

No. 122B



N° 122B

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ISSN 1180-2987

**Legislative Assembly  
of Ontario**

First Session, 38<sup>th</sup> Parliament

**Assemblée législative  
de l'Ontario**

Première session, 38<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

**Journal  
des débats  
(Hansard)**

**Monday 4 April 2005**

**Lundi 4 avril 2005**

Speaker  
Honourable Alvin Curling

Président  
L'honorable Alvin Curling

Clerk  
Claude L. DesRosiers

Greffier  
Claude L. DesRosiers

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Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation  
Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY  
OF ONTARIO

Monday 4 April 2005

ASSEMBLÉE LÉGISLATIVE  
DE L'ONTARIO

Lundi 4 avril 2005

*The House met at 1845.*

ORDERS OF THE DAY

MUNICIPAL AMENDMENT ACT, 2005

LOI DE 2005 MODIFIANT LA LOI  
SUR LES MUNICIPALITÉS

Mr Gerretsen moved second reading of the following bill:

Bill 92, An Act to amend the Municipal Act, 2001 /  
Projet de loi 92, Loi modifiant la Loi de 2001 sur les  
municipalités.

**The Acting Speaker (Mr. Michael Prue):** Mr Gerretsen.  
*Applause.*

**Hon. John Gerretsen (Minister of Municipal Affairs  
and Housing, minister responsible for seniors):** Thank  
you all very much on this beautiful spring evening.

I will be sharing my time with my parliamentary  
assistant from Lambton–Kent–Middlesex, who will be  
speaking on this bill as well. This is the bill that has been  
talked about in the House on a number of occasions in  
the past. When attempts have been made to move  
unanimous consent on its contents, unfortunately we  
weren't able to get that.

Let me just read you the main content of the bill, so  
that the people at home and those of us here who may not  
be as familiar with it will know what we're talking about.  
It is An Act to amend the Municipal Act, 2001, and it  
says—

**Mr. John R. Baird (Nepean–Carleton):** Thank God  
we formally shamed you into bringing it in.

**Hon. Mr. Gerretsen:** Oh, there's the member from  
Nepean–Carleton. He's the individual, I believe, who hasn't  
allowed this bill to be passed by unanimous consent.

This is truly a bill which I know that everybody in this  
House totally agrees with, because it states in its oper-  
ative section, "The province of Ontario endorses the  
principle of ongoing consultation between the province  
and municipalities in relation to matters of mutual  
interest and, consistent with this principle, the province  
shall consult with municipalities in accordance with a  
memorandum of understanding entered into between the  
province and the Association of Municipalities of  
Ontario." That's the full content of the bill.

As a matter of fact, if the members wish, I could read  
the entire memorandum of understanding as well. It was

a memorandum that was signed last year during the  
AMO conference in Ottawa. It goes on for about four or  
five pages, and it talks about the manner in which  
consultation will take place between the province and our  
municipalities. I know that, to the people who may be  
watching, this may be a relatively minor thing. They  
might even say, "Why are they taking so much time to  
debate this bill?" Because I know this bill will be debated  
here tonight, and it will be debated probably on at least  
two or three other occasions as well.

People should understand that there is a very funda-  
mental principle involved in the debate of a bill of this  
nature, and that is that, as most people know, we have,  
constitutionally at least, two levels, two orders of govern-  
ment in this country: a federal government and a  
provincial government. The municipal powers, or the  
manner in which the provincial governments of this  
country deal with their municipalities, are all contained  
within the jurisdiction as set out in the British North  
America Act as to how municipalities are to be dealt  
with, in the provincial powers of that act.

That's why it is so important that we recognize, now  
that we're in the 21st century, that municipalities should  
no longer be regarded as simply creatures of provincial  
Legislatures. We believe that municipalities and the tre-  
mendous number of functions that they carry out on a  
day-to-day basis—in municipalities, in communities  
large and small across this province, from the largest city,  
the city of Toronto, with its millions of people who live  
here and reside here and work here etc., to the smallest  
municipality out there.

The people of Ontario may be interested in knowing  
that currently we have some 445 municipalities in this  
province. Each one of them is headed by an elected  
council, councils from as small as five individuals to  
councils as large as 45 individuals, as is the case in the  
city of Toronto. Of course, they're all headed by a head  
of council, who are usually called mayors but sometimes  
they're called reeves or wardens in the case of a two-tier  
system where you have a level of government at the  
regional or county level that basically takes in a number  
of municipalities and a lower level as well. In that case  
the head of the council is called a warden, and they're  
usually elected on a yearly basis from among the  
members who make up that regional or county council.  
Of course, they're not always called wardens; they're  
quite often called chairs as well when we're talking about  
regional governments.

**1850**

In any event, the whole intent of the bill is that we as a government are committed to forging a closer working relationship with our municipalities across this province because we realize the importance the municipalities play in the day-to-day lives of the people who live in Ontario. We realize that most of the day-to-day activities that people have are within their own communities, within their own municipalities, and certainly issues such as health care, education and international issues are important to them. But many services they rely on, on a day-to-day basis, in order to function within their municipalities are provided by local municipal councils. That's why we as a province think it's extremely important that the relationship that exists between the province and the municipalities be the best it possibly can be.

It's with that in mind that we're bringing this bill forward, because we all realize that we have one invaluable asset, and that is the diverse expertise of our local governments. But it is not enough to merely recognize this pool of local knowledge and experience. To make it work, we first have to ensure that we show respect for one another, that this level of government, the provincial level, show respect to the municipal level of government, because it has often been said that municipal leaders, who are chosen at the local level, are the closest to the people. They are in contact with them on a day-to-day basis. They work with them, they play with them, they live in the same neighbourhoods etc., and certainly local politicians find out about particular issues in a municipality before politicians at the provincial and federal levels.

The kind of respect I'm talking about hasn't always been the case when it came to how provinces, and how this province of Ontario, dealt with municipalities. Many previous governments treated local governments as if they were children. Quite often they were referred to as creatures of the province. This relationship traditionally has been very prescriptive. The province told municipalities what to do, how to do it and when to do it. That is what we're trying to change with this law that we're bringing forward here today.

When our government came into power in October 2003, we made a commitment to do things differently. Under our strong communities priority, we set about building better relations with municipalities than this province had seen in many years. We've introduced changes that demonstrate the trust and confidence that we have in our municipal leaders. This new approach is reflected in many actions we've taken to date.

For example, we've developed and implemented a new rural plan, one that supports a strong, healthy and prosperous rural Ontario.

We've revamped the northern Ontario prosperity plan to better promote investment, jobs and opportunities for northern Ontario.

We've also launched a comprehensive review of Ontario's Municipal Act, 2001—years ahead, by the way, of its scheduled review. We're doing that to make

sure it remains relevant and meets the needs of today's municipalities and the people who reside in them.

We've made investments in municipalities and lightened some municipal costs; for example, public health costs. We've decided that municipalities should no longer pay 50% of the cost but more and more should be paid for out of taxpayers' dollars that they contribute to the province by increasing that by 5% per year.

These are just some results of our new relationship with Ontario's local communities and their elected governments.

Of course, you cannot tap into local expertise if you're not prepared to listen. We know that there's more to consulting with local municipalities than just giving them an advance look at a news release the day it's issued. We've learned what not to do from the previous government's activity in restructuring—as we all know, the Who Does What exercise that was done a number of years ago. Instead, we started out by making a commitment to create a new working relationship. That's just what we're doing by this act: by listening, by valuing municipal input and by acting on what municipalities have told us.

We now have monthly or at least bimonthly meetings with municipal representatives. These meetings have extremely full agendas. They put cabinet ministers in front of municipal leaders for frank and full exchanges of views and ideas. We believe that is unparalleled accountability. These meetings are very productive, and have assisted our government in refining our policies that are helping to make Ontario's communities stronger. We believe in giving local municipal leaders a voice when decisions are made that affect them and their communities.

Our consultation process has been a true two-way street. We consult with municipalities on emerging policy, and we also encourage municipal representatives to raise the issues that they think need addressing.

This new spirit of consultation and partnership also shows itself in practical ways at the program level. One example of that is our new Ontario municipal partnership fund, which was announced last week by my cabinet colleague the Minister of Finance, the Honourable Greg Sorbara. The new Ontario municipal partnership fund is a fairer and more transparent funding model that will replace the community reinvestment fund as the province's largest transfer payment to municipalities for the year 2005 and beyond.

Our new program is greatly improved, thanks to our consultations and hard work with municipal representatives. Under the new program, it will provide \$656 million to 386 municipalities in Ontario—an increase of \$38 million or 6.1% over the community reinvestment funds received by municipalities last year. It will go a long way toward addressing what municipalities told us were the major irritants and inequities in the complex and outdated CRF model.

Let me also quickly say that under this new system, some municipalities will not be getting the same kind of

funding that they've been used to. We simply determined that there were too many inequities, too many situations in the past where municipalities had the same assessment of per-household income and yet were treated differently by government as far as what was then the community reinvestment fund was concerned.

Under the new program, the funding is going to be used in the following ways: It will assist municipalities with their social program costs; it will provide assessment equalization to those municipalities with limited property tax assessment bases; it will respond to policing costs in rural municipalities, which currently vary tremendously; and it will recognize the unique challenges facing northern and rural communities. Let there be no doubt about it: As a result of a number of changes that have taken place over the last 10 years or so, the smaller rural and northern communities face the toughest task in making ends meet.

So the new plan is taking these four factors into account to come up with the new funding system. As I mentioned before, most municipalities will benefit from it, but there will be some municipalities that will simply not benefit from it to the same extent. But even in those cases, we have decided that the revenues of those municipalities who will be getting less money in the long run over a period of time will be on a sliding-scale basis, so they will not lose that money immediately.

#### 1900

The new Ontario municipal partnership fund is unmistakable proof that our new way of consulting and working in partnership is paying off. The essence of a stronger provincial-municipal relationship is, no surprises, and consultation. The toughest thing for a local municipality to find out is that the province, or indeed the federal government, has made changes during a year that had financial consequences on a municipality and that it simply cannot raise the taxes to implement those changes. Basically, what we said to our municipal partners is that if there are financial implications, they will not go into effect until the next calendar year so that they can plan for it.

