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Thursday 20 February 2003

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des débats
(Hansard)**

Jeudi 20 février 2003

**Standing committee on
finance and economic affairs**

Pre-budget consultations

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

Consultations prébudgétaires

Chair: Joseph Spina
Clerk: Katch Koch

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Greffier : Katch Koch

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Thursday 20 February 2003

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 20 février 2003

The committee met at 1001 in committee room 1.

PRE-BUDGET CONSULTATIONS

The Chair (Mr Joseph Spina): The meeting of the standing committee on finance and economic affairs will come to order. Good morning and welcome.

I want to take this opportunity to remind all members that the House may consider it to be a breach of its privileges to release a report or any information about a report prior to its presentation to the House. The rule of confidentiality remains in effect even if the committee discussed and adopted the report in a meeting open to the public. Apparently that's part of the ruling of the Legislature.

We have a couple of procedural rules to iron out this morning. There was some discussion about whether or not you would want to have this session as a closed session or as an open session. If we want to have it as a closed session, then I need a motion to make it a closed session and then of course that would require a vote.

Mr Ted Arnott (Waterloo-Wellington): I'm just asking about past practice, because this committee is well established and we've been doing public hearings for many years. What has normally been the procedure in previous years?

The Chair: In the past five years all the meetings were open sessions.

Mr Monte Kwinter (York Centre): When the decision was made to make these open sessions, which I have no problem with, I raised the issue at the time. You've just outlined the problem. It seems to me an absurdity to say that to release any information on this draft report is a breach of confidentiality for the Legislature whereas anybody can walk in the door, sit here, listen to it—

Interjection: And they can do what we can't.

Mr Kwinter: —and they can do what we can't. It just doesn't make any sense to me that that would happen. I have no problem, but I just feel that when you put out that caution—why would you put out that caution when it makes no sense? Anybody who wants to can walk in and sit down—these are open sessions—and they can go out and report and say, "I listened to this and here's what they're saying." I just wanted to raise that again. I raised it at the time, but the decision was that we would leave these open. As I say, I have no problem one way or the other; I just feel that there's a contradiction with what the rules of the House are.

The Chair: It's my understanding, from the way the rules are stated, and I'll phrase—the specific word is that the House "may" consider it to be a breach of its privileges. So I can only surmise that what that means is, if there was some ramification as a result of the release of this information, that the Speaker may choose to rule that there has been a breach. That's the best we can give you, Mr Kwinter.

Mr Kwinter: I would say, given that warning that it may be, why would any prudent committee possibly put themselves in jeopardy's way by doing it? Why would you just not say, "If that could happen, let's make sure it doesn't happen"? It just doesn't make any sense. Anyway, I leave it in your hands and in the hands of the committee.

The Chair: OK. Is there any other comment?

Mr Marcel Beaubien (Lambton-Kent-Middlesex): The only comment or question that I have is, I just assumed that the meeting would be open. You mentioned a closed meeting. Did somebody request that the meeting be closed?

The Chair: It was really a passing comment. Because it was a passing comment during our travels, we brought this forward. There were some who expressed, because of the frustration last year in not being able to present a report back to the House with recommendations, that it might be easier to have a closed session; therefore, we would be able to have recommendations.

Mr Rob Sampson (Mississauga Centre): I actually am somewhat sympathetic to Mr Kwinter's assessment of the situation. Our dilemma is perhaps somewhat lessened, depending on the nature of the report, I would suggest. If we proceed on the lines of the draft report that's before us, I can probably guess that it's unlikely to be perceived by reasonable people to be a violation of privilege, since it's simply a recording of what we've heard publicly anyhow. But if the nature of the report should change dramatically, then I think it would be wise for the committee to reconsider whether it should go in camera or not. So at this point in time, if the report we're considering is the one that's before us, while I understand Mr Kwinter's dilemma and I am sympathetic to it, to use a phrase that's coming out frequently lately, I will bow down to the tradition of the committee in the past and leave it open.

Mr Gerry Phillips (Scarborough-Agincourt): I prefer to do whatever we can in public. It seems to me

that last year the committee's report was in public. I think we moved into public right away. I'd prefer to do that. I don't think there's anything we're going to deal with that's going to affect the markets or anything else. It does point out, probably, the need to revisit the rules of the Legislature, as part of a bigger package, to say, "Listen, if we want to do the maximum amount of business in public, we're going to have to make some changes in the rules." But I'm always uncomfortable trying to do business in private that has no real reason to be done in private.

The Chair: If I may explain, the committee will still be conducted according to the rules of the committee. The difference in a closed session is that the only two people, I guess, who are allowed to be in the room would be the clerk and the research officer; is that correct? Essentially, what we are doing is removing Hansard and the electronic recording of the committee. This is just for clarification. It's not that I'm pushing for that or anything, but that's all it is, really.

Mr John O'Toole (Durham): Having sat on the committee, and Mr Beaubien having chaired it, first, I question who specifically brought that issue up. The general tone—I sat through all of the meetings. I heard nothing different than I've heard in the previous two years. Unless someone specifically has brought it up, like Mr Phillips I believe they have always been open and I would support that they continue to be open. I'm wondering where the debate's coming from, I really am, because substantively, every one of the submissions is public and every one of the submissions is basically what this is the synthesis of. So I'm wondering who protracted this debate. Is there a specific request from someone about privacy or being in camera—there isn't?

The Chair: I can't tell you that.

Mr O'Toole: I think you should call the vote and deal with it.

The Chair: Actually, there's not necessarily a vote to be called, because if no one really feels that we have to go in closed session, then there's no motion to vote upon.

So the matter is at rest; we stay as an open session. Is that correct? Thank you.

Mr Christopherson, welcome, and just to inform you, we have decided not to go into closed session.

Mr David Christopherson (Hamilton West): That's funny. I was going to ask why we go in camera on these things.

The Chair: It's OK. We've hashed it out.

I would ask for a clarification, because when the subcommittee met and agreed upon the time of the meeting, we had generally agreed that they would be 10 to 12 and 1 to 4 for all the hearing days. However, in the subcommittee report it just says that the committee will meet on Thursday, February 20, for report writing, without any times. Did you have a preference for times today, other than starting at 10 o'clock? And I would need a motion to do that.

1010

Mr Phillips: I move that we proceed on the assumption that we'll go from 10 to 12 and 1 to 4 and complete our work at 4 o'clock.

The Chair: Is there any other comment on that motion?

Mr Phillips: Or earlier, I guess I should say.

Mr Sampson: I agree with Gerry. We should start earlier.

Mr Phillips: I mean, it said complete at 4 or earlier.

The Chair: So you have a motion for 10 to 12 and 1 to 4?

Mr Phillips: Yes.

The Chair: Is there any other comment on that? All in favour? Opposed? Carried. Today's session will go from 10 to 12 and 1 to 4.

Standing order 129 pertains to reports of the committee, and this may help clarify the type of report acceptable to the House. There are five different ways but, traditionally, without getting into this too deeply and wasting too much time, essentially, "The report of a standing ... committee is ... determined by the committee as a whole or a majority...." That's understood, I think.

"No minority report may be presented to or received by the House."

As you know, "Every member of the committee ... shall be permitted to indicate that he or she dissents from a particular recommendation or comment. The committee shall permit a member to express the reasons for" these dissents "in an appendix to the report."

"The Chair of a committee may establish a reasonable deadline for filing any dissenting opinion...."

In this case, it was agreed upon by the committee that it would be Tuesday, February 25, at 5 pm.

"The report as agreed to shall be signed by" me, "on behalf of the committee, and shall be presented to the House by the Chair or by another member of the committee authorized by the Chair or the committee."

By the way, dissenting opinions should be related to the content of the report, just to remind you.

I thought the most expeditious way today, as was usual in the past, was to begin to address the report writing by referring to the draft report that has been put together by the research officers, and we would go through it. I think you've all received a copy; is that correct? We would begin to go through it section by section.

Mr Phillips: Just before you begin that, I had a comment I'd like to get on the record about the responses we got back from the ministry on some questions we raised. Is this the appropriate time to raise that, before we get into the report?

The Chair: Yes, I think so. On a point of order, yes.

Mr Phillips: I'll call it a point of order, then. Thank you.

Just to get my dissatisfaction with the responses from the ministry on the record, it's late in the day, with an election coming up and what not. But at the federal level, when their finance and economic committee meets, they

get detailed projections going out. You can see the revenues going out to 2007-08: revenues by personal income tax, corporate income tax, expense projections, all of that. We get one number. All we really have is a number that's now from June, and no other kind of forecast, although we're being asked by the minister to give her our advice on multi-year funding.

Be that as it may, I asked for an estimate of how much money would be forgone on the fair share health levy. They say, "Well, it's not available." But when you go back to the 1996 budget, for example, they have fair share health care levy, full-year impact: \$260 million. So when it's in their interest to share the information, they do it. When it's not in their interest, we don't get it. The third quarter ends at the end of December, and it's normal that the third-quarter results are published in January. Here we are in the middle of February and they won't provide that to us. The implications of funding the 4.3-cent cap are very crucial for our deliberations, and we don't have any estimate of what impact it has had on Ontario Power Generation.

So it's frustrating that this committee, in my opinion, is operating without what I regard as publicly important information that should be available to the public. But we're not going to get it, and I didn't want to let it go by that I'm just going to quietly acquiesce to that. Just as these meetings should be in public, I think the government and, dare I say, the bureaucracy have an obligation to provide this kind of information to the public in these pre-budget deliberations.

The Chair: Just to clarify, you were referring to the published documents of the federal budget and other provincial budgets, as opposed to the information provided by the ministry. I think they are two different things, only from the perspective that when the ministers, federally or provincially, prepare the published budget, it is a different item than the information they give us—not to say that the numbers are different. One is a published budget, which is really a political budget, as you know, versus what the ministry has prepared. I'm not disagreeing with you, Mr Phillips. I just wanted to distinguish between the two documents. Was there any other comment on this? Thank you; you're on the record for that.

Mr Phillips: Great; I feel a lot better.

Mr Sampson: Well, you look relieved, Gerry.

The Chair: Can we begin, then, with the introduction of the draft report? Are there any comments on the introductory paragraphs?

Mr Sampson: I'm sorry, Mr Chair, to break with your tradition. I'm prepared to go paragraph by paragraph, but I just have one general question, because something caught my eye as I was looking through the written submissions. Can I speak to that one now? I don't actually know where the comment from the written submission is in this report. Maybe if I get an answer to that question, I'll be much more comfortable with other sections as we go by them.

The Chair: OK. Ask that of the legislative officer.

Mr Sampson: We had a written submission from SWITCH Kingston's Alternative Energy Cluster. It's actually referenced in the addendum, and it concerns some proposals they had for tax credits to encourage new generation and alternative energy—just as a summary. I'm sure I totally messed up their presentation, but that's the general thrust of it. Where would I see that in the report?

The Chair: Just give us a moment.

Mr Sampson: While the research people look, the reason I'm asking is that I just want to get some confidence that the long list of presenters here in very small letters on pages 20 to 26 is incorporated somewhere in bits and pieces in this report, because I think part of our job too for the minister is to report to her what we had heard.

The Chair: We'll let Mr Johnston or Ms Clark refer to it.

