeds of the loan in interest, which is insane.

What this bill is proposing is means to ensure that people who are currently dealing with payday loan insti-

tutions can at least get a basic level of consumer protection. My purpose in standing here, once again, is to say: If you are dealing with payday loan institutions, are you sure you're dealing with the right place? Maybe if you walk down the street with that paycheque, before going into a payday loan place, pick the Canadian bank of your choice—we have the best banking system in the whole world—and walk in and say, “Excuse me; here’s my ID. I’ve been dealing with such-and-such a shop down the street. You may be able to offer me services that they can’t. I’d like to have a bank account with you. Will you do that?” Almost certainly, whoever is doing the reception at the bank is going to say, “Absolutely. Sit down. Can we get you a cup of coffee or a glass of water? My bank manager would like to meet with you. No doubt about it, we can set you up so that when your government-issued cheque is due to you, it’s automatically deposited in your bank account and you won’t have to deal with the firm down the street. And if your employer does a direct deposit, you won’t have to deal with the storefront shop down the street. You can deal with us, you can take your money out at our ATM and you can do it by paying us, the banks, a lot less”—imagine this; I’m talking nicely about Canadian banks—“than what you’re paying the people with the colourful shops down the street.”

That’s what this bill is really about. I hope it gets speedy passage.

1740

The Acting Speaker (Mr. Ted Arnott): Questions and comments?

Mr. Jeff Yurek: I’m glad to have heard the government’s discussion on this bill. However, I think what Ontarians need to see is why people are having to access these quick payday loans.

If you look at my riding of Elgin–Middlesex–London, since this government has been in power—actually, since 2007—my riding alone has lost 6,000 high-paying manufacturing jobs. Ford left, Timken left, Sterling left, and all the feeder plants are gone—due to their policies, the way they’ve driven this economy.

The member talks about people having to give to their RRSPs. People don’t have money for their RRSPs. People have a hard time buying their food, let alone paying for the energy rates that have shot through the roof over these past few years. It’s no wonder they’re having to find their own way to find some money to get by month to month. Unfortunately, they end up in a vicious, ongoing cycle.

The other thing I thought was interesting was how they talked about the horrendous fees these people have to pay. I only need to look, through 13 years of this government, at the horrendous fees that Ontarians now pay for their drivers’ licences, their hunting licences, their fishing licences. Speaking to a couple of farmers, the vehicle licence fees on farms today are through the roof.

Unfortunately, the \$300-billion debt that this government has created is costing the average person \$22,000

each to pay down. One billion dollars a month goes to pay for interest charges. So this government wanting to come out and regulate to protect people, that’s fine, but I think they need to regulate themselves to protect Ontarians, because we can’t afford you much longer.

The Acting Speaker (Mr. Ted Arnott): Questions and comments?

Mr. Paul Miller: I listened to the member from Mississauga–Streetsville and he made some good points. I hope that when the bank manager sits down with the new client, they explain all the hidden service charges that banks are famous for. It may be a lot less, but there could be a lot more of them. So I’m not quite sure that they’re so innocent when it comes to protecting the consumer, in reference to what they have to pay. At the end of the year, we read in the paper about all the hundreds of millions of dollars they make in profit. They aren’t getting that from being nice guys; they’re getting it from the consumer.

Banks certainly could be a little more flexible when it comes to loans—short-term loans or long-term loans—for people who cannot get traditional banks, credit unions or places like that to lend to them because they are considered high risk. A lot of times, high-risk people—a lot of them are honourable people who want to pay back their debt. But when they get these rolling interest rates that after so many days double, and by the end of the year, you owe five times as much as you borrowed—you’re never going to get out of debt, and it keeps going on and on and on, to a point where it becomes so socially unacceptable that some go to drastic measures to get out of those debts. That’s unfortunate, because you never want to put people in a position where there’s no light at the end of the tunnel.

I think this goes on on a regular basis in our society. They call these guys predatory. Well, that’s putting it mildly. As I said before, I’ve had many people in my riding call them legalized sharks, and that’s what they are. Unfortunately, like I said, in my city, these places are cropping up at every intersection. We’ve probably got 30 to 40 of these types of situations in our city of 350,000 people, in the downtown Hamilton area, so it’s pretty sad.