As part of our strong communities initiative, our government has made a strong commitment to consult with municipalities on changes to legislation and regulations that affect municipal budgets in a significant way. That was the basis for the memorandum of understanding we signed with the Association of Municipalities of Ontario. It sets out the framework by which the province consults Ontario's municipal leaders. We strengthened that commitment by adding a protocol to the memorandum of understanding to ensure that the province consults with municipalities on federal-provincial matters that have direct municipal impacts. This agreement has guided our actions and informed our dealings with our municipal partners.

But we wanted to take this even further. We sought to make it a law that consultations should take place shaped by the terms of an agreed-upon MOU. Preparing to take this next step brings us here today. As members may

recall, the memorandum of understanding is not recognized in the current Municipal Act. But we as a government feel that this is such a valuable and rewarding approach that it should be. That's why, last year, on June 8, I introduced first reading of Bill 92, An Act to amend the Municipal Act. With the support of this Legislature, this amendment would commit the province, in the future, to consult with municipalities on matters of mutual interest in accordance with a memorandum of understanding between the province and the Association of Municipalities of Ontario. The memorandum of understanding provides for regular meetings between provincial cabinet ministers and municipal leaders. These meetings offer the chance to discuss matters of importance to both levels of government. These meetings also allow the province to get feedback from municipal leaders before putting in place new laws and regulations that affect municipalities.

The people of Ontario are better served when all governments work together. Jointly, we can create and implement better policies and programs and deliver better services to our shared constituents. With the support of this House, we will be able to move forward with our commitment to consult and co-operate. This amendment, if passed, will ensure that the local contact and consultation takes place on a regular basis. It will take what is a best practice and enshrine it as a legal principle. It will mean real, positive change for the people of Ontario in how their local and provincial governments interact for the benefit of all.

As a government, we are committed to working with Ontario's municipalities. Together we are building a stronger foundation for Ontario's future. Our shared goal is to provide stronger communities that work for the people who live in them and to help their communities provide the high quality of life that we all want for all the people of Ontario. So I urge the members to support this new inclusive and consultative partnership by voting in favour of Bill 92.

I now turn the floor over to my parliamentary assistant from Lambton-Kent-Middlesex.

**Mrs. Maria Van Bommel (Lambton-Kent-Middlesex):** I want to thank you for this opportunity to speak in favour of Bill 92.

Coming together to accomplish something we can't do as individuals or as separate entities is basic to human society. It's human nature to form associations with people who have like interests and common goals. At various times in our lives we've joined service clubs, professional organizations, sports teams or recreational groups. In rural Ontario, we've all been witness to or participated in endeavours such as barn raisings or cleanups after a disaster.

The history of municipal organization in Ontario follows much the same track. There are various alliances and working relationships between Ontario's towns and cities dating back to before there was an Ontario. Today's formal structure began to emerge in the late 1800s with the creation of the Ontario Municipal Asso-

ciation, which was formed in 1899 in Hamilton. Roughly 30 years ago, this evolved into the Association of Municipalities of Ontario, or AMO, as it is commonly known. AMO represents the interests of its members, be they large or small, and it brings together under one roof a vast array of municipal experiences and expertise.

AMO is a valuable ally of the Ontario government. We often call upon AMO's members for advice and help in assessing new provincial programs or policy proposals. AMO members have served as working groups on which to test new ideas and approaches. They are expert panels by which to fly new government programs or draft policies.

It is truly a symbiotic relationship; both sides gain from this. AMO and the local stakeholder groups that we consult with are pools of expert knowledge and community experience. Working with them gives us a local perspective that helps the province refine its proposals and tailor its response to local needs and local conditions.

Who better to offer comment on the government's ideas than the people who will be on the receiving end of those ideas? This is stakeholder input at its most effective, where programs that will have an impact on the local level are shaped with the help of the local level.

Not only are Ontario's local governments a source of invaluable viewpoints and information; they are also useful proving grounds. Having access to the municipal level gives the province the opportunity to road-test new initiatives, to see where the bugs are and where there might be room for different approaches.

Many successful government programs in Ontario can trace their development back to pilot or local demonstration projects. In program development and fine-tuning, local input and local experience are irreplaceable.

Given the positive outcomes that we've experienced, it's no wonder that we want to recognize in law this way of doing business. We are striving for the best of both worlds. We want to make sure that programs and policies aimed at making life better at the local level actually do deliver at the local level. We want to give local elected representatives the chance to work with us in the best interests of their citizens to make government programs the best that they can be. That's the essence of the relationship that the government has with the Association of Municipalities of Ontario, our most important municipal stakeholder. That's why we want to ensure that that is the way the province and the local level continue to operate for years to come.

That's why we've introduced Bill 91, An Act to amend the Municipal Act, 2001. This bill will amend the Municipal Act, 2001, to recognize in legislation the memorandum of understanding between the provincial government and the Association of Municipalities of Ontario. It firmly establishes our new approach to relationship between Ontario and its municipal governments. With the support of the Legislature, it will form and firm our promise to consult with local municipalities and their elected officials on matters that will have significant local impact.

Our hope is that it will serve, at one and the same time, as a heads-up for advance notice of proposed future directions. It represents a fair and inclusive approach to program and policy development. If passed, this proposed amendment would give local municipal governments more of a voice in designing initiatives that affect them.

#### 1910

As a government, we are striving to make Ontario the place to be: the place with the best-educated and most highly skilled people, the healthiest people, and the most prosperous and forward-looking society. We build that vision from the ground up and with the support and input of our citizens and their governments at the local level.

We value the input and the involvement of local communities and their citizens. We recognize the contribution at the community level in making Ontario the place to be. We are committed to working with Ontario's municipalities. Our shared goal is to provide stronger communities that work for the people who live in them, and to help them provide the high quality of life that we want for all the people of Ontario.

Our government places a high premium on local democracy and local decision-making. Our approach is simple: We respect municipal leadership and expertise. We're determined to provide these local leaders with the tools they need to succeed, and a greater ability to use those tools. Municipal governments have the local knowledge. They have the expertise. They are the ones in closest daily contact with the people in their communities. We've changed the government's way of working with Ontario's communities, be they large or small, and now we want to ensure that this new approach is made into "business as usual."

It is our goal to make it a requirement for future governments to consult with municipalities in the way that we have done. We want to see that this is done as spelled out in the existing memorandum of understanding between the provincial government and the Association of Municipalities of Ontario. We are breaking this cycle of "ready, fire, aim," of municipal policy development that has occurred in the past, and we are setting down on paper a commitment to treat local governments with the respect and consideration they deserve.

There is no such thing as two classes of vote in this province. The vote that a citizen casts in a federal, provincial or local election has the same weight and the same value. The governments elected through this process are as valid, as knowledgeable and as representative of the people whether they govern on behalf of community, province or country. Our commitment is simply to recognize this, and to reflect in our dealings with Ontario's communities and local governments that we are all working for the people of this province. We must all act thoughtfully and responsibly, mindful of those who have given us this power to act on their behalf.

We want to continue to seek the views of those representing Ontario's cities, towns, villages, townships, counties and regions. We want to continue to incorporate,

in our future action plans and programs, what we hear from individuals and organizations across Ontario about their communities' most pressing needs and priorities.

If passed, this amendment would enshrine the principle that the government consult with municipalities on matters that have strong local impact. Furthermore, it would ensure that consultation follow the framework laid out in a memorandum of understanding between the province and the Association of Municipalities of Ontario.

Local governments are the ones best able to help us determine how to respond to local conditions. This bill, if passed, will formalize the process of seeking their advice and expertise. It would recognize that they have a vital contribution to make and should have a say in the decisions with which they and their residents will have to live.

I ask the members of this assembly to join me in voting in favour of Bill 92.

I had the honour and privilege of witnessing the formal signing of the memorandum of understanding with the municipalities in Ottawa this past summer at AMO's annual conference. It was a momentous occasion, it was a historic occasion, and I felt very privileged to be there. Now we want to enshrine that into legislation through Bill 92.

I thank all of you for the opportunity to express my support of this.

**The Acting Speaker:** Questions and comments?

**Mr. Norman W. Sterling (Lanark–Carleton):** This bill is so brief—I never use the word “short”—that I could read it during a two-minute hit, but it also is really specious in content.

It says, “The province of Ontario endorses the principle of ongoing consultation between the province and municipalities in relation to matters of mutual interest...” Well, who disagrees with that?

**Hon. Mr. Gerretsen:** Then vote for it.

**Mr. Sterling:** I may vote for it.

Then it says, consistent with that, “the province shall consult with municipalities in accordance with a memorandum of understanding entered into between the province and the Association of Municipalities of Ontario.” If there is already a memorandum of agreement in place, why do we need the bill? Why do we need this bill at all? That's the way the two parties are acting. Why would you want to do that?

We know, from the history of this particular party, that it doesn't matter whether it is in legislation or not because, with a flip of the switch, they will come back to the Legislature and undo what they did before, like with the Taxpayer Protection Act. They signed a document during the election and then after came back and said, “We can't live with this thing, so we'll just change the law in the Legislature. We have 70 seats”—bang; done; finished.

This place costs, I think, about \$200,000 a day to run. This is one sessional day: \$100,000. I'd rather give the 100,000 bucks to a needy municipality in my riding than spend our legislative time dealing with a useless act.

How could anybody be against this particular piece of legislation? It doesn't mean anything. There are no penalties if the government of Ontario doesn't negotiate in good faith. This is what logical people would do anyway.

**Ms. Shelley Martel (Nickel Belt):** I want to ask the minister: I looked through the memorandum of understanding and I'm looking for the section that talks about enforcement mechanisms that would ensure that the government actually does have to sit down and consult with AMO and, if they don't, that there is some kind of penalty for non-compliance. Really, who is going to be against consultation? I'm much more interested in what happens when the government consults and then does what it wants to anyway and leaves a huge financial burden on the municipalities on the end of the day.