Mr Larry Johnston: If I may, I think perhaps part of the problem is that sometimes when we assess the recommendations, it's a question of deciding where in the report they belong. In this case, it would have been a decision whether it went into alternative energy or under other taxes in terms of dealing with a tax credit. It may be that in this case it fell through the cracks and didn't end up in either. If it's an omission that the committee would like to have rectified, we can certainly add that.

1020

Mr Sampson: I would.

Mr Johnston: I would say that in the report we try to capture the overall tenor of the recommendations that are brought to the committee, and that's why there's a difference between the summary, which is some 50 pages of recommendations, and the report, which is distilled to 18 and a half pages. There are likely to be cases where maybe we have not included a recommendation the committee wishes to have included, and we will simply take direction on that.

Mr Sampson: You guys have done a tremendous job to take what is probably about three feet of paper and boil it down to 18 pages. As I read through the SWITCH report, I thought, "It will be interesting"—not that they all weren't—"to see how that shows up in the report," and when it didn't, I was concerned. I think it should. It deals with this particular proposal's view of how to get more green power and more power available to the grid. I thought that would be something the minister might be interested in hearing, in addition to other members of the executive council, and I would like to have it included in the report in some way.

The Chair: Mr Sampson, what I'll recommend is that when we get to the appropriate section, you may want to include it. As I see it, there are two sections you may want to consider, and you don't have to decide that right now. One would be under energy, page 11, or under environment, page 13. You can decide. In the meantime, what we can do is ask the research officers if they will have the opportunity to compile that recommendation for inclusion. Then, if we get to that part before lunch, we

may defer that section until after lunch simply to give the research officers sufficient time to get that prepared for you. Is that fair?

Mr Sampson: Yes. I don't think it needs to be a much more extensive report than what I just said in the first part of my comments, that it's a recommendation coming from some individuals. So I'll shut up and say I'm prepared to accept whatever you write.

A related question: is there some cross-referencing to this long list of presenters and what's included in the report to make sure we didn't have anybody else slip through the cracks?

The Chair: Other than the list you have at the end of the appendix, which has the witnesses and submissions—that's why we sit through these, so you can make some notes when something catches your ear or your eye, as it just has.

Mr Sampson: I'm prepared to take whatever the research officers can suggest as far as the included text. It really need be nothing more complex than saying a group suggested there were two tax routes to go to generate more power and green power, and please refer to their presentations for more detail.

Mr Johnston: Could I ask whether you'd prefer to see that under tax measures or under energy?

Mr O'Toole: Energy.

Mr Johnston: Alternative energy?

Mr Sampson: It's six of one and a half dozen of the other, to be quite blunt, but energy would be fine.

The Chair: Can we proceed to the introduction? Are there any comments on the three introductory paragraphs?

Mr Christopherson: It's more the way the sentence is structured, and not a big issue. In the second sentence of the second-last paragraph—"In the third quarter," and I assume we're talking current, "real GDP rose by 3.9% and over 1 million jobs have been created since September 1995."—I just wondered if there was a disconnect between those two points.

The Chair: What section are you in, David?

Interjection: He's in the next section.

The Chair: We're just looking at the three introductory paragraphs above economy.

Mr Christopherson: Oh. I'm two paragraphs ahead of you. Sorry.

The Chair: Thank you.

Interjections.

Mr Christopherson: That's the way it should be. I'm glad you realized it.

The Chair: We'll save that for the next section. Are there any comments on the three introductory paragraphs? Do I have a motion to accept those three paragraphs? Opposed? Carried.

Now we move to the section on the economy. Mr Christopherson.

Mr Christopherson: I won't repeat my point, Chair. It's there.

The Chair: It was paragraph 2?

Mr Christopherson: Yes, the second sentence. I just thought one is dealing with the immediate fiscal, and then, in the balance of the same subject, sort of out of nowhere, suddenly we say, "one million jobs have been created since ... 1995." I just wondered, in that, what would be the salient point between the two? They just don't seem to connect in my mind. We go from third quarter results to, "Oh, by the way, in eight years here's what's happened," and no period in between.

Ms Heidi Clark: If I could just address that: I was trying to paint a general picture of the economy in that paragraph, and from the numbers that were provided, that was the number that seemed most relevant, as far as job creation, to speak to it. If you'd like it changed to an annual—

Mr Christopherson: I'm sorry. No, maybe I'm just not understanding. It says, "In the third quarter," which is very specific, very micro. We're talking about the third quarter of this fiscal, and then, with only an "and," suddenly we jump to "one million jobs have been created since September 1995." I wonder how the two are connected.

The Chair: Do you have a recommendation as to how you'd like to rectify that?

Mr Christopherson: One is GDP and the other one is new jobs—same sentence, two different time periods.

Mr Johnston: I suspect what's happened here is that a statement by a presenter has been boiled down and, in the editing process, a presenter who made a comment about third quarter economic growth, about job creation and perhaps about something else has become boiled down to a single sentence which, you're correct, does seem to have a bit of a disconnect. We can address that.

Mr Christopherson: Yes, that's all. It's a very minor thing that just jumped out at me when I read it. Thank you, Chair.

Mr Sampson: Your third paragraph—I must have a different report than his.

The Chair: It is the second paragraph under Economic Outlook, and it is the second sentence in that second paragraph, beginning, "In the third quarter, real GDP rose by 3.9% and over one million jobs have been created...." Mr Christopherson feels there is a—I'm not getting the right word here.

Mr Christopherson: Disconnect.

The Chair: Thank you. That's the word. There's a disconnect between the two ideas.

Mr Johnston: If we were to put a full stop after "3.9%" and have the statement about job creation as a separate statement, it would then tie into the following statement.

Mr Christopherson: Yes, that would be fine. So, either fix it or help me understand what I'm missing. It's one of the two, so I'm fine with that.

The Chair: OK, so the sentence will end after "3.9%" and a new sentence will begin, "Over one million jobs have been created...."

Mr Christopherson: And drop "and," correct.

The Chair: Agreed?

Mr Beaubien: I agree with that. I want to raise another point.

The Chair: So that issue is agreed upon. Thank you.

Mr Beaubien: The issue I want to deal with is the presentation made by Buzz Hargrove. I think he made a very compelling presentation. There's no doubt—he mentioned that the industry is changing—that it is changing. He also mentioned, I think I wrote down a few things here, that if we're to maintain our standard of living, with all the social programs, we need to protect high-paying jobs; that the labour force realizes that there needs to be more flexibility in the workforce; that we're talking about a new rate for new employees.

The auto industry is such an important driving factor in Ontario. Mr Hargrove was talking about the federal, the provincial, the municipal, and all the workforce having a role to play in protecting this industry. I don't think it's captured here. My feeling is that it should be captured in the economic outlook. I think we are facing different times in the auto industry and maybe we have to deal with it differently. That's just for discussion, I guess.

Mr Sampson: I think we should capture Buzz too.

Mr Johnston: Could I ask if Mr Beaubien is happy with the treatment of the auto industry under the enterprise, opportunity and innovation section?

Mr Beaubien: Which page is that on?

Mr Johnston: That's on page 12.

Mr Beaubien: I might have missed that.

1030

Mr Arnott: There are two reports: one dated February 17 and one dated February 12.

Mr Johnston: The report dated the 12th is a summary of recommendations; the 17th is the report.

Mr Beaubien: I guess you're correct. I will take my comments back.

Mr Johnston: It's just a question of whether you wanted it moved from there into the economic outlook.

Mr Beaubien: I'm quite happy with it.

The Chair: Did you want it in the economic outlook or is it fine where it is?

Mr Beaubien: That's fine, as long as it's captured somewhere.

The Chair: Thank you. Are there any other changes you wish to have made to the economic outlook section?

Mr Kwinter: At the top of page 2, in the second paragraph, when you talk about "estimated to fall slightly," I would just leave "estimated to fall" and take out the word "slightly." If you take a look at the numbers, it's going to fall 10% in 2003 and 15% in 2004. I don't think that's a slight reduction.

The Chair: Any further discussion on that? Agreed? OK, we will remove the word "slightly," Mr Kwinter.

Any other changes to this section? Seeing none, can I have a motion to move this section, as amended?

Mr Sampson: So moved.

The Chair: Any opposed? Carried.

We have the opportunity, as we finish each section, to ask if you want to make any specific recommendations as a result of the information that is in that section, and we

can debate and vote on that immediately as opposed to saving them all.

Mr Christopherson: That takes us right back to the eternal discussion we have at these committees every year, and that is, are we attempting to find a package, a document like this that we can stand behind, where we all sign on, and then there's a series of recommendations where it's clearly understood that's the majority vote, which obviously is the government position, and then there are two dissenting reports attached? If you start injecting the concept of recommendations at this stage, Chair, then any pretence of trying to work together is pretty much blown out the window. The government will make their recommendations and they'll win every vote and then we're just into a partisan divide. I just raise that with you on the heels of your offering to take recommendations at this time.

The Chair: I asked that because if there are any recommendations that there is some agreement with between the three parties, then at least we will have the opportunity to include those recommendations in the report. If we find there are no recommendations that there is any agreement with, then we may end up doing what we did last year.

Mr Christopherson: I just point out by way of comment that if we attempt to do that, then buckle up your seat belts, we're going to be here all day trying to come to an agreement on recommendations, which is a lot tougher than just a document that we agree reflects what we heard, because then we get into our different partisan philosophical approaches. So I urge members to keep that in mind.

Mr Sampson: To that point, two things: I think it would be helpful if this committee could present a unanimous report. To the extent that's possible, I think we should try to do it.

I got some sense as we travelled around and listened to the presentations that there was nodding on all sides of the room about some issues.

I don't know that we're informed enough to actually provide recommendations, to be quite blunt. I don't know that we are even informed—Mr Phillips on a number of occasions has indicated that he needs more information in certain areas of fiscal projections on certain items. I would say that we are equally in the dark about what the announcements were last Tuesday around the federal budget and its net implications on Ontario.

I think that to make recommendations in that information vacuum would probably not be very helpful to the minister. What might be helpful are areas where we have agreed the minister, in doing her budget, should make sure she takes a good look. I can think of one off the top of my head, and that was the credit union thing. I think we are all in agreement, if I can put words in my colleagues' mouths, that she should take a real serious look at their suggestions. Perhaps I'm going out on a limb, but maybe there's an equal resolution around the child tax credit thing that was presented. I'm going way out on a limb, I'm sure, but I think there is some reasonableness

to that which she should take a look at. Whether she chooses to do it or not in preparing her budget is her choice, of course. She's the finance minister. So my preference would be not to make recommendations but to soften the language a bit and perhaps speed the process toward maybe a unanimous report and talk about areas where we find some sympathy.

The Chair: I'm having difficulty understanding how you can do that without recommendations.

Mr Sampson: Why not? You can just say the minister should take a serious look at the credit unions' recommendation. We give more weight to it in the report than perhaps to others. That will generate discussion. There will be areas where we can't come to some conclusions, and I think we should so indicate.

Mr Phillips: In terms of process, what we've done in the past—it doesn't mean it's what we'll do today. But I think the report we're dealing with that's before us right now is a summary of what people have said. We don't have to agree, because it often presents two points of view and what not. I think in the end it will probably get unanimous consent. We will all agree that that's a good summary of what we heard.