The Acting Speaker (Mr. Ted Arnott): Questions and comments?

Hon. Liz Sandals: Thank you to the member from Mississauga–Streetsville for his very interesting comments on banking and payday loans.

I wanted to add a little bit about the whole issue of debt collection: what happens if you get these payday loans and you get into this cycle of loans and it gets turned over to a collection agency. It could happen with your credit card out of control, that people get turned over to collection agencies. So we are also proposing to update the Collection and Debt Settlement Services Act. One of the things that’s in there is a one-liner in the description—to enable administrative monetary penalties. It’s just one line and a few words, but it makes the biggest difference.

We ran into this with the old Day Nurseries Act. In order to enforce it if somebody had broken the act, you had to go to court. I think the debt settlement act is very similar. If the government is enforcing, you need to go to court to enforce. By introducing administrative monetary penalties, people who break the collection agencies act can actually be fined. That makes all the difference in the world, because if people think the government is going to have to take them to court, that's really, really expensive. If there's a minor infraction, it can cost so much to try to enforce it through the courts that it becomes, "Well, that's not really worthwhile." If you have a fine, on the other hand, that can be imposed administratively without going to court, and there will be a whole lot more capacity in the future to enforce the rules.

The Acting Speaker (Mr. Ted Arnott): Questions and comments?

Mr. Todd Smith: It's a pleasure to join the debate this afternoon on Bill 156, the Alternative Financial Services Statute Law Amendment Act.

This is basically a bill that's more about micromanaging than creating a safer and more informed consumer environment in Ontario.

The thing is that these businesses exist for a reason. I listened intently to what the member from Mississauga was saying; it was kind of like Storytime with Uncle Bob there for a while. I'm curious to know what the guys wanted to spend their money on that Saturday morning. But these businesses do exist for a reason. He indicated that the big banks would be happy to take on this type of clientele if given the opportunity, but I think the reason that these businesses exist is because the big banks aren't necessarily interested in this type of service. That's why these payday loan stores exist.

There are a lot of them in my riding of Prince Edward–Hastings, and it seems like more of them are popping up all the time. But if they don't exist, where people can actually go in with their cheque and meet with somebody in the store face to face, there are Internet loan sites out there that are offering the same type of service. There's organized crime that's operating similarly as well.

So I think these stores do exist for a reason. I understand that they should be regulated; they should be limited as to how much anyone can use them. There should be those types of restrictions in place. And at the end of the day, we do need to see some amendments to Bill 156 before we'll support it at second reading.

The Acting Speaker (Mr. Ted Arnott): One of the government members can reply.

I'm pleased to recognize the member from Mississauga–Streetsville.

Mr. Bob Delaney: I thank my colleagues for their helpful contributions. I think all three parties are pretty much onside on this.

To my colleague from Elgin–Middlesex–London, I think the key point I'd like to mention to him is, let's help people get into the financial system. If they can manage a bank account, then they can also manage on

ServiceOntario their driver's licence, their health card and their hunting licence as well.

1750

My colleague from Hamilton East–Stoney Creek pointed out some things that I've heard him talk about before: Banks are very fallible; banks have their faults. But this is a bill about getting fairness for users of payday loans. The member used the expression "legalized loan sharks." I personally think he may be on to something there, and I wouldn't really seriously challenge the characterization.

To my colleague from Guelph: The path out of collection agencies and revolving payday loans with their sky-high fees is now, and has always been, about reform and education. She has pointed out a number of measures in the education system that serve as good precedents and models for what this bill is trying to do, and I very much agree with her.

My colleague from Prince Edward–Hastings brought up a few points too. Just as an answer to the questions that he asked, now that it doesn't matter some—what is it?—35 years later: broomballs, brooms and uniforms.

I think this is a bill that we should get out of this chamber and get passed as soon as possible so that we can protect some of the people that we've all been speaking of.

The Acting Speaker (Mr. Ted Arnott): Further debate?

Mr. Toby Barrett: I, too, appreciate the opportunity to say a few words about Bill 156. Much of our debate does concern the previous Payday Loans Act of 2008. That would be about the time the McGuinty government took over responsibility for this sector in our economy from the federal government.