I'm thinking of the Minister of Agriculture, who got caught out about a year ago changing—was it the Tile Drainage Act?—legislation and financing, with no kind of consultation whatsoever with the municipalities. An announcement was made, and I'm not sure whether the Minister of Agriculture even knew about it—taken completely off guard. There was a huge hue and cry from the municipalities about what the loss of that program meant, and then the government had to scramble, scramble, scramble and do some political damage control and put some money back into place to meet with the concerns of the municipalities. So you can consult all you want, but at the end of the day, if the government wants to go ahead and download services or wants to withdraw financial resources for services, the government is going to do that. We had clear evidence of that less than a year ago with this scenario and this bit of a fiasco with the Minister of Agriculture.

I find it very interesting that we have a bill that says that the government is going to consult, but there is nothing in the legislation that I can see, and nothing in the memorandum of agreement that I read, that says there are going to be some penalties for non-compliance, and oh, by the way, if the government downloads services even though municipalities have said, “Please don't do that,” that there will be some recourse for those municipalities that have to suffer an increased financial burden. I don't see any of that, so I really am wondering what the point of the bill is when those things are missing.

1920

**Mr. Jim Brownell (Stormont–Dundas–Charlottenburgh):** It is indeed a pleasure to rise this evening to say a few words and to speak in support of Bill 92, a bill that, yes, is a very short, little bill, and right: Logical people would support it, so that's why I will be supporting it.

I do want to say that there had been opportunities in the past where consultation didn't happen between municipalities, provincial government and all levels of government. This is basically enshrining that idea that consultation is important. It wasn't that long ago that I joined with my provincial colleagues from Glengarry–Prescott–Russell, Northumberland and Ottawa–Orléans in meeting with the Eastern Ontario Wardens Caucus.

That was an opportunity of sharing ideas and bringing forward to the minister ideas which were important to our government and which were important to the people in our ridings.

I also want to say that I was there in January 1998 when an ice storm hit eastern Ontario. I was the mayor of the community. At that stage, it was necessary for consultations to happen between three levels of government—federal, provincial and municipal. A disaster led to a wonderful spirit of co-operation taking place in eastern Ontario. But it shouldn't be disasters; it shouldn't be anything but legislation and the strong will of people at the municipal and federal levels to get together, consult and put the best decisions forward for the people. I think that's what this bill is all about. In the spirit of co-operation and consultation, that's why I will support this bill.

**Mr. Toby Barrett (Haldimand–Norfolk–Brant):** This proposed legislation, Bill 92, as we know, will cause the province to consult with municipalities, and they need a law to force them to do that. It is a short bill, as we've heard this evening: less than a page—a little over half a page, really. But I question, now knowing the track record of this government, if it really is worth the page it's written on. As we've heard this evening, this is the same government that voted for the Taxpayer Protection Act, jacked up taxes—no referendum. We know the rest of the story.

We're scratching, with a piece of legislation that's only half a page long. If you read the first sentence, "Her Majesty, by and with the advice and consent of the Legislative Assembly of the province of Ontario, enacts as follows," and then it goes on to briefly describe the intention of consultation with municipalities. But I point out, in that very first sentence—and I've seen this in other legislation—it says, "by and with the advice and consent of the Legislative Assembly." It doesn't mention municipalities in that very first sentence. I would think, if we're going to think outside the box, to push the envelope and be serious about writing a piece of legislation with a goal to enshrine consultation with the municipal levels of government, both upper- and lower-tier, perhaps that very first sentence should have incorporated that kind of phraseology.

I suspect that every bill does begin with that same preamble, that same sentence. I'm sure the clerks could advise us; there probably is a tradition where it has that wording. But we see this right here, that it will rely on "the advice and consent of the Legislative Assembly of the province of Ontario." It does not mention municipalities. Go figure.

**The Acting Speaker:** The Minister of Municipal Affairs and Housing has two minutes in which to respond.

**Hon. Mr. Gerretsen:** Let me first of all thank the four members for their edification as to what this is all about. I'm kind of surprised by the member for Lanark–Carleton. He's one of the senior members of this House, a man who is as highly respected as the member for St.

Catharines, because they're of roughly the same vintage here.

**Mr. Baird:** Oh, come on.

**Hon. Mr. Gerretsen:** Yes, they are.

He knows as well as I do that he's basically saying, "Why do you need this legislation if you've already got a memorandum of understanding? You can just change this law with the stroke of a pen." He knows better than that. He's been here for over 25 years, and he darned well knows that it is a very intense and long process to change any law—the number of days of debate that it takes here, the bills that have to go through at least three readings.

The whole idea behind this bill is to make sure that that memorandum of understanding cannot be ignored, cannot be changed unilaterally. The fact of enshrining it in legislation is that it will say to generations to come, to governments to come, that this is the process of how we deal with our municipalities: Before there are any changes made, particularly those that affect the financial abilities of municipalities, there will be consultation with them.

I am also surprised at the senior member from Nickel Belt. She basically is suggesting, "What's all this consultation about? Why should you even consult?" If there's one group of individuals who talk about consultation even more than the government does in this House, it is the members of her caucus. They're always about consulting, and this is exactly what we're saying here. We are saying to our municipal colleagues, "We will not make any changes that will affect your financial ability to carry on without consulting with you first." That's exactly what this bill is about.

I look forward to the unanimous consent that will obviously be given to give this bill speedy second reading passage.

**Mr. Jerry J. Ouellette (Oshawa):** On a point of order, Mr. Speaker: I'd like to take this opportunity to introduce a guest in the gallery here. He is the manager for the Canadian under-18 junior hockey team. He is just in from Calgary and this Saturday is flying with the Canadian junior team to represent Canada in Calgary. I'd like to ask all members to join me in welcoming him. His name is Mr. Ron Pyette.

**The Acting Speaker:** It wasn't a point of order, but a point well made all the same.

Further debate?

**Mr. Sterling:** On a point of order, Mr. Speaker: As the member for St. Catharines would know, it's more than 27 years that I've been here, and if it wasn't for some Johnny-come-latelies who don't have experience in this area, perhaps the minister would understand what this legislation really does.

**The Acting Speaker:** I do not believe that is a point of order.

Further debate? The member for Parry Sound–Muskoka.

**Mr. Norm Miller (Parry Sound–Muskoka):** I believe we have unanimous consent to defer our leadoff.

**The Acting Speaker:** Is there unanimous consent to defer the lead? Agreed.



**Mr. Miller:** It is my pleasure to join the debate this evening on Bill 92, which is really about consultation. They are saving paper on this bill, that's for sure; it's two sheets of paper. It's about having the provincial government consult with municipalities on matters of mutual interest in accordance with a memorandum of understanding.

I'd like to point out that this bill was introduced last June 8, and it is the member from Nepean–Carleton, who is sitting here in front of me tonight, and the member from Erie–Lincoln, who on many occasions—

**Mr. Baird:** We shamed them.

**Mr. Miller:**—shamed the government into finally calling this bill forward. They asked for unanimous consent twice on February 21. On March 9, the members for Erie–Lincoln and Nepean–Carleton asked for unanimous consent; on March 29, again. As I say, they have shamed the government into finally calling this bill forward.

As I say, they are not wasting a lot of paper on this; it's just one page. It's An Act to amend the Municipal Act, 2001. "The bill provides that the province shall consult with municipalities on matters of mutual interest in accordance with a memorandum of understanding entered into between the province and the Association of Municipalities of Ontario."

I'd like to say that the provincial government likes to talk about consultation, but when we really look at what they've been doing, they certainly, in the case of the riding of Parry Sound–Muskoka, have not been consulting.

I would like to refer to the memorandum of understanding briefly: "The current memorandum of understanding promotes the principle of consultation between the province of Ontario and AMO whenever the province proposes statutory or regulatory changes that have a significant impact on municipal budgets." I'd like to ask the government, when they took Muskoka out of the north, was that not a change that would affect municipal budgets? Of course, the answer is, yes, it is.

**1930**

**Mr. Baird:** Oh, what a whopper that was. How much consultation did they have, Norm?

**Mr. Miller:** There was absolutely no consultation when this government unilaterally removed the six municipalities of Muskoka from the north. The budget was introduced May 18. I think I discovered in the evening of May 18, on page 91 or page 92 of the budget papers, one line that didn't even mention the word "Muskoka" but effectively took Muskoka out of the north. So when it comes down to it, there was absolutely no consultation with the six municipalities in Muskoka when this government unilaterally removed Muskoka from the north.

In fact, just a couple of weeks ago, I went into the licence bureau to renew one of my vehicle licences. The form is printed, and the person looking after the licences said, "No, it's not the number that's printed on the form"—\$48 or whatever it was; I've got the number

wrong—"it's double that." So that shows how much consultation went into this. The forms in the office in Muskoka have the wrong value for how much it costs for a licence fee, because in the north of course the fee is half of what it is in the rest of the province.

We look at other specific issues. The Muskoka wharf project: This government unilaterally removed \$2.5 million in funding for the Muskoka wharf project. Was there any discussion with John Klinck, the mayor of Gravenhurst, to do with that very serious change in funding? The funding was originally approved in December 2001. Obviously it has a drastic effect on the budget of the town of Gravenhurst—a huge effect. I think their total tax revenues are something like \$4 million a year, and they removed \$2.5 million in funding without any consultation.

A couple of months ago, the mayor talked to the Premier, who said he would get back to him, about some transition, and the mayor still hasn't had a response. There were comics a few weeks ago in the local paper showing the mayor growing a long beard as he waits for the Premier to respond to his concerns about what might happen to replace this funding. The least the Premier could do is call or write and let him know that he's made a decision. Whether that's to pull the plug or not fund them, at least he could give him the courtesy of a response.

When you look at the municipal drainage program that was mentioned by the member from Nickel Belt, that was unilaterally cut by the Minister of Agriculture. I don't believe there was any consultation with the affected municipalities to do with that. You can get up and tell me I'm wrong on that, but as far as I know, that was a cut which obviously affects municipal budgets and there was no consultation whatsoever.