Then what we've done in the past is that each caucus has brought forward its recommendations. We have a series of recommendations here, and I think the government will probably bring forward its recommendations. Realistically, because they tend to be a package, we will have difficulty with your package of recommendations, because we have a different view of how things should unfold. My instincts are that the government will approve its recommendations and we will choose not to approve that package and say, "Here's our package," which you, if history suggests anything, will choose not to approve. Then we will serve notice that we will be submitting—it's not a minority report.

The Chair: Dissenting.

Mr Phillips: A dissenting opinion. That's probably reality. So my own instincts are to say, as David Christopherson said, let's see if we can go through the summary of what we heard and agree on that, and then one suggestion is that each caucus table its recommendations and we simply vote on those.

The Chair: To allow time for that, may I offer the suggestion that that be done by a certain time in order to be able to conclude for 4, ie, 3 o'clock, for example?

Mr Phillips: My suggestion would be that over lunch the caucuses submit their recommendations so that we might have them first thing this afternoon.

Mr Sampson: I understand where you're coming from, Gerry, but I don't know how that helps. Obviously, at the end of the day you're going to submit your dissenting opinion. Is that the official phrase?

The Chair: No, they would table their recommendations.

Mr Sampson: Yes, but to the extent that it's not accepted by the government side, and it generally won't be, let's be realistic here: we're going to get it anyway and we're going to see it anyway. Why do we have to go

through the whole process this afternoon of debating the fact that we're not going to agree to it? We know it in the first instance.

I would rather that we spend some time adding items to this document that we actually can give a little bit more weight to. That would be my preference. We have, as I said earlier, a very good summary of what we heard, and I think it's important for us to relay that to the minister, since she wasn't there and she is basically expecting us to do that. I would like to add some other areas where we would say, "Look, in every jurisdiction, we saw the credit union come forward and say we should be doing this. Can you please take a look at that?"

1040

Mr Beaubien: I would have to support Mr Sampson's suggestion, because I think the researchers did a very good job of paraphrasing what we heard over a period of almost two weeks. It gives us a pretty good snapshot of what's occurring across the province in different sectors. Having gone through the report, there are a couple of things—I had raised one; I'm sorry that it was captured somewhere else and I didn't pick it up—that I would also like to raise. I think we can have a document that we may not be in total agreement with but that is palatable to most of the people around this room, yet giving the opposition the opportunity to file their dissenting reports as an addendum to the report. We've done that the past number of years, and it has worked very well. I fail to see what we stand to gain here this afternoon debating an NDP, Liberal or Conservative motion. If somebody has some recommendations or concerns, they can file them as an addendum and we get on with our lives.

The Chair: Any other comments?

Mr Christopherson: I tend to side with the Conservative caucus on this one in terms of what's going to give us the biggest bang for our time, if I can mix metaphors. I agree that at the end of the day, once we start injecting recommendations, then we're just going to fall very quickly into a partisan situation. That's why, if you recall, when we had the subcommittee meeting, we deliberately set up a time after we would have this discussion for the three different recommendations to be tabled. Now, I know by process the government's recommendations will be tabled today. Let me ask a question, if I can, Chair: do the committee's recommendations have to be voted on today as part of this package?

The Chair: If you want them to be part of the report that would be sent back to the House, yes. Otherwise, the only other opportunity, if I understand the process correctly, is that it's submitted as an appendix to the report by Tuesday the 25th, when it is submitted to the Clerk and then reported back to the House. Does that clarify it?

Mr Christopherson: I think the clerk is looking for a chance to—

The Chair: Yes, even the dissenting opinions are reported back to the House, but we only have today to debate and vote on it.

Mr Christopherson: My question is, if we only dealt with this, for instance—

The Chair: And there were no recommendations?

Mr Christopherson: Right, this becomes the committee report. Then, of the three documents, would the Conservative caucus recommendations be considered an attachment or part of the report?

The Chair: If it is not voted on and tabled during the committee time period, then it would have to be submitted as an addendum.

Mr Christopherson: So we do have a chance to have a unified vote around the report, with three separate sections coming after.

The Chair: Yes.

Mr Christopherson: It would seem to me that if that's doable, the way to achieve that is to spend the day on this report and follow through with the original decision, whereby each of us submits our recommendations after, they get attached and then the four pieces create everything that's tabled to the House.

The Chair: Mr Phillips is next. I think you had another comment, did you?

Mr Phillips: Well, it's just an unusual process, that's all. Normally this committee exists to provide pre-budget advice to the government and the minister, and normally that advice is what we think should be done. So it does undermine the credibility of the committee that we've not even tried to take a stand on recommendations, that we simply are providing summaries. I can live with it, but it's not the traditional way of legislative committees trying to provide collective advice to the government.

The Chair: If I may put a little bit of an historical perspective on this, last year we did exactly what Mr Christopherson described, where we had a majority agreement on the report itself and the summary of the presentations, with dissenting recommendations in the appendices. In the previous year, we had the pre-budget consultation of 2001 and we had motions or recommendations at the end, and there were nine recommendations, for example, that went through. Other pre-budget consultations historically have always had those as well. So it's a question of what the—

Mr Phillips: My memory is failing me. I don't remember the governing party ever submitting the dissenting report, but I may be wrong there.

The Chair: Last year was the only time they had the three appendices.

Mr Phillips: Oh, they did have the same report last year?

The Chair: Yes.

Mr Phillips: My memory is failing me.

The Chair: There was a government—
Interjection.

The Chair: Yes. Appendix B was the dissenting opinion of the Progressive Conservative members of the committee.

Mr Phillips: Good, thank you.

The Chair: Is there any further discussion on this? I will just ask the question at the end of each section. If there is nothing brought forward, then we'll just continue on. Is that fair, Mr Christopherson?

Mr Christopherson: Yes. Where are you right now?

The Chair: We are right at the end of the first section, which is the economy. We finished the economic outlook portion of that, so we are now on page 2 on the fiscal situation, there being no recommendations coming forward on that first section.

Fiscal situation: any changes or comments to that section? There being none, do I have agreement that we accept it as presented? Agreed.

The next section on fiscal policy and balanced budgets and debt reduction: any comment on those two paragraphs?

Mr Christopherson: Under fiscal policy, "The government was urged to continue to emphasize debt and tax reduction over spending and remain focused on fiscal competitiveness," end of issue, and then you move on to the next category. It seems to me that there were certainly individuals and representatives who came in and made that argument, but there were people who came in and made a converse argument. I have a bit of a problem letting that stand as the only thought, or suggesting that that was the only fiscal policy we heard and therefore this is a very straightforward assumption that we can then move on to the details of, as we break it down. I have a problem with that remaining as a reflection of the only thing we heard. It certainly was heard, but I would suggest to you that we heard ample presentations to the contrary. In fairness, it seems to me that should be reflected in this paragraph also.

Ms Clark: I guess if it makes sense, we can just remove that sentence and move it down under debt reduction and there won't be a statement under fiscal policy.

Mr Christopherson: Just make it as part of that one thought and the next—yes, that's fine. It's just if you leave it like this, it looks like that's our working assumption, and I accept that for some it is, but for others not.

The Chair: Any further comment on moving that sentence down into the balanced budgets and debt reduction paragraph? Agreed? Any opposed? Accepted. Then that sentence will be moved down under balanced budgets and debt reduction as the opening sentence, I'm presuming. Is that correct? OK.

Then if we continue on that same paragraph, "balanced budgets and debt reduction," are there any other comments or changes that you wish to have? Seeing none, shall we accept that paragraph as amended?

Mr Christopherson: Chair, just one.

The Chair: Oh, one moment. Mr Christopherson?

Mr Christopherson: On reflection, again, there was only one group. I don't want to get into splitting hairs over what constitutes—

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Mr O'Toole: Make it two.

Mr Christopherson: Can we put twice as many groups as we originally thought?

The Chair: "A few"?

Mr Christopherson: Well, just something to reflect that it was other than just one. Again, we could split hairs as to whether people explicitly said that or—

Mr O'Toole: Just put "Some argued." How's that?

Mr Christopherson: Yes. That's cool.

The Chair: So "one" we'll change to "some"?

Mr Christopherson: Yes. We added an "s" and changed the end.

The Chair: "Some groups argued"?

Mr Christopherson: Yes.

The Chair: Ms Clark, are you OK on that?

Mr Johnston: "Some argued"; is that what you would prefer?

Mr Christopherson: Yes.

The Chair: OK. "Some argued" as opposed to "One group." OK. That's agreed. Any other changes? Thank you. That's approved.

Government spending: any changes? Seeing none, shall we accept that?

Mr O'Toole: So moved.

The Chair: Thank you.

Under tax reductions, any comments? Seeing none, shall we accept that? Approve it? Thank you.

At the end of this section, are there recommendations that anyone chooses to make? Seeing none—

Mr Sampson: You won't get us into a fight, you mean? I'm game for one, but it looks like it's pretty close to 11 to me.

The Chair: You can put it forward if you wish.

Mr Sampson: Thank you, Chair. I will resist the temptation.

The Chair: OK, then, shall section I, titled the economy, carry, as amended? Carried.

We move to section II, "Ministry of Finance," taxes, and the paragraphs under that: capital tax, corporate taxation, municipal taxation, payroll taxes, personal income tax, property taxes, retail sales tax, tax administration and other taxes. Any changes?

Mr Sampson: I know I had tentatively agreed to put the switch thing in hydro. Is there a rule that says you can't have it in two spots? See, my problem is it's a capital tax suggestion.

Mr Johnston: We would normally put it in one spot rather than the other. I can tell you, looking at this particular issue, we had it in the recommendations in the summary under alternative energy, but when we looked at the substance, we thought we would move it to taxes. In shuffling it from my file to Heidi's file, it didn't get there. So we can put it in either place that you would like, but I don't think we would normally put it in both places. But if that's the committee's wish, we can do that. If you really want to put an emphasis on it, we can—

Mr Sampson: No, I'll wait till alternative energy. That will keep me focused until noon.

The Chair: So you will not be adding it to this section?

Mr Sampson: Yes.

Mr O'Toole: If I may, under the general definition in "taxes," the opening paragraph, it mentions a lot of the

strategies there. There'd be no problem, in a general sense, of mentioning it there, because you go farther down and talk about each of those. Do you understand? The opening paragraph.

Mr Johnston: Yes.

Mr O'Toole: You put in there "alternate fuel incentives," or whatever you want to call it. Actually, I didn't read the paper that Rob's referring to.

Mr Sampson: No, it's more generation than fuel.

Mr O'Toole: Having sat on the alternative fuels committee, I'm surprised we haven't got more in there too, really, or heard from more.

Mr Johnston: Would it be helpful if I read to the committee the wording that we've come up with to deal with Mr Sampson's concern about the group, and then you might decide where you wish to put it in the report?

Mr Sampson: Sure.

Mr Johnston: The wording that we have to suggest to you is, "Alternative energy advocates suggested tax measures be implemented that would encourage the development of alternative energy generation projects and investments."

Mr Sampson: Yes, that would be fine by me. "Alternative energy" is a broad definition, but that would be fine by me. As you read that, it sounds to me like it should be on the tax side. But it is really six of one, half a dozen of the other.

The Chair: Shall we add it to this section, then? Shall we add that statement to the taxes section?

Mr Sampson: Yes, under capital tax, I think, though.