Clearly, as we've been hearing this afternoon, payday lending is obviously a last resort for so many people who've got either bad credit or no track record of credit at all, or who have experienced an unexpected drop in income. I think of the stereotype of a bad day at the track; if co-workers or friends aren't able to bail them out, they would be tempted to walk into one of these storefronts.

There are also statistics that many people walk in to these shops after an unexpected drop in income. I think of so many people who have returned back to Ontario from the West, those who were working in the oil industry. Anybody who spent any time at the Toronto airport around Christmas time—there were so many dedicated flights coming right in from Fort McMurray. You could see these young fellas, and older men for that matter; you could tell this was the last trip back from the West. They would've had mortgage payments out there, payments on their truck and some pretty serious problems. Then, they walk into one of these businesses, and then, as we've been hearing this afternoon, the real problems begin.

We're told this is not meant to be a regular source of funding. However, somebody who's, regrettably, addicted to this source of funding gets involved—somewhat akin to the doctor shopping that we do see with someone addicted to narcotic analgesics. You may get cut off at

one particular payday lending company, but in so many areas—and they do seem to be clustered in neighbourhoods—you can merely walk across the street and pick up that second or third or fourth loan. So you can cut off a repeat customer, but there seem to be ways around it to access yet another loan to compound on the previous borrowing.

We've certainly heard this afternoon that there's a need for this. It's incumbent on legislators here to ensure that people still have access to some type of service like this, cashing cheques, for example—in many cases, perhaps in most cases, government cheques. It raises the question, and I do have a question: With respect to government cheques, are we referring to welfare cheques? Are we referring to cheques from Ontario Works and ODSP? Those cheques come from a ministry that allocates \$10 billion a year. What percentage of that \$10 billion a year, for really no good reason, is going to this payday loan industry? Might there be a better way for taxpayers—for our society—to assist those who are vulnerable beyond giving them a cheque which they don't know what to do with other than to walk into one of these storefronts and, in many cases, see a very large percentage of that money get skimmed by the payday loan shop? Apparently, so many people who receive these government cheques don't have a bank account and even the industry itself tells us that to cash a cheque or to do business there, you have to have ID, you've got to be 18 years old and prove you have a steady job, although I think a lot of these requirements are fairly flexible.

Obviously, we've got to address this issue. The industry has a responsibility to deal with government, which they do. I put responsibility—I think this was mentioned as well—on the federal banking system and the provincial credit union system. I think there's a lot more that they could do. They could step forward to better serve what I consider quite vulnerable customers.

For example, we know that the federal Criminal Code of Canada makes it illegal to charge more than 60% a year for a loan. Now, this deal was made during the McGuinty era and essentially sidestepped that. It's a criminal offence to lend money at more than 60% a year. We know there are people out there who aren't regulated. This Payday Loans Act, which goes back to 2008, has established a system where, in the province of Ontario, people are not limited to that criminal offence of

charging more than 60% a year. They can charge up to well over 500% a year.

I have an article here from the Ottawa Business Journal. It's titled "The True Price of Payday Loans," and it begins, "If you think interest rates on credit cards are too high, think again." They talk about hundreds or thousands of people in the Ottawa area who pay more than 500% in annual interest to get a loan, and they point out that it's perfectly legal to do this. A little more detail: "If you borrow, say, \$300 for two weeks, and repay the loan in full and on time"—which doesn't often happen—"you will pay as much as \$63 in interest." That's 21% for two weeks, and that's just the beginning.

I know my business partner in the farm a number of years ago was setting up a hog operation—we were in partnership for corn—and this was in the early 1980s when interest rates were close to 21%. I think, regrettably, with his farm business plans, he built one barn. I was thinking of going into the business myself, but not at 21%. No farmer could really survive at 21%. We're talking over 500%, annualized.

The article goes on to say: "A rate of 21% for two weeks works out to an annual interest rate of 546%. And that's before compounding and any late-payment fees." And there are other fees in this industry.

Now, I don't think there's evidence of somebody taking out a payday loan for two weeks and then another concurrent two weeks and another concurrent two weeks, up to 52 weeks straight, so that the industry can argue, "Well, there isn't annual compounding." But we use these comparatives—and one way to measure the financial status or the lending status of any organization: Take a look at the annual interest rate.