These are just a few examples—and I've got lots more—of how the government has actually acted. It's fine to say that they're in favour of consultation, but how have they actually acted? In many situations, and I'm going to get into more, they have not consulted in matters that very much affect the budgets of municipalities.

In this AMO backgrounder on why the MOU is being enshrined in the legislation, it says:

"The pledge recognizes that changes in provincial policies can have a profound effect on the municipal order of government's ability to finance and deliver programs and services that are essential to building strong communities.

"Enshrining the MOU would formally commit the province to consulting with AMO whenever statutory or regulatory changes that have significant impact on municipal budgets are proposed by the province."

It's about consultation. We look at other examples in the last 18 months where the government has acted without any consultation on matters of extreme importance to municipalities. Bill 132, the pit bull ban bill, which is popular in the media—I sat through four days of consultations on that. The problem with that bill is, the government didn't listen to the hundreds of people who came before the committee to point out all the flaws in

the bill. One of the real effects of this bill—it's awful legislation, full of problems, especially when you get down to trying to identify a pit bull or a mixed breed dog that someone thinks is a threat and it's going to end up in the pound. The municipalities will be the level of government that will bear a lot of the costs for trying to enforce Bill 132, as we end up with many dogs in pounds and increased animal control costs. The government did not consult with the municipalities about Bill 132 in terms of the costs they would end up being responsible for. When a similar bill was introduced back in the 1990s in England, it cost millions of pounds, I think £20 million in the first four years, with legal costs and pound costs and the costs of enforcing the bill. So it could have a very significant impact on the municipalities.

We look at the closure of the Frost Centre, which was right on the border of my riding. I think it was in the riding of the member from Haliburton–Victoria–Brock as well. That was another action of this government that was done in a matter of days. I found out, and a week later the Frost Centre was actually closed. There certainly was no consultation in advance with the affected municipalities about the closure of the Frost Centre. To give the government a little credit, I'm pleased to see that they've set up a working committee. In fact, I attended the working committee.

**Mr. Jeff Leal (Peterborough):** It's working very well.

**Mr. Miller:** Hopefully, the member from Peterborough has been attending some of the meetings and taking part in the consultations that are going on. But that's after the fact, only after the government realized they had made a mistake. They didn't do any consultation before they closed this important provincial resource. In the case of the Frost Centre, I think it would have been a heck of a lot easier to have said, "Look, we've got a problem with financing this centre. We need to raise \$1.3 million or trim down some of the operating costs. If we aren't able to do that by next year, we're going to close it," giving the opportunity to the municipalities and the affected parties to keep it going. Instead, they closed it unilaterally, within a matter of a couple of weeks, and have removed most of the assets, so it will be much more of a challenge getting it reopened. I certainly hope, though, that they are able to reopen the centre.

When I look at recent actions of the government, they're looking at a couple of wind test sites in my riding of Parry Sound–Muskoka, in Carling township. Certainly, that was a heck of a surprise to the municipality of Carling. The mayor, Mike Konoval, has been very concerned about this. I've been receiving hundreds of e-mails from my concerned citizens about the location of the proposed wind test sites right on the coast of Georgian Bay, the Georgian Bay heritage coastline, a very sensitive area. My point, as it relates to this bill, is that there certainly was no consultation with the municipality of Carling and the affected area municipalities about this proposal. I know that Carling is working to find a location that would be suitable, because they're

certainly in favour of wind power, but they just don't want it right on the coast of Georgian Bay, which will have all kinds of people up in arms.

I'd like to talk about a recent issue in the municipality of Muskoka, and that is the funding of the new health unit. The Simcoe Muskoka District Health Unit has just been formed. The old Muskoka-Parry Sound Health Unit is being split up into two health units, and the way the Simcoe Muskoka health unit will be funded has been announced only recently. I have some articles and a letter from the district chairman, Gord Adams, with concerns about that, and I'd like to refer to those. The district chairman wrote to the health minister, quite concerned about the fact that the district of Muskoka didn't get input into their responsibility for the funding of the new health unit, and it directly relates to this memorandum of understanding.

**1940**

In the district chair's letter, he says, "Muskoka had no opportunity to affect the report and as a council we had no input to the process.... Minister, we find this absence of consultation in absolute conflict with principles of government-to-government relations espoused by your government.

"One of the key elements announced by Dr. Basrur is the proposed funding formula for the new Simcoe Muskoka District Health Unit. All of Ontario, including the newly-formed North Bay-Parry Sound District Health Unit, is funded on the basis of population except for Simcoe Muskoka. The formula for Simcoe Muskoka is to be 50% on population and 50% on property assessment. We find this discriminatory approach unacceptable and unjustifiable....

"Based upon population, we expected our health unit levy to be in the order of \$1,138,315. Instead, a special regulation"—so a regulation will have to be brought in—"has been initiated, and it is some \$600,000 higher, at \$1,731,957. That difference translates into a 1.5% additional cost on the property taxes in Muskoka. We have not received an acceptable explanation as to why this approach was taken....

"In conclusion, on behalf of the district municipality of Muskoka council and the people of Muskoka, we wish to register our opposition to the funding formula in the strongest possible terms. I would request a meeting with you at your earliest convenience to discuss this matter."

Obviously, we have another example where there was no prior consultation on a matter that will very much affect the budgetary process for the municipality of Muskoka. On that same point, there was a recent newspaper article written by the former Liberal member of provincial Parliament for Muskoka, Mr. Ken Black. I use this article because you would think Mr. Black's opinion might be less partisan than mine. It says, "Muskoka Taxpayers Should Be Thanking Gord Adams." I'll just read a couple of bits from that article.

"I am no apologist for district of Muskoka chair Gord Adams. Fact is, I can probably say without fear of contradiction that there is no one alive today who has levied

more criticism at him than I have over the past half-century.”

He goes on to say, “On the basis of what I have been able to learn on the issue, it appears that Gord Adams is right on in his contention that Muskoka is being short-changed on this particular issue.

“Health units in this province are funded by a combination of local and provincial tax dollars.... The allocation for those costs is generally based on the local jurisdiction’s percentage of the total population within the health unit.

“Simply put, if municipality A contains 25% of the total population within a particular health unit, it provides 25% of the local share of the costs of operating that unit. However, it appears that formula will not hold true with the new Simcoe Muskoka health unit when it begins operations on April 1....

“However, should one of them disagree with such an arrangement, the basis for contributing the local shares of costs then reverts back to the population-based model. Again it appears that approach will not apply in this case. Our district chair, to his credit, says that isn’t fair, and once more I agree with him.”

Just to make it clear, in every other health unit in the province, the municipal share is based on population. For the new Simcoe Muskoka health unit, it’s based on assessment and population, which means it will cost the district of Muskoka some \$600,000 extra.

**Mr. Baird:** That’s not the first 600. They had the wharf cancelled and—

**Mr. Miller:** I’d say this is strike three for Muskoka, with all the various hits the government is putting on it.

Following up on the article, Ken Black says:

“I must confess I am not privy to the kind of thinking that produced this rather strange funding model, although I have exchanged several e-mails and telephone calls with Ministry of Health officials in an effort to determine the thought process behind the decision. To date, my questions remain largely unanswered, although I have not given up hope that they may yet emerge.

“In the meantime, I believe that Gord Adams deserves praise, not criticism, for his efforts to protect the interests of Muskoka taxpayers.”

Simcoe Muskoka would be the only health unit in the province whose municipal share would be based on assessment and population, not just population. That certainly falls under this bill about consultation on matters that would affect municipalities’ funding.

As a result of this whole thing, the district chair wrote to Minister Gerretsen recently, in mid-March, regarding the Simcoe Muskoka District Health Unit:

“Attached are copies of my recent correspondence to the Premier and the Minister of Health and Long-Term Care on the above subject. Could I please ask for your assistance in arranging a meeting with the Premier, the minister and yourself as soon as possible? We believe that this type of process flies in the face of the principles in the memorandum of understanding with AMO.

“I look forward to hearing from you in the near future.”

This is a very concrete example of where the government has not consulted on a matter that is going to have a significant effect on the municipality of Muskoka.

Those are just some of the various issues. I could name others, like the gas tax. Certainly small, northern and rural municipalities have not been consulted and are not benefiting from the gas tax. The greenbelt legislation dramatically affects a number of municipalities, especially in their ability to generate economic development and where the boundaries of that greenbelt will be. They have not been consulted. We see example after example where the government has not consulted with municipalities.

It’s important to remember that there is only one taxpayer. I sincerely believe we need to rebalance the taxes between the three levels of government. The municipal governments are dealing with some real nuts-and-bolts issues, basic services like roads and bridges, sewers, and ambulance and fire services. Most municipalities around this province are dealing with substantial tax increases. The district municipality of Muskoka, especially after all the hits they’ve taken from this government, is facing a 9.8% tax increase this year. Most municipalities are facing 6% to 12% tax increases.

Our leader has been trying to find out what the provincial deficit is for this year. It’s probably \$6 billion. They said it was going to be \$2.2 billion, but they were doing some fancy accounting. Now it’s probably more like \$6 billion, although our leader wasn’t able to get a straight answer in his first number of questions to the Premier. But certainly the province has some concrete programs that we need to deliver on, like health care and education and natural resources and environment.

Then we have the federal government, which has a large surplus. We see from the Gomery inquiry that they’re wasting—I would hazard the guess that it’s billions of dollars.

I think we need a basic realigning of the taxes in this country, with more of the federal money going down to the municipal level. We also need the three levels of government to consult with each other, and for this government to not just talk about consulting but to actually consult.

In closing, I would like to just mention that I had lunch today with Senator Patricia Birkholz and Representative Dan Acciavatti from Michigan, who were visiting the Legislature. It was very interesting to talk to them about how the US system works and how they deal with financial matters. I am running out of time, so I can’t expand on that.

All I would finally say is that I’d like to see this government not just talk about consulting but actually go ahead and do the consulting.

**The Acting Speaker:** Questions and comments?

**Ms. Martel:** I appreciated the comments that were made by the member from Parry Sound–Muskoka because they pointed out very clearly the big gap between the rhetoric of the government tonight with respect

to consultation and what's really happening on the ground in so many of our communities.