The Chair: Under "Capital Tax"? Is that—

Interjection.

Mr Sampson: No, they were actually suggesting sort of a labour-sponsored fund—

Mr Christopherson: Yes, but they were saying "tax incentives," which could mean a whole host of tax measures. Capital tax, with the current campaign, is a separate issue.

Mr Sampson: I take your point.

The Chair: Do you want to defer it, then, Mr Sampson?

Mr Sampson: OK, we're back into the alternative energy category.

The Chair: All right. We'll defer that.

Mr Johnston: We could add a heading here under the tax section for alternative energy tax credits.

Mr Sampson: Let's get it over with now. Yes, that's fine.

The Chair: Is that agreeable? So the sentence shall be added in as a new subparagraph that would read—

Mr Johnston: "Alternative energy tax credit."

Mr Christopherson: Let's understand: we're giving it super-high priority by giving it its own category under taxes, but I'm comfortable with doing that, but let's just realize that is what we're doing, and so be it.

The Chair: Everyone is basically in agreement. They're comfortable with that, then. Any other comments on that? OK. Are there any other changes to the taxes section of this report?

Mr Christopherson: Just under municipal taxation: “The government was urged to resist demands from municipal governments for additional taxation ... or other revenue-raising capacity.” There were contrary thoughts. There were those who were arguing that that’s exactly what municipalities need, some new levers of revenue sources.

Interjection: Like Hamilton.

Mr Christopherson: Like Hamilton, sure. Either that or give us some money, but you’ve got to do something. We’re dying out there. And then I have a second thought after that.

Mr Johnston: There is considerable discussion of provincial-municipal cost-sharing and the question of municipalities’ views that they’re not receiving adequate funding for services in the section under “Municipalities.”

Mr Christopherson: Fair enough, but under the category of taxation where that’s the thread, the only thought we have in here—if you picked this up you’d be under the impression that under taxation as a subject in and of itself vis-à-vis municipal taxation, the only thing we heard was, “Don’t let municipalities do this,” and I’m just suggesting that we heard from other people who said, “This is exactly what you need to do, or something like this.”

Mr Johnston: What about the second paragraph under that heading?

Mr Christopherson: That’s a different thought. I was going to raise that too, because there were contrary thoughts around there. I can go into that debate if you wish, Chair. On that second point, there were some who came in and gave examples of where they thought there was unreasonableness in some of them, especially the lot levies, development charges, and had examples of where it got rolled back by the OMB. But again, there were discussions around the fact that lot levies, development charges, need to reflect the actual costs of providing infrastructure for new surveys, so those rates need to reflect the actual costs so that all the other taxpayers in a municipality aren’t constantly subsidizing the newer surveys, the newer growth areas.

It’s just my own sense in reading this that it only reflected one thought. I don’t disagree that we heard this. I did just want to point out that both cases, whether it’s additional revenue sources for municipalities or whether development charges need to be high enough to reflect actual costs, were also heard in addition to these points of view—two points, two different points of view. I’m just making the argument that we did hear the converse, that there were those who argued the other way, and I’m just seeking that this document reflect that.

The Chair: Are there any other comments?

Mr Sampson: I think the last time we came to this we changed the “one” to “some.” I’m wondering whether we’d go back to that same format, because he’s right.

The Chair: As in “some urged the government”?

Mr Sampson: And some didn’t. That’s his point, and he’s right.

Mr Christopherson: Whether you say “There were differing opinions” or “We heard both opinions,” that’s fine. The point is, it’s not that you guys get “some” and I get “one.”

Mr Beaubien: It depends on which “some” you get.

Mr Christopherson: Yes, some of a gun.

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The Chair: If you hold on a moment, maybe we can give research a moment to give you a recommended phrase.

Mr Christopherson: We can come back later, if you want, Chair.

Mr Johnston: How about something along the lines of, “The government heard competing views about the appropriateness of additional taxation authority or other revenue-raising capacity for municipal governments”?

Mr Christopherson: Yes.

The Chair: Does that eliminate—never mind, I’m not going to offer an opinion.

Mr Philips: Don’t go there, Joe.

The Chair: Everybody is agreed? Thank you very much. Are there any other—

Mr Christopherson: Sorry, what about my second point, though, in the second sentence?

The Chair: What was your second one, David?

Mr Christopherson: Again, I was pointing to the taxes, fees and charges. Those who are worried that they’re excessive are covered here. Those who have concerns about subsidizing these costs through other areas of municipal revenue had that point of view come across too. I don’t think it’s as big as the previous point, but again to recognize that there are two viewpoints about charges. One is, “Don’t overcharge me and I’m going to watch you like a hawk,” and the other is, “Make sure that those charges are high enough to reflect the actual costs because otherwise I’ve got to pay for their brand new library and my immediate neighbourhood is 50 years old.”

The Chair: Are you suggesting this as a modification to an existing sentence or a new sentence to encapsulate that thought?

Mr Christopherson: Again, it’s just that business of making sure both points of view are reflected, Chair.

Mr Johnston: I’m trying to remember a specific recommendation to that effect. Help me think of a wording here.

The Chair: Do you recall who the presenters might have been who would have taken that point of view, David? Anybody from the municipal side?

Mr Christopherson: I can’t remember where AMO was on that particular point, whether it was in their report.

The Chair: Could we maybe defer that particular point?

Mr Johnston: We could check Hansard over lunch-time.

The Chair: Yes, we can check Hansard over lunch and determine how and by whom that comment was made. That would clarify it for you and all of us.

Mr Christopherson: Thank you.

The Chair: So we shall defer the municipal taxation block until we hear back from research.

Are there any other comments in that taxation section?

Mr Sampson: While Gerry is out of the room, maybe we should do something about personal income tax. Would that—

Mr O'Toole: Or corporate taxes.

The Chair: Are there any other legitimate comments?

Mr Beaubien: Property taxes.

The Chair: What is your comment?

Mr Beaubien: The second paragraph included "specific requests." I think it was only in Thunder Bay that they talked about multi-residential and the residential tax rate, if I recall. But you did say "specific requests," so I guess that would capture that. I know there was one community; I think it was Thunder Bay.

The Chair: It might have been when you were arguing with the teachers.

Mr Beaubien: I can live with that. That's OK.

The Chair: You're all right with "specific requests"?

Mr Beaubien: Yes.

The Chair: OK. Is there any other comment for that taxation section? Seeing none, shall we accept that section with the exception of the municipal taxation portion?

Mr Christopherson: That's easy for you to say.

Mr Sampson: I don't want to make you say this again, Chair, but there seemed to be some unanimous nodding around here about the native gas retailers—

Mr Christopherson: It's coming up.

Mr Sampson: I thought we were tabling that whole section. No? OK. Give me a high sign when we come to that.

The Chair: So we're agreed, with the exception of municipal taxation, which we will defer until after lunch. Agreed? Thank you.

Mr Christopherson: Hang on. Are you now going to move to the retail sales tax?

The Chair: To the non-tax issues.

Mr Christopherson: OK, then Rob is right. I thought you were going through the individual: municipal, then payroll—

Mr Sampson: I suspected the Chair was swift afoot.

The Chair: I asked for all of the items under taxes, including all of those paragraphs.

Mr Christopherson: Then we misunderstood your fine, precise points, Chair, and I would ask, since Rob raised it first, if he wants to speak to it, and then I'll follow.

The Chair: I'm listening.

Mr Sampson: The section seems to be page 5, third paragraph down, starting "First Nations," I think. Correct? Is that the one we're—

The Chair: Tax administration.

Mr Sampson: Yes. I think this is one of the areas where we should instruct—

Mr O'Toole: Ask.

Mr Sampson: Direct, ask, whatever the right word is.

The Chair: Make a recommendation?

Mr Sampson: Well, sure, if you want to make it that bold. But I would suggest that the report say that the committee—

Mr O'Toole: Unanimously.

Mr Sampson: Well, this wouldn't be a unanimous report. "The committee asked that the minister take a serious look at solving this." I don't know what the phrase is, but get on with it. Give them what they want or tell them to go away.

The Chair: That's an opportunity to do a recommendation that highlights it and separates it over and above what has just been requested and reported.

Mr Christopherson: If I can, Chair, you're absolutely right. The only concern I would have is that we then create a new category of subject matter, and that would be one that isn't important enough or there wasn't unanimity around and therefore it's not—do you see what I'm saying?

Mr Sampson: Which is why I don't want to do this as a recommendation, because it'll stand out like a sore thumb. It's just something that she should look at, and I think just adding a phrase to that effect would be helpful.

Mr Christopherson: I agree, and I was going to, at the very least, ask that the word "again"—and I know that others can use this, but what really got me was that we had made exactly the same representation and after two years none of us was able to poke a hole in their thinking as to why this shouldn't move on. I'm not trying to cast any aspersions here, but if we can't use the word "again," then maybe another sentence afterwards that somehow—and maybe research could help. But we should emphasize the fact, short of a recommendation, that this really is something that nobody had an argument with and that something should move on it.

Mr O'Toole: I did inquire with one of the ministry people on that because it came up before, and again, I met with them when I was in finance. There was a privacy issue of some sort with respect to cards, names, pictures. That may be someone else—

Mr Christopherson: Was it enough to derail your wanting to follow through, John?

Mr O'Toole: No, no. I just met with them to see if there were other barriers, and one of the things the ministry said at the time, I believe, was that it was a privacy issue, dealing with photos. I just wanted to add that.

Mr Christopherson: I'd leave it up to research to ask if there's a sentence we can make that doesn't create a new category, and by that I mean by virtue of not having this sentence attached to other issues, they become less important or have less support. But is there some sentence we can create that would give this, obviously, the lift that we would like?

The Chair: Before you answer that, I'll ask Mr Kwinter to comment.

Mr Kwinter: Can I suggest a way of doing it without having to go through putting in one recommendation in the whole report that will stand out? We could say, "The

First Nations representatives again made the case for the approval of a point-of-sale system to expedite the rebate process for native gas retailers.”

Mr Christopherson: That’s what I originally—yes.

Mr Sampson: Can we add or suggest that we take a serious look at this, or something like that? Is that a phrase that offends people?

Mr Christopherson: But as soon as we do that, then we’ve got one item in the whole report that got a unanimous recommendation. It looks like it’s our top, above all, and everything else has a secondary class to it.

Mr Sampson: All right, that’s fine.

The Chair: We’ll let Larry—

Mr Johnston: I’ll just try one on for you. You could have a separate sentence that said, “Members of the committee were sympathetic to this presentation.”

Mr Sampson: Well, you have the same thing as Dave’s problem. Let’s go with Monte’s suggestion.

The Chair: Could you repeat that, please, Monte?

Mr Kwinter: What I would suggest is, “The First Nations representatives again made the case for the approval of a point-of-sale system to expedite the rebate process for native gas retailers.” By using that wording, it implies that they made the case, as opposed to suggesting something. They made the case, and we’re saying they’ve done it again.

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Mr Christopherson: I’m going to ask you if I’m going against my own point by just adding a word like “excellent” or something descriptive.

Mr Sampson: I think you are going against your own point.

The Chair: I think this is the point that Monte’s making: “made the case” tends to give it justification.

Mr Christopherson: That’s fine. My actual first thought was that I had the word “again” in there when I read through it, so I’m fine with that if that’s the best we can come up with.