The Acting Speaker (Mr. Ted Arnott): Thank you very much.

Second reading debate deemed adjourned.

ANNUAL REPORT, CHIEF MEDICAL OFFICER OF HEALTH

The Acting Speaker (Mr. Ted Arnott): Before I adjourn the House for the day, I wish to inform members that the 2014 annual report of the Chief Medical Officer of Health of Ontario has been laid upon the table.

It being 6 of the clock, this House stands adjourned until tomorrow at 9 a.m.

The House adjourned at 1800.

LEGISLATIVE ASSEMBLY OF ONTARIO
ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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Sergeant-at-Arms / Sergent d'armes: Dennis Clark

Member and Party / Député(e) et parti	Constituency / Circonscription	Other responsibilities / Autres responsabilités
Albanese, Laura (LIB)	York South–Weston / York-Sud–Weston	
Anderson, Granville (LIB)	Durham	
Armstrong, Teresa J. (NDP)	London–Fanshawe	
Arnott, Ted (PC)	Wellington–Halton Hills	First Deputy Chair of the Committee of the Whole House / Premier vice-président du comité plénier de l'Assemblée
Bailey, Robert (PC)	Sarnia–Lambton	
Baker, Yvan (LIB)	Etobicoke Centre / Etobicoke-Centre	
Ballard, Chris (LIB)	Newmarket–Aurora	
Barrett, Toby (PC)	Haldimand–Norfolk	
Berardinetti, Lorenzo (LIB)	Scarborough Southwest / Scarborough-Sud-Ouest	
Bisson, Gilles (NDP)	Timmins–James Bay / Timmins–Baie James	
Bradley, Hon. / L'hon. James J. (LIB)	St. Catharines	Chair of Cabinet / Président du Conseil des ministres Minister Without Portfolio / Ministre sans portefeuille Deputy Government House Leader / Leader parlementaire adjoint du gouvernement
Brown, Patrick (PC)	Simcoe North / Simcoe-Nord	Leader, Official Opposition / Chef de l'opposition officielle
Campbell, Sarah (NDP)	Kenora–Rainy River	
Chan, Hon. / L'hon. Michael (LIB)	Markham–Unionville	Minister of Citizenship, Immigration and International Trade / Ministre des Affaires civiques, de l'Immigration et du Commerce international
Chiarelli, Hon. / L'hon. Bob (LIB)	Ottawa West–Nepean / Ottawa-Ouest–Nepean	Minister of Energy / Ministre de l'Énergie
Clark, Steve (PC)	Leeds–Grenville	Deputy Leader, Official Opposition / Chef adjoint de l'opposition officielle
Coe, Lorne (PC)	Whitby–Oshawa	
Colle, Mike (LIB)	Eglinton–Lawrence	
Coteau, Hon. / L'hon. Michael (LIB)	Don Valley East / Don Valley-Est	Minister of Tourism, Culture and Sport / Ministre du Tourisme, de la Culture et du Sport Minister Responsible for Anti-Racism Minister Responsible for the 2015 Pan and Parapan American Games / Ministre responsable des Jeux panaméricains et parapanaméricains de 2015
Crack, Grant (LIB)	Glengarry–Prescott–Russell	
Damerla, Hon. / L'hon. Dipika (LIB)	Mississauga East–Cooksville / Mississauga-Est–Cooksville	Associate Minister of Health and Long-Term Care (Long-Term Care and Wellness) / Ministre associée de la Santé et des Soins de longue durée (Soins de longue durée et Promotion du mieux-être) Minister Without Portfolio / Ministre sans portefeuille
Del Duca, Hon. / L'hon. Steven (LIB)	Vaughan	Minister of Transportation / Ministre des Transports
Delaney, Bob (LIB)	Mississauga–Streetsville	
Dhillon, Vic (LIB)	Brampton West / Brampton-Ouest	
Dickson, Joe (LIB)	Ajax–Pickering	
DiNovo, Cheri (NDP)	Parkdale–High Park	
Dong, Han (LIB)	Trinity–Spadina	
Duguid, Hon. / L'hon. Brad (LIB)	Scarborough Centre / Scarborough-Centre	Minister of Economic Development, Employment and Infrastructure / Ministre du Développement économique, de l'Emploi et de l'Infrastructure
Fedeli, Victor (PC)	Nipissing	
Fife, Catherine (NDP)	Kitchener–Waterloo	
Flynn, Hon. / L'hon. Kevin Daniel (LIB)	Oakville	Minister of Labour / Ministre du Travail
Forster, Cindy (NDP)	Welland	
Fraser, John (LIB)	Ottawa South / Ottawa-Sud	