He probably raised three, if not four, different issues with respect to his own riding and some of the communities in it, where there has been zero, zip, nada consultation by the provincial government with the municipalities in his riding on really important issues. That didn't happen five or six or seven years ago; this was in recent months. Probably at the same time that the government was negotiating the memorandum of understanding with AMO, blah, blah, blahing about consultation, they were moving forward with very negative policy changes, with very negative consequences, in this member's riding without any consultation at all.

The government is pretty selective when it comes to consultation in terms of whom it consults with and the issues on which it wants to have some consultation and input. The very concrete examples that the member raised make that really clear.

#### 1950

I'll go back to a point I raised earlier. I'm looking for the enforcement mechanisms in the memorandum of understanding or the bill itself that really guarantee not only that there will be consultation, but that when the government or the municipalities decide not to consult—and I find it hard to imagine when municipalities wouldn't want to consult on really important issues that affect them financially. Where is the mechanism that ensures that consultation will occur? Where is the penalty section for non-compliance if the government just thumbs its nose at a municipality or at local issues that really impact municipalities, as they have clearly done in the case of municipalities in the riding of the member for Parry Sound–Muskoka?

Consultation is well and good, but at the end of the day, the real issue that impacts most municipalities has to do with the financial resources and whether or not they're coming from this government. It's very clear, with respect to the member for Parry Sound–Muskoka, that that's not happening. That's the really pressing issue for municipalities in his riding.

**Mr. Lou Rinaldi (Northumberland):** It's a pleasure to stand in the House and make some comments to the member for Parry Sound–Muskoka. First of all, I came from a municipal background prior to coming to this Legislature, along with some of my other colleagues. Having been in municipal government for the eight years that that government was in power—when you talk about the lack of consultation from our government, I guess it doesn't surprise me that they're still asleep at the wheel. They closed 28 hospitals—one in my riding. There was no consultation. They left communities fighting with each other.

Let me tell you about the consultations in my own municipality of Brighton. There was an agricultural office. The member at the time said, "They'll never close that; over my dead body." They closed it. It's a good thing he's still living, because I wouldn't want to wish

that on anybody. There were other things, like no consultation on the omnibus bill.

Let me tell you, on the announcement we made last week on our new Ontario municipal partnership fund, I had e-mails galore from my eight municipalities saying that it's about time that we delivered on what our commitments were.

I meet with my municipalities on a regular basis. They are astonished that something like this is happening, that we're open. So when I hear that Bill 92 doesn't have any teeth, I think we are proving to the municipal folks that we are putting our money where our mouth is, delivering what we said we were going to do. Frankly, I can't see anybody voting against this.

**Mr. John O'Toole (Durham):** It's a real pleasure to get up and sing the praises of the member from Parry Sound–Muskoka. As he said in his remarks, he is standing up for his local and upper-tier levels of government. The actions of this government—the record speaks for itself—have punitively punished the riding of Parry Sound–Muskoka by taking it out of the northern municipality grant exercise.

With respect to Bill 92, any person here and those listening tonight should know that the bill is a very insubstantial piece of legislation. It says, "The province of Ontario endorses the principle of ongoing consultation between the province and municipalities in relation to matters of mutual interest and, consistent with this principle, the province shall consult with municipalities in accordance with a memorandum of understanding..."

I was part of the pre-budget consultations throughout the past winter. I was there when Roger Anderson, the current president of the Association of Municipalities of Ontario, basically pleaded with the government to bring this legislation through. Bill 92, this very small bill that we're discussing tonight, was introduced on June 8, almost a full year ago, and this is the first night we've had a chance to talk about it. Our member from Nepean–Carleton challenged the Liberal House leader to bring this bill forward immediately. That was in response to Roger Anderson's call for action.

I know that there are ongoing discussions. There's a history to this, Mr. Speaker, as you would know, having served as the last mayor of East York, if I recall, a beloved mayor of East York. Many of us here have served locally and/or regionally, upper-tier or lower-tier. I think this is important. We should work together, as the minister said, but the problem in dealing with this government is that you really can't—dare I say it? I don't know whether it's out of order or not—trust what they promise. That's the question I leave with you tonight.

**Mr. Baird:** I'd like to congratulate the member for Parry Sound–Muskoka, who has brought up three examples off the top of his head where this government has already violated this act. They're essentially in contempt of the House.

They took Muskoka out of the north; didn't have guts to make it part of the budget speech; buried it on page 92

of the budget. I didn't even catch it, it was so innocuous. Where was the consultation there? None.

I was shocked to learn they cancelled half the funding for Muskoka wharf. Gone. Any consultation? None.

They broke their promise to designate Ottawa officially bilingual. Did they consult the city of Ottawa about this broken promise? Of course, because he consults Chiarelli about his broken promises.

It's hard to take this bill seriously when this government, in one quick short speech—they have changed their mind on so many issues. I get dizzy, they change their mind so often.

I thought they would've changed their mind—I'm surprised the member from Muskoka didn't mention this—about autistic children, when they promised to extend IBI therapy to autistic children over the age of six. People may disagree with John Baird—they may not like his opinions, they may not like his policies—but John Baird never lies to autistic children.

**The Acting Speaker:** I think the member is getting very close. I think it should be withdrawn.

**Mr. Baird:** Speaker, I haven't accused any member of lying.

**The Acting Speaker:** I think by inference you are suggesting that someone may have.

**Mr. Baird:** If you request I withdraw, I will honour the dignity of your office. But John Baird is honest and is always truthful to the parents of autistic children, and he never has been anything other than that.

**The Acting Speaker:** The member from Parry Sound–Muskoka has two minutes in which to respond.

**Mr. Miller:** Thank you to the members from Nickel Belt, Northumberland, Durham and Nepean–Carleton for commenting on my talk this evening.

I would also like to point out—I mentioned a few different things—that another act of the government that certainly created a lot of concern with municipalities is the new funding they are talking about to replace the CRF funding, the community reinvestment fund. In the last few months, there has been a lot of anxiety with municipalities that deal with a lot of mandatory provincial programs that they have no choice over. They count on this community reinvestment fund. The government has been playing some games with that. In fact, when the Minister of Municipal Affairs attended the Rural Ontario Municipal Association's Good Roads convention a month or so ago, he was booed at the question-and-answer, at the bear-pit session, and they had to go back and react to that. The municipalities must not have felt very much a part of the process if, at their one big public meeting, they booed the minister, who now a month later has introduced a new program to replace the CRF funding. I don't know whether that was in reaction to his reception there or not, but they obviously didn't feel a part of the process.

In Parry Sound–Muskoka we have some 26 municipalities and seven First Nations. Those 26 municipalities are very important to the people of the area. They deliver some very important services and they deserve to be

respected and treated fairly. I hope this government will not just talk about consultation but actually act on consulting with their municipal partners.

**The Acting Speaker:** Further debate?

**Ms. Martel:** Speaker, I'd like to ask for unanimous consent to stand down our lead because our critic for this is in the chair this evening.

**The Acting Speaker:** Is there unanimous consent? Agreed.

**2000**

**Ms. Martel:** Thank you, Mr. Speaker. I look forward to your one-hour leadoff at whatever time you get to do this.

I want to focus on two areas that have to do with consultation from the perspective that I don't really believe it's consultation that's important to any number of municipalities, but the financial resources that municipalities need to operate that is the most pressing issue.

I listened to the Minister of Municipal Affairs; I listened to the parliamentary assistant. I heard the word "consultation" used over and over again and references to "a new, inclusive, consultative partnership," and on and on. The thing that struck me is that we have some very recent examples where the rhetoric of the government tonight with respect to consultation just didn't come to pass, and we've heard some very concrete examples from the member for Parry Sound–Muskoka. I'm going to give another one here this evening in my remarks as well.

Over and apart from consultation, which municipalities expect to have with the government, is the much more pressing issue for so many municipalities, like my own, of: What are the financial resources that are going to come from the province to help them to deal with the services they are trying to deliver to people who live in their municipalities? That's what I want to focus on here this evening, because I look at the memorandum of understanding, which doesn't speak, really, to the issue of financial resources and what will come and what the expectations could be, and that the government is actually going to cover the costs that municipalities have had to assume to deliver those provincial services that were downloaded—I don't see any of that in the memorandum of understanding; I don't see any of that in the bill. Frankly, for the municipality that I know the best, which is the one where I'm from, I can tell you that they are not half as worried about more consultation with the government as they are about what financial resources they're going to get from the government to deliver the municipal services they have to deliver to residents within the new city of Greater Sudbury.

Let me deal first with Sudbury's experience with the community reinvestment fund, because this is a major point of concern for our new expanded municipality. The CAO of the city reminded me a couple of weeks ago that the city of Greater Sudbury is heavily dependent on funding from the community reinvestment fund. So they are watching the matter of the new fund, whatever it may be called, very closely. It will have a very significant impact on the finances of the municipality and whether or

not the mill rate is going to have to be raised to bring in more taxes in order to pay some of the costs of some of the bills.

Just to give you a bit of background, on January 21 council members from the city of Greater Sudbury entertained a report from the staff about funding and about the shortfall in funding from the province with respect to those services that had been downloaded under the previous government. The background papers note the following, and I'm going to quote some of this document:

"From previous reports, council"—that is, the city of Greater Sudbury council—"is aware that the local services realignment"—LSR—"and the community reinvestment fund"—CFR—"arrangements were introduced by the province in 1998. The promise from the province was revenue neutrality, but only after municipalities achieved a savings target. In the case of the former municipalities now comprising the city of Greater Sudbury, this savings target was some \$7 million. Since 1998, the province has ceased to make adjustments for a number of the downloaded services. The city is carrying about \$3.5 million in its 2005 current budget for downloaded services, which include ambulance, housing, provincial offences and assessment, which are either no longer reconciled or are capped."