Mr Sampson: I like Monte’s suggestion.

The Chair: Mr Kwinter’s suggestion is acceptable then? Thank you. That’s the way it will be modified. Any others under that tax section?

Mr Sampson: Was there not another retail sales tax bureaucratic—

Mr O’Toole: Yes, there was.

Mr Sampson: Was it the agricultural side? Can you remember that one?

Mr O’Toole: The farm business registration number is a problem as well, administratively.

Mr Sampson: Something occurs to me that we heard another retail sales tax administrative—

Mr Christopherson: Don’t say “boondoggle.”

The Chair: Check and see if it surfaced under agriculture.

Mr Christopherson: Do you know what? I think that’s the word on your lips.

Mr Sampson: It’s close.

Interjection.

Mr Johnston: Heidi says she overlooked that in the retail paragraph, so we could add that if you wish.

Mr O’Toole: Yes, because it says “point-of-sale verification” of retail sales tax at the bottom of page 4.

The Chair: So this would be under the tax administration section or its own little paragraph for agricultural tax?

Mr O’Toole: Retail sales tax.

The Chair: Under retail sales tax?

Mr O’Toole: I think. I’m just asking. I think that’s where it fits.

Mr Johnston: No. I think what Mr Sampson is asking about is the request to adopt the use of the farm business registration card for RST exemption purposes. We could add that as a clause in the sentence which says, “Other concerns included the institution of point-of-sale verification of RST purchase exemption certificates...” We could add a clause in there saying, “Adopt use of farm business registration card for RST exemption purposes.” into the middle of that sentence. Would that capture that?

Mr Christopherson: That sounds good.

The Chair: Agreed? Done. Delving into your memories yet again, is there anything else under tax issues? Is there anything else under tax issues? For the third time, is there anything else under tax issues? Shall we carry the tax issues, as amended? Thank you. Carried.

We now move on to the next general section of non-tax issues, which include credit unions, opportunity bonds and other non-tax issues. Are there any recommendations there?

Mr Beaubien: Under credit unions, I think there were two issues. Besides the merger issue, I think they were talking about the unlevel playing field between the different premiums, between CDIC and the DICO premiums. I think that was a good point.

Mr O’Toole: I think it’s there as insurance premiums. “More in line”—

Mr Beaubien: “More in line with those paid...” Again, I stand to be corrected, Mr Johnston.

Mr Sampson: Before Monte says this, because I think he and I agree, I think we need to indicate to the minister that the concept of risk-adjusted premiums should stay there.

The Chair: Do you understand that? Are you in agreement, Mr Kwinter?

Mr Kwinter: If I can just comment, the concern that I have, and I’m sure Ron has the same concern, is that the credit unions are saying, “There is a discrepancy between the premium rates that the banks pay and we pay, and we think that’s not right.” The reality of the situation, the reason for that, is because of the risk. The credit unions can’t, by any stretch of the imagination, with their capital base, in any way compare to the banks. They want to provide some of the services but there is a greater risk there. Insurance companies do risk management. They figure out the risk and the premium reflects that.

It’s one thing for them to say, as the report says, “more in line with those paid by banks.” What that means exactly, I don’t know. They can ask for that, but the

reality of the situation is that there's a greater risk for credit unions than there is for banks, and that's reflected in the premium.

Mr Sampson: To that point, we're not editorializing their submission. They actually did agree in the questioning after their submission that, yes, it should reflect the relative risk. I think our report to the minister might say that they should bring deposit insurance premiums more in line with those paid by banks on a risk-adjusted basis. If their complaint is that they're cheaper on a risk-adjusted basis, it's a valid complaint. If their complaint is, "Well, they're cheaper because they have a lower risk and we have a higher risk," that, in Mr Kwinter's view, reflects reality.

Mr Kwinter: If you'll recall, in their submission there were five categories for credit unions and four categories for banks, and they showed the different premium rates depending on whether you're category 1 or whatever it was. There are some credit unions that are in a category 1 situation, which might equate to a category 3 or category 4 bank. That would be a fair sort of comparison. But there's no question that if you're in a category 5 credit union rating, that is a high risk, and they have to pay the according premium. So I would suggest that if we could reflect that on a risk-adjusted basis, that would cover it.

Mr Johnston: My only concern is that the sentence begins by saying, "Credit unions across the province gave unanimous consent," because we heard the same recommendations from each credit union presenter. The conversation in response to questions that may have clarified the question of risk adjustment may well be true of that presenter, but we don't know if in fact all the credit unions would share the same position in terms of risk adjustment premiums. I am just uneasy about putting words into the mouths of all of them.

Mr Kwinter: If I can be helpful, on second thought, this really reflects what they've asked for, and whether we agree with it or not is something else again. Maybe we shouldn't be trying to—

Mr Sampson: Yes, but we did get them to agree in Thunder Bay, I think it was, that there is a component of risk which needs to be priced into the premium. We didn't ask the same question of every credit union that came before us, so I think the research officer has a point. I'm at a loss to know what to do here.

The Chair: John wants to say something.

Mr O'Toole: I think that probably some of them have worked with it. But this thing has been around. I know there were four issues, but the main one is the merger, the liquidity pool. That's the main issue, and I would like to almost separate that. There was discussion on the collateral mortgage issue as well as the premiums, and I agree with Rob on that: they didn't present the risk assessment fairly until you questioned them, actually, in Thunder Bay—or Monte did. So I think they're somewhat different. But there was and has been unanimous support with all the credit unions that if the minister could right now do whatever—I think it's just a small regulation that has to allow that merger between BC

Central and Credit Union Central of Ontario for liquidity coverage. Currently, how they get liquidity is through a line of credit with the bank, which means they are a little servant of the bank. That's how they get it today.

Mr Johnston: I think Mr O'Toole has found a way out for us on the wording of this. We might put it this way: "Credit unions across the province gave unanimous support to the recommendation to enact legislation expediting the merger of the finance divisions of BC Central and the Credit Union Central of Ontario offices. Other recommendations discussed included: giving credit unions the ability to network with financial service providers; amend section 57 of the Credit Unions and Caisses Populaires Act, 1994, to eliminate restrictions on issuing collateral mortgages; and to bring deposit insurance premiums more in line with those paid by banks, on a risk-adjusted basis." Then we're not necessarily putting it on a—

Mr Sampson: Carried.

The Chair: Agreed? Thank you.

Are there any other changes to the credit union section? Is there any discussion on opportunity bonds? Are there any other non-tax issues, other than what has been stated? Shall we carry this section—

Mr O'Toole: I just want to finish reading this one on the pension issue.

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The Chair: Are you all right, then, John?

Mr O'Toole: Yeah, sure.

The Chair: OK, then we'll adopt this section as amended.

We'll go to section 3, "Recommendations concerning other ministries." We'll do them one by one.

Agriculture: are there any changes you'd like to see? Do you agree with what is in agriculture? Going once, going twice, agreed that the summary on agriculture shall be approved.

Under community, family and children's services, we'll go by the bold titles, OK? Any changes under child care? There being none, shall we approve it as presented? Carried.

Child and family supports: any changes to that section?

Mr Christopherson: In the second paragraph—"A request for dedicated long-term support for women's centres and shelters was accompanied by specific recommendations to fund 'second stage' programs, and to provide victims of family violence with transitional rather than permanent social housing." I don't imagine that anybody who came in emphasized they wanted transitional and that no permanent is needed, and if they did, I don't think they meant to. Nobody who talks about any kind of housing whatsoever doesn't include the fact that there has to be more permanent social housing, so even if you replaced "rather" with "in addition to"—

Mr Johnston: How about "before": "transitional before permanent social housing"? I think that was the effect of the presentation, that people shouldn't be put immediately—

Mr Christopherson: I'm not sure that the people who were arguing for transitional support would be arguing it in a hierarchical way vis-à-vis permanent. My point is that anybody who would be supporting transitional, in my experience, would also be the first ones to make the argument that there also needs to be permanent social housing, and wouldn't say anything that took away from that. Phrasing it this way is suggesting that, and I don't think they would.

Mr Johnston: I meant it in terms of sequencing. I believe the presentation was—

Mr Christopherson: Is there a problem? Does it take away from what you want to say if you take out "rather" and put "in addition to"?

Mr Johnston: That's fine.

Mr Sampson: Sorry, Dave, are you arguing just getting rid of the phrase "rather than permanent" so it ends, "family violence with transitional housing"?

Mr Christopherson: I have no problem if we take out the word "rather" and just put in "in addition to," because they do talk about the continuum of housing. My only concern is that the way it's worded makes it sound like the permanent somehow has to take a back seat to something, and I don't think they would argue that, knowing them the way I do.

Mr Sampson: That would be fine.

The Chair: OK. Is that change agreed to? All right.

Are there any other changes to the child and family support section? Is it agreed that we adopt those paragraphs? Thank you.

We move to social assistance benefits: are there any comments on that section? Shall we approve the paragraph as presented? Agreed.

Any comments on the Ontario disability support program administration?

Mr O'Toole: I just need a second. The one thing I know without reading this or completing it is that there were problems with the appeals process. Is that in here?

Mr Johnston: Yes, in the second sentence.

Mr O'Toole: "Concerns were expressed about the amount of paperwork involved in claims management..." They were suggesting, and I heard, that each one was refused first.

Mr Johnston: The second sentence.

Mr O'Toole: Second sentence: "... frequent denial of initial claims for eligibility and the high success rate of ... appeals..." Yes, that's it. OK.

The Chair: Is that all right?

Mr O'Toole: Yes.

The Chair: Is that acceptable?

Are there any changes to the ODSP administration? Shall we approve it as presented? Carried.

We move to consumer and business services. Is that under community, family and children?

Mr Johnston: No, it's a separate category.

The Chair: It's a new category, sorry. It's not a subtitle.

Do you want any recommendations on the whole community, family and children's services section? Seeing none, we shall carry that section as amended.

We move on to consumer and business services. Are there any changes to those paragraphs or to that section that you would like to see? Mr Beaubien?

Mr Beaubien: No, I'm fine with it.

The Chair: Agreed? Agreed. Then that section shall carry as presented and approved.

We move to education: elementary and secondary, and we'll break it down into the subheadings. First, is there any comment on the introductory paragraph? Agreed.

Shall we move to the paragraphs on funding? Any comments on funding? Agreed?

Interjection.

The Chair: Mr Arnott has asked for—

Mr Arnott: OK.

The Chair: Agreed? No further comments? Do we approve the funding section as presented? Carried.

We move to the programs section.

Mr Christopherson: A small point on the first sentence: "Presentations were made that more should be done to provide remedial programs during the school day, that replacing standardized testing with random testing could create considerable savings." My recollection is that the presenters on that were very emphatic about the fact that no quality of results would be lost, which is significant, because all this speaks to is considerable savings. There are always ways to find savings. What you try to do is find that sweet spot where you can find savings but you haven't watered down the results of what you're doing. It just seems to me it should be in there as a qualifier that this isn't just holus-bolus saving a few bucks; this is a good management move because you'll get the same quality of results—I remember them speaking to that—and you'll save money. It was those two hooks that made the point, rather than just the fact that they're going to save bucks.

The Chair: Any further comment on that?