Member and Party / Député(e) et parti	Constituency / Circonscription	Other responsibilities / Autres responsabilités
French, Jennifer K. (NDP)	Oshawa	
Gates, Wayne (NDP)	Niagara Falls	
Gélinas, France (NDP)	Nickel Belt	
Gravelle, Hon. / L'hon. Michael (LIB)	Thunder Bay–Superior North / Thunder Bay–Superior-Nord	Minister of Northern Development and Mines / Ministre du Développement du Nord et des Mines
Gretzky, Lisa (NDP)	Windsor West / Windsor-Ouest	
Hardeman, Ernie (PC)	Oxford	
Harris, Michael (PC)	Kitchener–Conestoga	
Hatfield, Percy (NDP)	Windsor–Tecumseh	
Hillier, Randy (PC)	Lanark–Frontenac–Lennox and Addington	
Hoggarth, Ann (LIB)	Barrie	
Horwath, Andrea (NDP)	Hamilton Centre / Hamilton-Centre	Leader, Recognized Party / Chef de parti reconnu Leader, New Democratic Party of Ontario / Chef du Nouveau parti démocratique de l'Ontario
Hoskins, Hon. / L'hon. Eric (LIB)	St. Paul's	Minister of Health and Long-Term Care / Ministre de la Santé et des Soins de longue durée
Hudak, Tim (PC)	Niagara West–Glanbrook / Niagara- Ouest–Glanbrook	
Hunter, Hon. / L'hon. Mitzie (LIB)	Scarborough–Guildwood	Associate Minister of Finance (Ontario Retirement Pension Plan) / Ministre associée des Finances (Régime de retraite de la province de l'Ontario)
Jaczek, Hon. / L'hon. Helena (LIB)	Oak Ridges–Markham	Minister Without Portfolio / Ministre sans portefeuille Minister of Community and Social Services / Ministre des Services sociaux et communautaires
Jones, Sylvia (PC)	Dufferin–Caledon	Deputy Leader, Official Opposition / Chef adjointe de l'opposition officielle
Kiwala, Sophie (LIB)	Kingston and the Islands / Kingston et les Îles	
Kwinter, Monte (LIB)	York Centre / York-Centre	
Lalonde, Marie-France (LIB)	Ottawa–Orléans	
Leal, Hon. / L'hon. Jeff (LIB)	Peterborough	Minister of Agriculture, Food and Rural Affairs / Ministre de l'Agriculture, de l'Alimentation et des Affaires rurales
Levac, Hon. / L'hon. Dave (LIB)	Brant	Speaker / Président de l'Assemblée législative
MacCharles, Hon. / L'hon. Tracy (LIB)	Pickering–Scarborough East / Pickering–Scarborough-Est	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
MacLaren, Jack (PC)	Carleton–Mississippi Mills	
MacLeod, Lisa (PC)	Nepean–Carleton	
Malhi, Harinder (LIB)	Brampton–Springdale	
Mangat, Amrit (LIB)	Mississauga–Brampton South / Mississauga–Brampton-Sud	
Mantha, Michael (NDP)	Algoma–Manitoulin	
Martins, Cristina (LIB)	Davenport	
Martow, Gila (PC)	Thornhill	
Matthews, Hon. / L'hon. Deborah (LIB)	London North Centre / London- Centre-Nord	Deputy Premier / Vice-première ministre Minister Responsible for the Poverty Reduction Strategy / Ministre responsable de la Stratégie de réduction de la pauvreté President of the Treasury Board / Présidente du Conseil du Trésor
Mauro, Hon. / L'hon. Bill (LIB)	Thunder Bay–Atikokan	Minister of Natural Resources and Forestry / Ministre des Richesses naturelles et des Forêts
McDonnell, Jim (PC)	Stormont–Dundas–South Glengarry	
McGarry, Kathryn (LIB)	Cambridge	
McMahon, Eleanor (LIB)	Burlington	
McMeekin, Hon. / L'hon. Ted (LIB)	Ancaster–Dundas–Flamborough– Westdale	Minister of Municipal Affairs and Housing / Ministre des Affaires municipales et du Logement
McNaughton, Monte (PC)	Lambton–Kent–Middlesex	
Meilleur, Hon. / L'hon. Madeleine (LIB)	Ottawa–Vanier	Attorney General / Procureure générale Minister Responsible for Francophone Affairs / Ministre déléguée aux Affaires francophones
Milczyn, Peter Z. (LIB)	Etobicoke–Lakeshore	
Miller, Norm (PC)	Parry Sound–Muskoka	