Council that night debated this report and also debated the letter that had come from AMO pointing out that the province had not reflected any of AMO's recommendations in its announcement about the CRF. So much for consultation earlier this year. AMO was also, at that time, requesting information from member municipalities about the potential tax impacts on member municipalities if the CRF funding had remained at 2002 levels. So this is what the city dealt with that night and this is what the city sent to Minister Sorbara with respect to the discussion that went on at council that night. As I said earlier, what's really pressing in our community is not more consultation with the province; what's really pressing is how much money we're going to get from this government to deal with the services that have been downloaded.

On February 4, the mayor of the city of Greater Sudbury, David Courtemanche, wrote to the Honourable Greg Sorbara and said the following:

"The citizens and council of the city of Greater Sudbury are concerned by the provincial government's recent announcement to only guarantee reconciliation of the CRF to the 2002 level. This will further erode the position of revenue neutrality, forcing municipal taxpayers to pay more for services that had previously been the responsibility of the province....

"The province must respect the municipal position and the original principles on which the LSR was undertaken regarding this matter. The province needs to respect the AMO resolution dated November 26, 2004, directed to you and the Minister of Municipal Affairs and Housing requesting that CRF continue to be reconciled. The province must respect the recommendations of the

municipal representatives who participated in last year's CRF consultations. The province needs to respect the correspondence from the Northern Ontario Large Urban Mayors Caucus ... the Federation of Northern Ontarian Municipalities ... and the Northwestern Ontario Municipal Association ... dated November 1, 2004, requesting the principle of revenue neutrality not be further eroded or abandoned and that reconciliations continue to take place."

What's interesting about this is that the mayor of the city of Greater Sudbury writes this letter after the memorandum of understanding has already been signed with the government. So there has already been some discussion with AMO, there have already been signatures on the dotted line some months previously that the government is going to consult, and after that we still have letters coming from the head of our municipality to this government saying that your most recent announcement on the CRF makes it very clear that you didn't take into account any of the recommendations that were made, any of the consultation, any of the input or any of the information that you got from municipalities on this important letter.

That's why I'm finding it really hard tonight to square the circle, if I might, between the government rhetoric on consultation and what's a clear example in our community, where the mayor points out that, despite the memorandum of understanding that you already signed that said that you're going to consult, you're going to hear our concerns and you're going to take our opinions into account, you go ahead and make an announcement on the community reinvestment fund that very clearly shows that you didn't listen to anything we had to say and you didn't take our concerns into account. We're going to continue to have a huge financial problem in our community as a result.

The Minister of Municipal Affairs went to the Good Roads conference and the meeting of the rural municipalities of Ontario, and it was clear that he hadn't taken any of their input into account with respect to the CRF, because he was booed when he made his announcement about a \$200-million transition fund.

**Mr. Baird:** What happened?

**Ms. Martel:** He was booed. If he had taken their concerns into account and if he had responded to their concerns, I doubt that the delegates would have been booing him. They would have been giving him a standing ovation. But instead, it was clear that what he was announcing did not meet their concerns and in fact was going to leave municipalities still in a very difficult situation.

Here is the news release that was put out by AMO at the same time that the minister made his announcement with respect to this \$200-million transition fund:

"The Association of Municipalities of Ontario today raised concerns about the provincial government's plan to replace Ontario's existing \$656-million community reinvestment fund ... with a new model and provide \$200 million in one-time funding to support transition to the

new program. The plan does not include provisions to pay outstanding bills related to the delivery of provincial health and social service programs in 2004.

“This announcement does nothing to address the fact that municipal government subsidizes Ontario’s provincial programs,” said AMO president Roger Anderson. “While the province plans to reconcile CRF funding for 2003, they are leaving municipalities on the hook for 2004. Municipalities have closed their books on 2004 and are now left holding unpaid provincial bills.”

Further in the press release: “While the announcement included \$200 million in one-time transitional funding, questions remain about the long-term impact of a new funding model and the fundamental problems with current cost-sharing arrangements. Removing provincial health and social service costs from the backs of Ontario’s municipalities and property taxpayers is the only fair, equitable and sustainable solution for Ontario communities.”

A quote again from Roger Anderson, AMO president: “Today’s announcement raises as many questions as it answers. It’s too early to determine if municipalities and property taxpayers are any better off under the new model.”

#### 2010

The point I’m making is that the government had already signed the memorandum of agreement with AMO to consult. I know, because I know from my own municipality, that consultations went on with respect to concerns around the CRF. The government didn’t listen to those concerns and the government didn’t respond to those concerns, because the government came up with a plan that has as many questions as answers and didn’t address the funding shortfall. I find it really hard to take seriously the bill that is before us tonight when I know that this is the government’s track record. And it’s a recent track record—within the last two months.

Let me give you an idea of why this is so critical at home. As I said earlier, my municipality is not worried about more consultations. They give their input. They give the best input they can and the best information they can to this government. The problem they have is, the government doesn’t respond to their pressing financial concerns, and it’s clear in this case.

As a result of the announcement the minister made at Good Roads, where he was booed, there was an announcement from our own municipality that said, “The announcement that was made by the McGuinty Liberals does little to resolve our financial problem. The decision to reconcile the CRF for 2003 only means that our city has a shortfall of \$2 million in 2004 and \$3.3 million in 2005. The potential total shortfall over the two years where the McGuinty Liberals have refused to do a full reconciliation is now \$5.4 million.”

Is the government going to guarantee that this shortfall will be covered under its new funding formula? We don’t know. We haven’t heard that yet, have we?

Promising our city that we’re going to receive as much CRF funding in 2005 as we got in 2004 remains a very

serious concern to the members of council. At best, it means that we’re going to receive an amount that leaves us with a \$5.4-million shortfall in 2005. At worst, it means we’re going to receive an amount that will leave us with a shortfall of \$6.1 million, which will have to be picked up and made up out of the pockets of local municipal taxpayers.

From my perspective, the Liberal download looks a lot like the Conservative download. I’ve heard the Liberals be critical of the Conservatives, and I can tell you, we see no significant financial change in the city of Greater Sudbury. We are facing a potential \$6.1-million shortfall this year because your government refuses to reconcile 2004-05.

So you can continue to consult, but we have told you what the problem is. What we’re waiting for is some moolah, some cash, some dinero to fix the problem. We don’t need any more consultations; we need some of the green stuff in order to resolve the problem so we don’t have to go back to the taxpayers and jack up their municipal taxes even more. That’s the first problem.

Let me give you an example of the second problem that this bill does nothing to address. This bill talks about the partnership between the government and municipalities. It says nothing about what the government is doing and what the nature of the partnership is with DSSABs, which are district social services administration boards. They are creatures of the former government. They are predominantly, if not completely, located in northern Ontario. They were a form of municipal/unorganized organizations that were put together for the past government to download services on to both small municipalities and unorganized communities. So the DSSABs were creatures of the former government, but I see no reference to them with respect to AMO and frankly I don’t think they’re represented by AMO.

The point I want to make is that while the government talks about the need to consult with municipalities because they are on the front line delivering services, I’ve got to tell you that from my part of the world you need to be consulting with the DSSABs, because it’s the DSSABs that are delivering the front-line service to many small communities and unorganized areas in my part of the world—for example, Foleyet, Gogama and a number of other small communities. I have DSSABs in my riding, and a number of other northern members have them in theirs as well, but there’s nothing in this bill and there’s nothing in the memorandum of understanding that talks about the nature of the partnership and the relationship with the DSSABs.

I raise this issue because the DSSABs are struggling with serious financial hardships as a result of the download by the former government that have not been resolved by this government. I want to talk about ambulance services in particular. In the budget process that was completed a couple of weeks ago with the Manitoulin-Sudbury District Social Services Administration Board, there was a 3.47% increase in the budget. The provincial share of that increase is 1.4%. The member

municipalities are seeing an increase in their contribution of 6.98%. Most of the costs for the downloaded services—child care, housing, social services etc.—were kept under control, except for emergency services, where that increase in the budget is an increase of 23% for the member municipalities. Most of that is associated with the payment of salaries for paramedics. The DSSABs have decided to bring the paramedics in-house instead of contracting them out to five different local services, so now they are bringing their wages up and providing them with parity. But they've now seen a huge increase in the budget for emergency services. Is the government of Ontario doing anything about ambulance services? No. On the contrary; the government's inaction is making the situation much, much worse with respect to ambulance services and how municipalities and DSSABs pay for this.

For example, even though the previous government promised a 50-50 cost-sharing of ambulance services, this is not happening. DSSABs in our part of the province are now paying between 60% and 65% of the costs of ambulance services, and this is primarily due to the refusal of the past government and the current government to pay more than 1% toward the cost of salary increases of paramedics.

The second problem that the government is doing nothing about: A number of jurisdictions are refusing to pay the costs associated with interjurisdictional or cross-boundary emergency services. The provincial legislation does allow neighbouring jurisdictions to charge one another for emergency services. There is a formula in place to calculate those bills, but many jurisdictions aren't paying the bills because they don't agree with the formula, or worse, they don't agree with the reliability of the Ministry of Health data used to calculate the bill.

So the Manitoulin-Sudbury DSSAB estimates that it's now owed \$1.5 million for ambulance services that it has been unable to collect from other jurisdictions where they have provided a service. And the Ministry of Health is doing nothing—nothing—to respond to that problem.

The third problem has to do with different regulations and different funding related to townships without official municipal organization. Even though the funding formula for townships without official municipal organization is very clearly spelled out in the Ambulance Act, it is very clear that the ministry is allowing for discrepancies to occur between those regulations and other regulations, even though the regulations in the Ambulance Act and the regulations spelled out with respect to TWOMOs are exactly the same. The huge problem we have is that because the Ministry of Health has a different interpretation between these two acts, even though the regulations are virtually the same, there is a huge discrepancy in funding, and that very seriously and negatively impacts a number of small rural municipalities and municipalities that don't have official municipal organization when it comes to finding the funds necessary to pay for EMS service.