Mr Johnston: There are three points in that sentence. What I propose is to move the phrase that deals with standardized testing out of that sentence into a separate sentence. So the first sentence would read, "Presentations were made that more should be done to provide remedial programs during the school day, and about the benefits that would accrue from funding outdoor education centres." The second sentence would say, "A recommendation was made that standardized testing be replaced with random testing to create considerable savings without sacrificing quality."

Mr Christopherson: Perfect.

The Chair: Agreed? That's the amendment. Are there any other changes to the programs section? Agreed? Carried.

We move to the governance section. Are there any changes to the governance section? Seeing none, shall we approve what has been presented? Thank you.

We move to the future directions section. Any comments on that? Seeing none, shall we approve that section? Thank you.

So we approve the education: elementary and secondary section, as amended? Approved.

We go to the education, postsecondary and training section. Are there any changes to that section? I'll move to the subheadings in a moment. I just wondered if there is anything on page 10 that you want to change. No comments? No changes? So we'll carry that.

We move to the student finance section, page 11. Any comments or changes to that?

1130

Mr Christopherson: Yes. The last sentence of those two paragraphs says, "... and using millennium scholarship funds to help students more effectively." I acknowledge that I may be creeping into partisan territory and, if so, I am prepared to hear that criticism, but I thought this was pretty soft. Don't take this the wrong way, Larry, but from where I sit, to merely say, "to help students more effectively," is fairly motherhood. You could also take it to mean, "Everything is humming along nicely; we just need to see a little more of..." and in fact that's not the case. The criticism was that because of provincial policies, students aren't able to maximize the benefit totally that the federal government intended with the millennium scholarship, and they were urging the provincial government to change the policies and regulations that led to that lack of 100% effectiveness—then I went and used your own word. It just seems to me that there needs to be a little more recognition that this isn't, "We want more of a good thing" but "Something here is a little bit broken and it needs to be fixed."

The Chair: Any other comments?

Mr Arnott: What line is this again? I'm sorry, David.

Mr Christopherson: It's the last sentence of the second paragraph under student finance, page 11. Actually, it's the last segment of the last sentence, "and using millennium scholarship funds to help students more effectively."

Mr Beaubien: So what are you suggesting, David?

Mr Christopherson: I don't know, I was just hoping we could be a little more precise that there really is a roadblock that the provincial government has put in here that prevents students from getting the full benefit. I wish I could remember the exact number, but I think it was \$1,000 or \$2,000 a year less that Ontario students get than other provincial students because of the policies of the provincial government vis-à-vis the federal millennium scholarship fund.

The Chair: Larry has a suggestion.

Mr Johnston: What we could do is take that last clause that refers to the millennium scholarship funds and make it into a separate sentence: "Student representatives also suggested that federal millennium scholarship funds be used to provide additional yearly funds to students and/or substantively reduce their debt loads." That's more or less taking the wording out of the students' own presentation.

Mr Christopherson: Would you say that again, Larry, please?

Mr Johnston: "Student representatives urged the government to use federal millennium scholarship funds to provide additional yearly funds to students and/or substantively reduce their debt loads."

Mr Christopherson: Well, it's better, but I have to say it still doesn't go all the way to making the point that because of the policies of the Ontario government, there's a different result in terms of the benefit of the federal program to Ontario students than other provinces, and they were arguing that should change.

Mr Beaubien: This would give them the flexibility either to use the money or to reduce their debt load. It gives them some flexibility, the way he's got it worded.

Mr Christopherson: Fair enough, but it seems to me the students' point was that regardless of what you do with that money and how you apply it to benefit individual students, there still wasn't the same net benefit to a national program in this province that you would receive as a student in other provinces, and they wanted that barrier removed. I don't have the language, whether it's a clawback or whether it's in the formula, but the net result is you don't get as much if you live in Ontario than if you lived in other provinces on a nationally funded program.

Mr Johnston: I think it would be fair to say that the presentation was to the effect that the government should change its current policy with respect to millennium scholarship funds in order to do the items—

Mr Christopherson: But even if we said that, without—

Mr Johnston: But whether or not that's the committee's wish, I don't know.

Mr Beaubien: I wasn't there that day, so I'm quite— if you're comfortable—

The Chair: Was that the way it was stated? That's really what we're looking for here.

Mr Christopherson: Yes, that's much fairer. It's not a whole negative about the government but it is saying, "Make some changes," and I'd like at least that much reflected in the wording.

Mr Johnston: If you wish, I can refer to Hansard over lunchtime.

Mr Beaubien: Sure.

Mr Christopherson: I'm OK with your language, Larry, that you just proposed, if you want to clean it up, Chair.

Mr Beaubien: We can go with that.

The Chair: So it's agreed, as Larry has suggested?

Mr Christopherson: Yes, that gets me most of the way there.

The Chair: Any other changes to that student finance section? So we'll agree to it, as amended? Carried.

Future directions: any comments on that paragraph? Hearing none, shall we approve that paragraph? Thank you.

We shall move to "labour shortages, skills development and specialized training," as that paragraph is titled. Any comments on that section?

Mr Beaubien: I think the community colleges also stressed the fact, I think in Sudbury, Cambrian College—I don't know if you captured this somewhere else, Larry, but the training was a concern, not only from the employer but from the provider point of view. I think Cambrian said that right now they're training 60 millwrights but if they had the funding they could train 120, and they would be gainfully employed as soon as they—I don't know whether—

Mr Johnston: I think at present it's probably only captured in the paragraph on community colleges in terms of breaking down their funding request into a variety of different aspects, such as program development, apprenticeship and other initiatives. It would be possible to add a phrase in this paragraph to the extent that, "Community colleges expressed their frustration at not being able to provide more in the way of training programs."

Mr Beaubien: I think I'd like to, personally anyway.

Mr Johnston: If that's the committee's wish.

The Chair: I didn't catch that, Marcel. Do you want the change made?

Mr Beaubien: Yes, if it's satisfactory.

The Chair: OK. Do you have any suggestions?

Mr Johnston: I would add the phrase to the paragraph on labour shortages, skills development and specialized training that, "Community colleges indicated their frustration with not being able to provide more in the way of training programs to address skilled labour shortages."

The Chair: Is that agreeable?

Mr Beaubien: Yes.

The Chair: Thank you. Any other changes to that paragraph? Shall we approve it, as amended? Thank you.

We move to energy. Where's Sampson when you want him? Are there any changes to energy?

Mr Phillips: I don't mind, Mr Chair, if you want to come back to that, if Mr Sampson—

The Chair: Is this where we were going to add his paragraph?

Mr Johnston: I thought the decision was to add it under taxes.

The Chair: Do you want to defer this until Rob gets back in the room?

Mr Johnston: I thought Mr Sampson indicated he was comfortable with it being added under taxes, under alternative energy tax credits. I believe that's what was decided.

The Chair: Is that the case? Do you want to defer that section until he gets back in the room? Is that OK?

Mr Phillips: Fine.

The Chair: Thank you. We will move on to enterprise, opportunity and innovation. We'll go to the subparagraph on the auto industry. Any comments on the auto industry? Shall we approve as presented? Thank you.

We'll move to regulation and red tape: any comments there? Seeing none, shall we approve that paragraph? It would help if someone would just say yes.

Interjections: Yes.

The Chair: Thank you.

Mr Phillips: Yes, we're alive.

The Chair: I appreciate it.

Small and medium-sized business: are there any changes to that section? Seeing none, shall we approve that section?

Interjections: Yes.

The Chair: Thank you.

Mr Phillips: Several yeses.

The Chair: Under environment, do we have any changes? Seeing none, shall we approve that section? Thank you.

1140

Health: we have first a series of opening paragraphs and then some sections. So we'll deal first with the opening paragraphs on page 13. Are there any changes there? Do you want a moment to scan through that? We're all right? OK, shall the opening paragraphs of the health section be approved? Thank you.

On page 14, go to the subsection of delivery of services. Any changes to primary care reform? Seeing none, shall we approve that? Thank you.

Community health programs: shall we approve that? Mental health.

Mr Beaubien: Can we go back to community health care? I think the hospital administrator from Terrace Bay made a very compelling argument with regard to small hospitals and northern and rural hospitals being able to provide the primary health care needs of people as opposed to duplicating the service with a community health care centre in small communities. I think that's a very valid point and I don't think it's captured here.

Mr Christopherson: You're three for three. It is in there somewhere. There's an actual sentence that speaks to that issue.

Mr Johnston: I think it might be under hospital funding.

Mr Christopherson: Is that correct, Chair? I remember reading—

Mr Johnston: It's the very last sentence under hospital funding.

Mr Beaubien: Oh, it was within it. OK.

Mr Johnston: But that may not capture exactly what Mr Beaubien is asking about.

Mr Beaubien: No, because it says, "One presenter asked the government to recognize the inadequacy of the funding formula for small hospitals with special circumstances." I think it's not specific enough. The message he was trying to convey was, as opposed to trying to duplicate the service in the community—the foundation to provide it already exists in the community; why create another albatross?

Mr Christopherson: I thought you were making a reference to the one small hospital that had to have the two separate kitchens.

Mr Beaubien: Yes, that's the same, but that would be because they had the long-term-care beds, remember?

Mr Christopherson: Yes.

Mr Beaubien: But he also said, as opposed to opening a community health centre in the community, “We’re already a small community. We already have the foundation in place to provide that service. The money should be better spent in providing the services from within the hospital, while Hamilton may not be adequate to do that.” I thought it was a very valid point especially in my riding, which is quite rural, and northern ridings. I certainly would embrace that.

Mr Christopherson: So you’re speaking to the ability to structure differently because the communities are so different in their makeup.

Mr Beaubien: That’s right.

Mr Christopherson: I wouldn’t have a problem with language that reflects that a little more specifically.

Mr Beaubien: I think if you put in maybe a sentence to clean that up.

Mr Christopherson: Is this specific to its being hospitals or just the fact that it’s already there? There was that presentation made in I think Ottawa, where they had all the community components for health care, social services, all the supports for healthy living and things, and they were saying, “All we need now is to be a community health centre, and that component would just drop right into everything we’ve got.” Remember, they had all the charts and everything? Does that speak to the same sort of thing?

Mr Beaubien: Somewhat, but from a different light, because the needs in rural Ontario and northern Ontario are different. I can see having an outreach program started by somebody in Ottawa and Hamilton because of the demographics, but in Terrace Bay or in small communities of 5,000 or 6,000 people, the hospital is already the health care provider. You don’t need to start another agency a quarter of a mile away competing with the hospital. They showed that by attaching the long-term-care beds to the hospital, whereby in Hamilton or Toronto it may not be the right thing to do.

Mr Christopherson: They could sustain an independent—

Mr Beaubien: Because the infrastructure is already there.

Mr Christopherson: The only thing you have to keep in mind, and you may know this better than me—I do know there are some sensitivities in community health service delivery to institutions like hospitals being given the driver’s seat every time. That whole independence is important to them, because they argue, “We do things differently when we provide community health care as opposed to what you get in a hospital.”

So we just need to be aware that there would be some sensitivity to a holus-bolus approach that said in a smaller community, where you’ve got an existing health care institution, they would be the anchor for all community health delivery. I suspect that you would start to run into some problems there. So maybe it’s just how we word that.