Member and Party / Député(e) et parti	Constituency / Circonscription	Other responsibilities / Autres responsabilités
Miller, Paul (NDP)	Hamilton East–Stoney Creek / Hamilton-Est–Stoney Creek	Third Deputy Chair of the Committee of the Whole House / Troisième vice-président du comité plénier de l'Assemblée législative
Moridi, Hon. / L'hon. Reza (LIB)	Richmond Hill	Minister of Research and Innovation / Ministre de la Recherche et de l'Innovation Minister of Training, Colleges and Universities / Ministre de la Formation et des Collèges et Universités
Munro, Julia (PC)	York–Simcoe	
Murray, Hon. / L'hon. Glen R. (LIB)	Toronto Centre / Toronto-Centre	Minister of the Environment and Climate Change / Ministre de l'Environnement et de l'Action en matière de changement climatique
Naidoo-Harris, Indira (LIB)	Halton	
Naqvi, Hon. / L'hon. Yasir (LIB)	Ottawa Centre / Ottawa-Centre	Minister of Community Safety and Correctional Services / Ministre de la Sécurité communautaire et des Services correctionnels Government House Leader / Leader parlementaire du gouvernement
Natyshak, Taras (NDP)	Essex	
Nicholls, Rick (PC)	Chatham–Kent–Essex	Second Deputy Chair of the Committee of the Whole House / Deuxième vice-président du comité plénier de l'Assemblée législative
Oraziotti, Hon. / L'hon. David (LIB)	Sault Ste. Marie	Minister of Government and Consumer Services / Ministre des Services gouvernementaux et des Services aux consommateurs
Pettapiece, Randy (PC)	Perth–Wellington	
Potts, Arthur (LIB)	Beaches–East York	
Qaadri, Shafiq (LIB)	Etobicoke North / Etobicoke-Nord	
Rinaldi, Lou (LIB)	Northumberland–Quinte West	
Sandals, Hon. / L'hon. Liz (LIB)	Guelph	Minister of Education / Ministre de l'Éducation
Sattler, Peggy (NDP)	London West / London-Ouest	
Scott, Laurie (PC)	Haliburton–Kawartha Lakes–Brock	Deputy Opposition House Leader / Leader parlementaire adjointe de l'opposition officielle
Sergio, Hon. / L'hon. Mario (LIB)	York West / York-Ouest	Minister Responsible for Seniors Affairs Minister Without Portfolio / Ministre sans portefeuille Deputy Leader, Recognized Party / Chef adjoint du gouvernement
Singh, Jagmeet (NDP)	Bramalea–Gore–Malton	
Smith, Todd (PC)	Prince Edward–Hastings	
Sousa, Hon. / L'hon. Charles (LIB)	Mississauga South / Mississauga-Sud	Minister of Finance / Ministre des Finances
Tabuns, Peter (NDP)	Toronto–Danforth	
Takhar, Harinder S. (LIB)	Mississauga–Erindale	
Taylor, Monique (NDP)	Hamilton Mountain	
Thibeault, Glenn (LIB)	Sudbury	
Thompson, Lisa M. (PC)	Huron–Bruce	
Vanthof, John (NDP)	Timiskaming–Cochrane	
Vernile, Daiene (LIB)	Kitchener Centre / Kitchener-Centre	
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	Deputy Speaker / Vice-présidente
Wynne, Hon. / L'hon. Kathleen O. (LIB)	Don Valley West / Don Valley-Ouest	Minister of Intergovernmental Affairs / Ministre des Affaires intergouvernementales Premier / Première ministre 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
Vacant	Scarborough–Rouge River	