What is most interesting is that this discrepancy occurred under the former government and this discrepancy occurs under the current government, and it occurs even though this Liberal government set up an interministerial DSSAB working group to look at this issue and others. What's interesting, as I hear the government give its rhetoric tonight about consultation, is that even though this government established the interministerial DSSAB working group, it hasn't convened a meeting of that working group in 11 months. I hear the government talk about consultation and the need to work with municipalities because they are on the front line delivering service. Here we have district social service admin boards, which are on the front line, delivering service in small municipalities and in areas that don't have municipal structures, and yet for the last 11 months the government hasn't convened a meeting at all to meet with them to discuss serious issues of downloading and other financial discrepancies that really need to be resolved.

**2020**

It's nice that you're talking to AMO. Maybe you should start to talk to some of the other structures, other municipal/unorganized structures and organizations out there who deliver a service, especially when your government was the one that set up the working group and your government is the one that hasn't called a meeting of this same working group for the past 11 months—11 months. So much for consultation and so much for trying to resolve some really serious issues facing these groups.

In conclusion, let me just say that I hear the government talk about consultation. My municipality is a whole lot more worried about the pressing issue of financial resources to deal with the services it's trying to deliver to residents in the municipality, and the DSSAB is far more concerned about getting some money for ambulance services, for example, and actually having a meeting after 11 months to consult with the government on this and other important issues.

**The Acting Speaker:** Questions and comments?

**Mr. David Oraziotti (Sault Ste. Marie):** I'm pleased this evening to have a opportunity to respond to some of the comments made with respect to Bill 92, an Act to amend the Municipal Act, 2001. I think it is fairly straightforward, and hopefully both the opposition parties will be supporting this legislation, which calls for a consultative process with our local municipalities across the province of Ontario. I want to commend the Minister of Municipal Affairs for his leadership on this bill. This is fairly straightforward.

In the past number of years our municipalities have not had the respect that they deserve. We had a government that took over local school boards and downloaded services to our municipalities that were certainly—

**Mr. Leal:** Did Al Leach ever consult with you?

**Mr. Oraziotti:** I can't recall that happening.

The downloading of services that took place was certainly not revenue neutral. We were told that it was.



As a councillor before arriving here, I can certainly tell you that our community struggled a great deal during budget time as a result of the downloading of these services.

With respect to the Ontario municipal partnership fund that was recently announced, our mayor was quoted as saying, "This is amazingly great news, and it will make a substantive difference for our upcoming budget." Having spoken to the councillors in Sault Ste. Marie and our mayor, I think our municipality is appreciative of the steps our government has taken to renew its partnership with municipalities across the province. Certainly they're feeling that in our community as well.

I encourage members of the House to support this particular piece of legislation. I think it's something that will stand the test of time. It's very symbolic as well, because it will say to future governments that the consultation with our municipalities is essential and very important in terms of hammering out transfer payments to our municipalities.

**Mr. Barrett:** I appreciated the comments from the member from Nickel Belt and her description of the principles and examples of consultation and citizen participation. The NDP government, with respect to the municipalities in our area—at that time it was the Haldimand-Norfolk region—brought in the Barnes report, which called for a diminution of duplication in municipal services and set the stage for the de-amalgamation, if you will, of the Haldimand-Norfolk region.

There are so many municipalities—I think of Chatham-Kent, Kawartha Lakes, Hamilton—that are calling on this government to consult. There are citizens there who truly wish to participate with this particular government. Speaker, I recall that both you and I presented at the Rockton fair last year, with VOCO, the Voices of Central Ontario, at a conference they held. I regret to report that there was not a Liberal MPP there to present to that audience.

The legislation says, "The province of Ontario endorses the principle of ongoing consultation between the province and the municipalities..." I pose the question, are we taking this legislation out for a full set of public hearings? I do not think there are any representatives of municipalities in the Legislative Assembly this evening. Are we going to have hearings in Hamilton, in Glanbrook or Flamborough, for example? Will we have hearings in Chatham? Will we have hearings in Kawartha Lakes or perhaps in Ottawa and Sudbury and other areas that have been amalgamated in recent years?

**Mr. Rosario Marchese (Trinity-Spadina):** I'm taking this opportunity to have my two minutes because I know that the Liberals and Tories might be so eager to continue this debate that I may not get an opportunity to congratulate the member for the great 20 minutes she delivered in this place exposing the emptiness of this bill. Quite frankly, it's bland, innocuous, vacuous and anodyne. It's just an empty, empty bill. Of course it will withstand the test of time. There's nothing in it—zip, rien, nihi, nada, niente. What does it do for any municipi-

ality looking for the pecunia that has been taken away by the Conservatives and promised by the Liberals? Nihil, nada, niente.

There's nothing to be proud of when you say, "This bill continues with our desire to consult." My friend from Nickel Belt already pointed out a number of circumstances where this government is not consulting. Besides, the government doesn't need a bill to consult with anybody. You don't need a memorandum to say, "I'm going to consult with AMO and/or Toronto or any other city that decides not to be part of AMO." You understand what I'm saying.

Why are we dealing with this bill when we've got the Heritage Act, which the Minister of Culture, who's close to me, said is one of the most important things that has ever been introduced in this Legislature? It hasn't been introduced here for third reading but it's the most important bill ever. Buildings are being torn asunder as we speak, but the minister has yet to reintroduce this bill, and we're discussing this memorandum that is empty and has got nothing. I just don't understand the priorities of this government. I wanted to thank Shelley Martel for exposing the emptiness of the bill.

**M. Jean-Marc Lalonde (Glengarry-Prescott-Russell):** Je trouve très curieux que ce soir on est porté à critiquer un gouvernement qui veut ouvrir la porte à toutes les municipalités afin de consulter davantage. Je dois dire que l'on devrait féliciter le ministre responsable des Affaires municipales de l'Ontario. De son initiative, cette loi nous démontre encore une fois que le gouvernement McGuinty veut consulter et veut impliquer les municipalités avant de prendre des décisions puisque c'est le gouvernement le plus près de la population.

La députée de Nickel Belt a mentionné que le Grand Sudbury n'est pas satisfait de la position prise par notre gouvernement McGuinty lors de l'annonce jeudi dernier concernant le nouveau fonds pour les municipalités de l'Ontario. Elle a référé au CRF, et aujourd'hui on est porté à critiquer après avoir reçu un montant substantiel pour la taxe de gasoline. On oublie ce qu'on a reçu. On a toujours dit qu'on voulait répondre aux besoins des petites municipalités. Je peux dire que lors de la réunion de ROMA-Good Roads, comme on l'appelle en anglais, nous avons rencontré le caucus des présidents de comtés de l'est, et ils nous ont fait une demande. Ils nous ont dit que cela leur prenait 12 \$ millions pour boucler leur budget et ils en ont reçu dans l'ordre de 16 \$ millions.

Les municipalités de Glengarry, Prescott et Russell vont bénéficier d'un surplus d'au-delà de 6 \$ millions avec cette annonce. Je crois que l'on devrait dire : « Maintenant nous avons un gouvernement qui reconnaît les besoins des municipalités rurales. Il n'y a pas que les municipalités du secteur urbain qui ont besoin de fonds financiers. Les autres aussi ont besoin d'aide gouvernementale. »

**The Acting Speaker:** The member for Nickel Belt now has two minutes in which to respond.

**M<sup>me</sup> Martel:** Je voudrais dire à M. Lalonde que les petites municipalités ne peuvent pas recevoir de fonds à

propos du gas tax parce qu'elles n'ont pas de transports publics. Dans n'importe quelle petite communauté au nord de l'Ontario, les municipalités n'ont pas de transports publics, alors elles ne peuvent pas recevoir de fonds de la part du gouvernement. Moi, je voudrais parler à propos des fonds pour les ambulances, par exemple.

### 2030

I want to talk about those communities that could get and need money for ambulances. A lot of the small communities in northern Ontario don't have a public transit system, so they can't get the gas tax money and they never did get the gas tax money—so many small communities in northern Ontario and other small rural municipalities. The government in my part of the world could do something important, for example, with respect to ambulances. As I said in my remarks, we have a number of small communities run by district social services administration boards that are having a terrible time paying for ambulance service, because the previous government and this government decreased the share they're paying for ambulance services, because there has been no resolution to the problem of interjurisdictional billing and because the government has two different funding situations for municipalities without municipal organizations and those with municipal organizations.

This issue might be resolved if the government would only actually consult with the DSSABs about this serious issue, but 11 months ago the government established a working group between itself and the DSSABs, and in the last 11 months the group hasn't met once. So much for consultation. You might be consulting with AMO, but you're not talking at all to other municipal structures who have to deliver services too, DSSABs included.

**The Acting Speaker:** Further debate?

**Mrs. Carol Mitchell (Huron–Bruce):** It's certainly my pleasure to rise in support of Bill 92. I would like to start off by quoting the past president of AMO: "This historic bill would enshrine in legislation the principle of meaningful and informed consultation between the province and Ontario's municipal government," said Ann Mulvale.... "This would help minimize or prevent unintended consequences for the one taxpayer. This legislation is good news for the public and is a significant illustration of how governments should work together."

I would like to add to what the member from Durham stated, as I'm a member of the same standing committee as that member is. Roger Anderson, during the consultation on the pre-budget hearings, certainly drew to our attention the importance to AMO for Bill 92 to move forward. Not only do we have an endorsement from the past president of AMO, we also have an endorsement from the current president of AMO, Roger Anderson.

I start off in this manner because I believe that AMO, as we in this House all know, represents the municipalities of Ontario, and the voices they bring to the table are so important in providing the services that people expect within Ontario.

I also want to add that I will be sharing my time with the member from Perth–Middlesex and the member from

St. Catharines. We in the government are so anxious to talk about Bill 92, to say how important this legislation is, that members are coming from the floor to raise their voices in support of this. It's just so heartening to hear that kind of support.

When I hear from the members of the opposition the numerous concerns—you know, consult on this or that, or that they feel that the government erred in some manner—I think it's very important that we don't lose sight of what Bill 92 is about. It is about enshrining in legislation the consultation process between the municipalities and the provincial government. I know from the questions that are asked in this House on a daily basis that this bill will be supported unanimously. I know that members would not say one thing and then vote in another manner, because I know when they talk that it's very important.