Mr Beaubien: If you look at the role of the small rural hospital, they basically provide primary and

outpatient. I think that’s what it was trying to say: save the dollars, put them here so that we can look after the patients as opposed to putting up another building somewhere and having the staff. We already have that here. Let’s complement what we have. I don’t have any problem because I think it would work in these small communities. It may not work in your community, I agree.

Mr Christopherson: I understand. Maybe we just need to make the point that we’re sensitive to the fact that when these happen, it’s the dollars of the bricks and mortar and the efficiencies, not necessarily that the hospital would be the lead delivery agent, that they suddenly become the bosses. If you go back—again, I don’t want to repeat myself—in history, when you started to break out and provide community health care services, it was always wanting to get out from underneath the feeling of omnipotence that the hospitals had because of their size and staff and budgets; they could rule everything, was the way the community people saw it. So over the decades there’s been this evolution and devolution away into the community.

All that is to say that if we’re making the case of where efficiencies can be made by virtue of recognizing physical institutions that exist in smaller communities and looking at those as the starting point, and separate that from the fact that hospitals won’t automatically be the boss in those relationships even if they’re in the same building, because community health service is important to them—that they be seen as separate and equal in the same building. The “equal” part has to be emphasized.

The Chair: Can we see what Larry has come up with?

Mr Johnston: I’m just looking for wording to put into the community health programs paragraph to reflect what Mr Beaubien heard from the hospital in Terrace Bay. What I have is as follows: “A representative for hospitals in small and rural communities pointed out that these institutions are ideally suited to provide primary health care in their communities.”

Mr Beaubien: You may have a little bit of a concern because that may be a little too much.

Mr Christopherson: Yes, it plays right into what my concern is.

Mr Beaubien: But that is what he was trying to say, and maybe it was self-serving, but you look at a small hospital. For instance, in Newbury we have a hospital, and the community is 402 people. Where do they get health care? At the hospital. There’s a different mentality with the people there because that’s where they’ve been accustomed to getting their health care.

Mr Christopherson: As long as there’s a reflection of the fact that it would still be a hybrid. If you take that wording exactly, it says the hospital is the focal point of community health care delivery, including primary care, and they run it. That’s different from the way a community health care centre approaches the delivery of service. They see themselves as an equal partner in the continuum of health care rather than being a subsection of the hospital. Maybe that’s not as big a deal in the rural

areas, but if you just said holus-bolus that the hospitals will be the centre point for all community health care delivery, I think you're going to run into some trouble and lose the very good points you're making.

Mr Beaubien: I think maybe we can incorporate the rural/urban demographic—

The Chair: Even though that was just one presenter, from what we understand. Do you feel that's reflective of other rural communities?

1150

Mr Beaubien: Yes, in my riding it is, and basically that's why I flagged it, because it is an issue.

Mr Johnston: I guess I need direction. The sentence I have I think captures what the presenter was asking for. It may not capture the distinctions that the members are discussing right now, and I'm not sure how to put that in without putting words into the mouth of the presenter. That's my concern.

Mr Beaubien: I'm not going to disagree that what he was recommending might be somewhat self-serving for a hospital administrator, but that's what he was talking about.

Mr Christopherson: All right. As long as it's very clear that that was one presenter. I hear your point that this is to reflect what they said, not necessarily how we feel about it.

The Chair: Is that agreed upon, then? So we'll approve that community health programs, as amended, then? Thank you.

Mr Sampson has now returned to the room. We deferred the energy section on page 11 out of courtesy and deference and stuff—pages 11 to 12. Are there any comments or changes to that energy subsection that we wanted? You OK with it, Rob?

Mr Sampson: Yes, as I heard an hour ago.

The Chair: We had put it into the taxes section, but we—

Mr Sampson: I'm fine. Thank you for holding it up. I apologize for not being here.

The Chair: Thank you. So the energy section shall carry, as seen? Thank you.

Now we'll skip forward to the mental health section on page 14. Are there any comments on that paragraph? You had a question, Rob?

Mr Sampson: No, thanks.

The Chair: You're covered?

Seeing no further comments on this, shall we approve this section, as reported? Thank you.

Home care: any comments on that section? Shall we approve it, as presented? Thank you.

Long-term care: are there comments on that paragraph? OK. Seeing no comments, shall we approve it, as presented? Thank you.

We move to the next section, hospital funding. Are there any questions or comments on that paragraph summary? Agreed, as presented? Thank you.

Health professions and professionals: any comment on the couple of paragraphs on those issues? Seeing no

comments, shall we approve it, as presented here? Thank you.

Moving to the "other" section just below that: any comment? Is that agreed? Is the "other" title acceptable? Thank you.

Housing: any comments for those two paragraphs on page 16? While you're doing that, can I ask you to carry Health, then, as amended, the entire section? Thank you. Carried.

Back to housing: any comments? Seeing none, shall we carry that opening housing section, those two paragraphs on page 16? Thank you. Carried.

Page 17, labour: any comments on the labour section? Seeing none, shall we approve that section, as presented? Thank you.

Municipalities: any comments around those paragraphs?

Mr Christopherson: The second paragraph, the third-to-last sentence: "Representatives of the home building industry asked that abuses of development charges, education development charges and GO Transit development charges be identified and corrected." Again, this is similar to the point I raised earlier. Probably my concern is more on wording than on substance. In saying, "Representatives of the home building industry asked that abuses of," it leaves the assumption that there are all kinds of recognized abuses, and they're asking the government to do something about it. I think that is very much different than the presenters having an opinion in some specific locations where they think this is the case. That may indeed be so and it may not. That depends on each subjective review. But to leave this as a standing assumption I think is not—

The Chair: Fair?

Mr Christopherson: Yes, fair. Thank you.

The Chair: Are there any other comments?

Mr Johnston: This wording is more or less directly out of the presenters' recommendations. I would be happy to change it if you have a suggestion now.

Mr Christopherson: It's just the way this is worded as a statement of fact. It doesn't say that representatives felt there were abuses and therefore they wanted this done. It's done in such a way that this looks like it's a motherhood assumption, and I have some difficulty with that, that's all.

Mr Beaubien: What about the inconsistencies in the application of development charges with different municipalities? I don't think it was with every municipality.

Mr Christopherson: They did make the comment. No, I'm not arguing that. As I mentioned earlier, I think they've taken a couple of cases to the OMB and won them; fair enough.

Mr O'Toole: Why don't we just add that?

Mr Kwinter: I was going to suggest that we just put the words "that some abuses."

Mr Sampson: Or "any."

Mr Christopherson: Yes, something like that, even "any."

The Chair: The thought that came to my mind was “alleged abuses.”

Mr Christopherson: Better yet.

Mr O’Toole: Or just “that abuses in some municipalities.”

Mr Christopherson: Again, though, “alleged abuses” or—

Mr Sampson: “Any.”

Mr Christopherson: Or “any,” yes. I don’t have a problem with “any.”

The Chair: All right, give us one word here. “Any”?

Mr Christopherson: Yes, “any” modifies it enough.

The Chair: Have you got that, Larry?

Mr Johnston: Yes, got it.

Mr Christopherson: That was a long speech for a three-letter word, wasn’t it?

The Chair: Any other changes to that section under municipalities? Shall we approve it, as amended?

Mr Christopherson: Yes.

The Chair: Thank you. Hansard can’t record the nod of a head.

I’m going to take the liberty of going over by a minute or two for these last two little sections, and that will leave us just the deferred items for research to come back to at 1 o’clock. Is that all right?

Mr Christopherson: Question: we’re coming back at 1 o’clock to do that and what else?

The Chair: And the structure of how we send the report to the minister and report it back to the House.

Mr Christopherson: Is there any way we can wrap this up, even if we took a five- or 10-minute break, to let research massage those couple of areas? We’re in a very co-operative mood, Larry.

The Chair: Is that sufficient time?

Mr Johnston: I think so. I think we really have only one outstanding issue on municipalities: municipal taxation. I think that’s the only thing we haven’t come to.

Mr Christopherson: And I don’t mind consulting with Larry. I think we can smooth that over pretty quickly.

The Chair: All right. Then we’ll go to tourism and transportation, and then come back to—you want a few minutes to—

Mr Johnston: If we took a five-minute recess.

The Chair: Oh, you want to do it right now? Then we’ll just address everything and—

Interjection.

1200

The Chair: Fifteen minutes?

Mr Christopherson: Do they need a break, though? Do they need a chance to do a little work and come back?

The Chair: Is 15 minutes sufficient time?

Mr Johnston: You can clarify with me what your concern was. I have Hansard here. Maybe we can find it.

Mr Christopherson: Do you want to do that live, or do you want to take a break and do it?

Mr O’Toole: Do it now.

Mr Christopherson: Do it now? OK. Come back to that clause, then.

The Chair: Are you ready to do it now?

Mr Christopherson: Yes.

The Chair: All right. Larry has Hansard here, and he can clarify it. So let’s do tourism and transportation, wipe them out and come back to the deferred items, OK? Good. Are there any comments under tourism? Agreed as presented?

Mr Phillips: Yes.

The Chair: Thank you. Are there any comments or changes to transportation?

Mr Sampson: Chair, in reference to the second-last line, “northern highway infrastructure participating in”: I thought it was general highway infrastructure. I think the actual reference was the Trans-Canada Highway, which goes over more than just the northern part of the province.

Mr O’Toole: I have “participate in highway infrastructure.”

Mr Sampson: Yes. So I’d like to take out “northern,” because I don’t think that was their full intent.

Mr O’Toole: We did hear it in Thunder Bay.

Mr Johnston: With respect, it was the Northwestern Ontario Associated Chambers of Commerce, and I think their concern was northern highways.

The Chair: Where’s CRASH 69—in Sudbury? David?

Mr Christopherson: On that point, Chair, if you’ll allow me—and if you want to do it at a different time, I’ll take your direction—I was looking at the research paper that you provided us with, Larry, on the question of the Trans-Canada Highway. I have to tell you that I’m still not clear on—and maybe that’s indicative of provincial-federal relations vis-à-vis the Trans-Canada Highway—who’s responsible for building, maintenance, expansion, etc. Is it a year-by-year thing? Is there a standard formula? Is there a written agreement? Just exactly how does it work?

The Chair: I think that question was asked; I recall.

Mr Christopherson: There’s a research response, and I’m sort of injecting that into this now to help us clarify that, because I just didn’t get what the—I went through the report, obviously, or I wouldn’t raise this. But at the end of reading it, I wasn’t really that much clearer as to what is the framework understanding under which all activities between the two levels of government and the funding of the Trans-Canada Highway take place.

Mr Johnston: My understanding is that the federal government announced this specific infrastructure program to deal with the Trans-Canada Highway, and that none of the money has flowed yet, but that the federal government and the provinces are engaged in a process of identifying which Trans-Canada Highway projects will be funded under this agreement. It’s a multi-year agreement.

Mr Christopherson: But step back from that. This is a program they’ve announced to do some things. What’s the starting point for that policy to be generated and implemented? Is the starting point, “We’re the federal government. It’s the Trans-Canada Highway. We have

ultimate responsibility. Therefore, we are going to announce these programs"? Or is there some other relationship? Is it the provinces that are responsible for their own segment, but in this case, "Because we're such a wonderful federal government, we're coming along with this money"? What's the starting point arrangement vis-à-vis responsibility for the Trans-Canada between the national and provincial governments?