**STANDING COMMITTEES OF THE LEGISLATIVE ASSEMBLY
COMITÉS PERMANENTS DE L'ASSEMBLÉE LÉGISLATIVE**

Standing Committee on Estimates / Comité permanent des budgets des dépenses

Chair / Présidente: Cheri DiNovo
Vice-Chair / Vice-présidente: Monique Taylor
Grant Crack, Cheri DiNovo
Han Dong, Michael Harris
Sophie Kiwala, Arthur Potts
Todd Smith, Monique Taylor
Glenn Thibeault
Committee Clerk / Greffier: Eric Rennie

**Standing Committee on Finance and Economic Affairs /
Comité permanent des finances et des affaires économiques**

Chair / Président: Peter Z. Milczyn
Vice-Chair / Vice-président: Yvan Baker
Laura Albanese, Yvan Baker
Toby Barrett, Han Dong
Victor Fedeli, Catherine Fife
Ann Hoggarth, Peter Z. Milczyn
Daiene Vernile
Committee Clerk / Greffier: Eric Rennie

**Standing Committee on General Government / Comité
permanent des affaires gouvernementales**

Chair / Président: Grant Crack
Vice-Chair / Vice-président: Lou Rinaldi
Mike Colle, Grant Crack
Lisa Gretzky, Ann Hoggarth
Harinder Malhi, Jim McDonell
Eleanor McMahon, Lou Rinaldi
Lisa M. Thompson
Committee Clerk / Greffière: Sylwia Przewdziecki

**Standing Committee on Government Agencies / Comité
permanent des organismes gouvernementaux**

Chair / Présidente: Cristina Martins
Vice-Chair / Vice-présidente: Daiene Vernile
Robert Bailey, Wayne Gates
Monte Kwinter, Marie-France Lalonde
Amrit Mangat, Cristina Martins
Randy Pettapiece, Shafiq Qaadri
Daiene Vernile
Committee Clerk / Greffière: Sylwia Przewdziecki

**Standing Committee on Justice Policy / Comité permanent de
la justice**

Chair / Président: Shafiq Qaadri
Vice-Chair / Vice-président: Lorenzo Berardinetti
Lorenzo Berardinetti, Bob Delaney
Randy Hillier, Michael Mantha
Cristina Martins, Indira Naidoo-Harris
Arthur Potts, Shafiq Qaadri
Laurie Scott
Committee Clerk / Greffier: Christopher Tyrell

**Standing Committee on the Legislative Assembly / Comité
permanent de l'Assemblée législative**

Chair / Président: Monte McNaughton
Granville Anderson, Steve Clark
Vic Dhillon, Sophie Kiwala
Jack MacLaren, Michael Mantha
Eleanor McMahon, Monte McNaughton
Soo Wong
Committee Clerk / Greffier: Trevor Day

**Standing Committee on Public Accounts / Comité permanent
des comptes publics**

Chair / Président: Ernie Hardeman
Vice-Chair / Vice-présidente: Lisa MacLeod
Chris Ballard, John Fraser
Ernie Hardeman, Percy Hatfield
Lisa MacLeod, Harinder Malhi
Peter Z. Milczyn, Julia Munro
Lou Rinaldi
Committee Clerk / Greffière: Valerie Quioc Lim

**Standing Committee on Regulations and Private Bills / Comité
permanent des règlements et des projets de loi d'intérêt privé**

Chair / Présidente: Indira Naidoo-Harris
Vice-Chair / Vice-présidente: Kathryn McGarry
Lorenzo Berardinetti, Bob Delaney
Joe Dickson, Jennifer K. French
Amrit Mangat, Kathryn McGarry
Indira Naidoo-Harris, Bill Walker
Jeff Yurek
Committee Clerk / Greffier: Christopher Tyrell

**Standing Committee on Social Policy / Comité permanent de
la politique sociale**

Chair / Président: Peter Tabuns
Vice-Chair / Vice-président: Jagmeet Singh
Granville Anderson, Lorne Coe
Vic Dhillon, John Fraser
Marie-France Lalonde, Gila Martow
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