Mr Johnston: I'm not a constitutional expert, but I would suggest that the responsibility lies with the provinces for construction and maintenance of highways. But there's nothing to prevent the federal government from funnelling money toward that purpose, just as it funnels money to other provincial jurisdictions, such as jurisdictional responsibilities. In this case, I believe it was a budget measure announced by the federal government.

Mr Christopherson: I'm sorry to be picky about this, but I can't get it clear in my head. When the highway was built, whose highway was it? Who has ultimate responsibility, and who is stepping up to the plate to meet the responsibilities they have, either under the Constitution or under an agreement, versus who's stepping in and saying, "Well, it's not really our responsibility, but something has to be done. We're the federal government, so we're going to do it"? What is that starting point understanding of who's responsible for the Trans-Canada Highway?

Mr Johnston: My understanding is that the Trans-Canada Highway is a designation that carries no responsibility by the federal government to maintain or operate that roadway.

Mr Christopherson: OK. I don't know this. Was it built as an original concept like the railway, or is it something that was linked up province by province and whoever had a trans-east-west highway in their province, that was designated part of the TransCanada Highway?

Mr Johnston: I would have to research that to give you the history.

The Chair: So getting back to the original suggested concern, Mr Sampson?

Mr Sampson: I stand corrected. If that was a suggestion from the northern group, then it's probably appropriately worded as it currently stands.

Mr Johnston: I think their concern was the state of the TransCanada Highway in northwestern Ontario, and I think they were lobbying the Ontario government to try to promote that section as one that would qualify under the federal policy.

The Chair: I had another question on this. It had to do with CRASH 69 out of Sudbury, because they were looking for Highway 69 improvement and redevelopment, and then the other corner of the province, which I think appeared in London. Didn't someone mention in London, and it may have been under one of the municipalities, the Windsor-Detroit corridor connection? Did that surface somewhere?

Mr Johnston: I believe that's under infrastructure, key border crossings, referred to in the municipalities section.

The Chair: OK. I'll stand that on that one, then.

Mr Johnston: The CRASH 69 proposal with respect to Highway 69 near Killarney and the Kitchener-Waterloo Chamber of Commerce request re Highway 7 I believe were captured in the first sentence about "A number of specific transportation requests," rather than detailing those.

The Chair: Any changes to this paragraph, then, or shall we approve it as it stands? Agreed? It carries as stands.

We refer back now to the deferred section on page 4, Larry, on the municipal taxation issue. What did Hansard say?

Mr Johnston: I need time to check Hansard, but I just wish clarification from Mr Christopherson in terms of his concern about that initial paragraph.

Mr Christopherson: Sure. We're back to page 4, correct, Chair? Municipal taxation.

The Chair: Yes.

Mr Christopherson: I will say that dealing with the municipal category on page 17, under enterprise, opportunity and innovation, was helpful, but it still leaves me with this thought: "The government was urged to resist demands from municipal governments for additional taxation authority or other revenue-raising capacity." Again, within the municipal presentations, and we had a few, I would have thought explicitly—but if not, then certainly implicitly—there was an argument that municipalities need to find new means of revenue source. This doesn't reflect anything other than all we heard was, "Don't let those municipal governments start taxing things." That's a concern for me.

The second sentence is a secondary concern. It just says, "Legislation should be introduced." Again, it doesn't say who or how many or how strongly, and I would think that needs to be qualified. And then, "allow for the appeal of municipal decisions about fees and the level of service." It seems to me that's already provided with the OMB mechanism. Rightly or wrongly, that is what exists now. If that's the case, how much do we allow redundancies into our report? If people make a recommendation to provide public health care or to keep hospitals private, say—I'm trying to think of something motherhood—or keep policing public, and nobody was talking about anything different, and they were saying, "You've got to pass a law that stops it from being anything else," how much of this document would we fill with people making recommendations that aren't based factually in reality? That's why I asked the question of whether or not the OMB is already there. If it's there, they're entitled to make their recommendation and we'll respectfully listen and consider it. But I don't know that we would put a known redundancy into our report just because it reflects what somebody said—or would we? I don't think we do. Those are my thoughts and my questions around this, Chair.

The Chair: Any response from anyone else? Let's give research a moment here.

Mr Sampson: Can you give us two seconds?

The Chair: Yes.

Mr Sampson: Dave, are you suggesting that be taken out, the vague OMB reference?

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Mr Christopherson: Well, it just says, “Legislation should be introduced to ensure”—first of all, I should have made the point that it seems to me they are already based on “reasonable direct cost recovery.” That is the direction municipalities have been given. I think you even tightened that legislation to provide that there have to be public meetings now before you can do any increases. This is suggesting that there are no protections or mechanisms, and there are.

The second part of that, “allow for the appeal of municipal decisions”—again, I think that exists with the OMB. To me, that whole sentence could arguably be moot, because the law already does it.

Mr Johnston: Would it be useful to identify who the suggestions came from?

Mr Christopherson: If it’s a redundancy—

Mr Sampson: Dave, “To the extent it’s lacking, legislation should be introduced”? We’re putting words in their mouth, but I’m assuming, knowing who that came from, they wouldn’t suggest duplicate legislation.

Mr Christopherson: To use Larry’s point, you could put that someone argued “stronger legislation should be introduced.” That gives it relevancy. Otherwise, to me, it’s redundant.

Mr Sampson: I’d be OK with that.

Mr Christopherson: And “allow for the appeal of municipal decisions.” If that is the OMB, then I don’t know that we want to be including—

Mr Sampson: I’d be OK with the preamble phrase.

Mr O’Toole: If I may, more recently, in the last week, I’ve met with some constituents on this very issue. To be candid, they feel that the fees for inspections, building permit fees and plan of subdivision are changing without any real public consultation. They just arbitrarily change them. They’ve come to me and I’m sure they’ve talked to all the members. I said, “There must be some process for you to appeal this.” Well, there isn’t.

I don’t know, Larry, if you know what I’m talking about. These are all building and development fees.

Mr Christopherson: That’s council, right? Councils do it.

Mr O’Toole: Yes.

Mr Christopherson: The process is right there. They may disagree with their council.

Mr O’Toole: They just change the bylaw is all they do. I personally would support the fact that they’re open and transparent and they’re cost-recoverable. I said to them, “If it takes an engineer five hours to review”—

The Chair: So for the purposes of this paragraph, then, the suggestion was, Larry?

Mr Johnston: It seems to me there are a couple of options. First of all, we could begin the second sentence by saying, “Homebuilding representatives urged that stronger legislation be introduced to ensure taxes, fees and charges....”

Mr Christopherson: I could live with it.

Mr O’Toole: I would change it. “Legislation should ensure taxes, fees” etc—reasonable ... cost recovery—“allow for appeals.” That’s to imply that it should, and, as Dave said, it does.

The Chair: What about the early part of what Larry suggested, the first part of the sentence? Repeat it, Larry, please.

Mr Johnston: “Representatives of the homebuilding industry suggested legislation should ensure that taxes, fees and charges are based on a reasonable direct cost recovery basis.”

Mr O’Toole: That’s fine.

Mr Christopherson: I could live with that. The second part, though?

Mr Johnston: Of that sentence?

Mr Christopherson: Yes, “and allow for the appeal....”

Mr Johnston: Why not just say that there be the opportunity for appeals?

Mr Christopherson: Isn’t there one, though? John, you’re arguing there isn’t.

Mr O’Toole: I don’t know, Dave. In fact, I wasn’t qualified to tell them. He said they were changing; they just changed the bylaw. They’ve doubled the fee for application for—

Mr Johnston: With respect, part of the difficulty may be that if they’re not entirely specific about which fees they are concerned about, it may be difficult for us to identify whether there is an appeal—

The Chair: It’s part of their expression that they want stronger legislation. They also want a mechanism for appeal where none exists.

Mr Christopherson: Maybe that’s the point, to actually say that. That last part, where you said “where none exists,” is really our words but does make their point more salient. I could live with all that and the last bit that you just offered, Joe. I could live with that.

The Chair: OK. Is that agreed?

Mr Christopherson: We’ve still got the first part, though.

Mr Johnston: My suggestion there was that you could clarify again who was urging the government to resist the demands from municipal governments. So, “Government was urged by small business sector representatives to resist demands from municipal governments for additional taxation authority or other revenue-raising capacity.”

Mr Christopherson: I can live with that.

The Chair: Agreed?

Interjections: Agreed.

The Chair: Any other changes? Agreed, as amended, for the municipal taxation issue? Thank you.

Shall that whole section on the Ministry of Finance carry?

Interjections: Carried.

The Chair: We need direction as to whether you want the whole committee or the subcommittee to review the amended report in its final form.

Mr Sampson: The subcommittee.

Mr Phillips: Couldn't we just send it to the subcommittee and let the members review it, and if—

The Chair: If we don't hear back, that constitutes approval? Is that what you're suggesting?

Mr Phillips: Yes.

The Chair: Is that agreed? OK. The amended report will be sent to the subcommittee members. You've got to give the clerk a time frame—if you haven't heard back in 24 hours, then it's deemed to be acceptable.

Mr Phillips: That's fine.

The Chair: Is 24 hours acceptable?

Mr Christopherson: From the time of receipt?

The Chair: From the time of receipt. Agreed? Thank you.

We also have to authorize the report. I need a motion to forward a copy of the report in English only—we need a couple of weeks for translation—to the Minister of Finance prior to its being tabled in the House.

Mr Arnott: So moved.

The Chair: Seconded by Mr Kwinter. Agreed? Thank you. It is carried.

The translation will require 10 to 14 days, depending on the difficulty of the document. This report will be sent for translation after it has received the dissenting opinions from all parties.

There are four means of presenting the report to the House. Essentially we will be reporting the report with the appendices to the House. Is that agreed? Good. We shall do so.

I think that constitutes all business.

Mr O'Toole: Chair, I have a question. Are we attaching some dates to this? This may sound rather mundane, but I think if we present it, we should have a date: March 17 or 18.

The Chair: The dissenting reports have to be in by the 25th at 5 pm. That's the deadline.

Mr O'Toole: February 25.

The Chair: That's right, which is this coming Tuesday. The amended report will be ready by tomorrow noon.

Mr Phillips: You want it back by noon Monday? Is it 24 hours' working time?

The Chair: Do you want to have the same deadline: 5 o'clock Tuesday?

Mr O'Toole: Sure. That's a good idea.

The Chair: Is that acceptable?

Mr Phillips: It's good with me.

The Chair: Any response back from the subcommittee will be finalized by 5 o'clock Tuesday, which is also the deadline for dissenting opinions.

Mr Christopherson: Katch, in giving us that document, you'll remind us of that time frame?

Clerk of the Committee (Mr Katch Koch): Yes.

The Chair: In terms of procedure, the report is tabled with the clerk and sent to the minister, and when the House resumes, the Chair will report it to the House.

Mr Phillips: Is the House back on March 17?

Interjection.

The Chair: Just to clarify, the final printed version will be the report only and not the summaries you had as some of the preliminary information.

Mr Christopherson: Say that again—the last part.

The Chair: The summaries, which were the preliminary information that was sent to committee members, will not be included in the final report; it will just be the report as amended, with the appendices. OK?

Mr Christopherson: Yes.

The Chair: Folks, thank you very much. This committee stands adjourned.

The committee adjourned at 1221.

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