**Mr. Baird:** Don't go there.

**Mrs. Mitchell:** I can hear the support from the member from Nepean–Carleton, and I thank him for that support. Clearly, he will be supporting Bill 92. That's what I've heard tonight.

Many of us, as you do yourself, Mr. Speaker, come from a municipal background. I was in municipal government during the non-consultation process that happened with the previous government.

**Mr. Baird:** On a point of order, Mr. Speaker: I'm very supportive of this bill, and would like to see if there would be unanimous consent to have the vote on second reading right now.

**The Acting Speaker:** Is there unanimous consent? I heard a no.

**Mrs. Mitchell:** I am so surprised that the third party is not prepared to support unanimous consent. I hear the level of support in this House. We stand up and say, "Consultation is the way we should be going, and we need to do more of it," talking about the municipalities and the services they provide. But then, given a bit of opportunity to pass this bill, it doesn't happen. I say to the third party that I'm shocked, absolutely shocked. But as we can, I think it's important that we move forward and talk about how important Bill 92 is.

As I was saying before the member from Nepean–Carleton stood up and strongly endorsed Bill 92, one of the things that happened while I was in municipal government was what we fondly referred to as downloading. There was just no consultation. Rural municipalities, urban municipalities, small: the mantra was "rightsizing, downsizing, downloading." It was to be revenue neutral. It started with the synopsis that it would all be revenue neutral.

When we talk about building a foundation of trust and mutual respect, this is what Bill 92 does. It enshrines the respect that we show to local governments. As there's only one taxpayer, we must work much more efficiently with our limited tax dollars. By working together, we will do that. We will bring forward to the people of Ontario the services they need to get about their day-to-day business.

I know there's such enthusiasm from the government to talk about Bill 92. We recognize how important this legislation is. Once again, I would just like to reinforce how strongly in support I am of Bill 92 and give the member from Perth–Middlesex an adequate amount of time so that he too, I'm sure, will lend his support as well.

Thank you very much for allowing me the time. The people of Huron–Bruce look forward to this piece of legislation moving forward.

**Mr. John Wilkinson (Perth–Middlesex):** I must begin by saying how much I appreciate the awfully generous comments of my colleague the member from Huron–Bruce. Mrs. Mitchell is a wonderful colleague. Our ridings about each other and we deal with many issues in common, including municipalities.

Though I'm firmly in support of Bill 92, I have a slightly different take on it, because I don't come to this place with municipal experience. I know you have that, Mr. Speaker, and many of the members here. The member from Peterborough is a good example, and the member from the Soo also has municipal experience, and of course the member from Northumberland is the former mayor of Brighton. I'm sure you've seen his car. His licence plate says "Brighton." There isn't anybody in Ontario now who doesn't know that the member is the former mayor of Brighton, because that's the municipal world.

2040

To follow up on what the member from Huron–Bruce said about respect, respect costs nothing, but it's priceless. That's what Bill 92 is all about. People say, "Why do you have to do it?" Well, I ask this question: Could you imagine, after this government announced that we were going to have Bill 92, if we listened to the siren call of the opposition trying to convince us that perhaps we should change our mind, that Bill 92 is not important and that somehow we shouldn't pass it? They'd be like a pack of wolves on this government saying that somehow we had changed our mind. Perhaps they were trying to lull us into a sense that maybe we shouldn't move forward with Bill 92, that perhaps in June when the House rises, somehow this bill is lost.

Well, after listening to John Gerretsen, Minister of Municipal Affairs and Housing, and speaking to my other neighbour, the member for Lambton–Kent–Middlesex, Maria Van Bommel, who is Minister Gerretsen's parliamentary assistant for rural affairs, I can assure you, after listening to their impassioned oratory in this House this evening on this bill, that there is no way we are going to waver in our commitment to Bill 92.

Bill 92 is important, because we have said to our municipal brethren, to our partners—the word "partner" is something I'm used to because I've had many partners in my business career—how very, very important this is. It's not enough just to say that there's a new day. We have to have some assurance—

**Mr. Baird:** What about in Muskoka?

**Mr. Wilkinson:** Muskoka was in our campaign document. Perhaps you had a chance to take a look at it; it's quite lengthy.

We ended up with a difference. We had to have a situation with our municipal partners where we would turn a new page, and what Bill 92 does is turn a new page. It says to other governments in the future—our own and others—that if you don't feel you should be consulting with another level of government, a level of government that deserves our respect and was voted in by the same people who voted all of us in, if you want to show disrespect to the voters, to those people who exercise their franchise, and if you want to show disrespect to municipalities, then just don't renew the memorandum of understanding. Just pass a law and say, "No, legally we don't have to consult with you."

My God, there'd be war in this province. I remember the last time we had a war with municipalities. It was the previous government in that revenue-neutral exercise that was really all a bunch of spin to show that they were going to download soft costs on to hard municipal property. This province has had to struggle with that ever since. That's why we need to turn the page.

I think about, for example, the announcement I made in my riding, as all the members did, about the fire training grant. What a wonderful change that is. I want to share with the members, who know this, but also with the people tuning in tonight that the simplistic way of handing out money in this province is just per capita: It's how many people are in your community and how much you are going to get per capita and just send it out. That's been happening I don't know how many times in this province. But I'll tell you, the Ontario fire training grant turns that principle on its head, because the smaller the municipality—and I have many in my riding—the more difficult it is to provide fair, safe and equitable distribution of assets to ensure that the people in rural Ontario have the same right to high-quality training and equipment provided to those most valuable of volunteers and professionals who come to our houses and our businesses and who attend car accidents when we need them to show up. They're the most brave of public servants. We're public servants, but we're not nearly as brave as paramedics and firefighters and police officers—not the people who run away but the people who go.

I know that in all the communities in my riding how very, very happy they were that the smaller the community, the larger the amount of money they received per capita. That's where the problem is. With a very small tax base, they needed the provincial government to come. Should the fire department in Goderich, in Newbury, in Mitchell or in Norwood also have thermal imaging equipment or should it just be the fire departments in Kitchener and London and Toronto? No. The good people in Norwood, the good people in Mitchell, the good people in Newbury also need to have that protection. They pay their taxes as well. Our ability to do that is based on the fact that we listened and consulted with our municipal partners, who told us how very, very

important it was when it came to the protection of citizens that we look to this and have a new way of distributing money other than this simple per capita basis, which continued to have an imbalance as to the equitable distribution of assets.

When I first came into office 17 months ago, I met with all my municipalities—the city of Stratford and the independent town of St. Marys and the townships of North Perth, West Perth, Perth East and Perth South, and also in Middlesex and Lucan Biddulph. Then there is the great community of North Middlesex, which I share with the member from Lambton–Kent–Middlesex, and also the communities of Thames Centre and Middlesex Centre, which I share with the Minister of Agriculture and Food, who is the member for Elgin–Middlesex–London. I went to them and said, “Ladies and gentlemen, it’s a new day. Our government has been elected, and we will respect you.” Do you know what they said to me? “Mr. Wilkinson, with all due respect, you’re a rookie. We heard that from the other bunch of bums and we don’t believe you. Actions speak louder than words. We’ll reserve judgment until you’ve had a chance to prove to us that you actually are going to be a partner with us, your colleagues at the municipal level.” I can proudly announce that now, 17 months later, all my municipal partners, all the colleagues I deal with on a day-in, day-out basis, feel that we really have turned the page.

Bill 92 is crucial to this government; it’s the reason we’ve introduced it. It’s crucial that we are able to show demonstrably to all the people of Ontario the need to consult, the need to turn the page and assure our municipal partners that we will never download services to them again without the ability to talk and get the best advice possible on municipal issues. And where do we get that advice? From municipalities. That’s where that advice is.

I’m sure the dean of this Legislature, the Minister of Tourism and Recreation, the Honourable Jim Bradley, the member from St. Catharines, would want to weigh in on this debate and share with all of us, with his vast amount of experience in this House, his thoughts about Bill 92.

**Hon. James J. Bradley (Minister of Tourism and Recreation):** All the consultation that’s going on is important. I have not seen a minister do as much consultation as the Minister of Municipal Affairs did over the greenbelt legislation, meeting in community after community. I keep hearing questions coming from the official opposition about this, but I notice that the new leader, John Tory, doesn’t ask the questions. In downtown Toronto, with the environmentalists—the Pollution Probe dinner and so on—he wants to be an environmentalist, but when he gets out into the hinterlands he wants to be one of the folks as well, so instead he gets some of the other members to get up and ask the questions because he doesn’t want people to know that he’s either for or against the greenbelt.

I remember when he used to go to the meetings of Pollution Probe and he was always one of the great

supporters of environmental issues. But now they have to raise some money over there—\$2.5 million they have raised. That’s a consultation too. You’d be interested in this, Mr. Speaker. There’s a consultation going on, I think tomorrow night, at the Bayview Golf and Country Club. If you want to meet John Tory, you pay a thousand bucks a shot at the Bayview Golf and Country Club. I’m not advertising for it, because it says “by invitation only” so you can talk to John personally. One of the co-signers of it is the owner of a development company. I wish I had the letter in front of me now—I don’t; this is just a piece of paper—but Peter somebody, a developer. There’s another famous name on there, a wonderful family, no doubt, throughout the greater Toronto area called DeGasperis. There is a Mr. DeGasperis—and that’s quite all right—who is inviting people to this exclusive, \$1,000-a-shot meeting with John Tory.

What I notice, and you may have noticed this because you are an astute observer of this House, Mr. Speaker, is that after they have a fundraiser over there, we get certain kinds of questions coming up in the House. Now, I don’t want to draw any conclusions that the people who went to the fundraiser encouraged the Conservative Party to ask the questions, because that would be drawing a conclusion that I can’t really draw at this point in time, but there is circumstantial evidence, may I say, at the very least. I remember in Britain—and I’m not saying this is happening here, because I’d never want to say that—they actually had people who were paying opposition members to ask questions. I don’t think that would happen here.

**2050**

I will be curious when that consultation takes place at the Bayview Country Club between John Tory and those who have 1,000 bucks apiece. I hope the media are waiting outside to see who is going in. I don’t think they will be, but I hope they would be there to see who’s going in and out of this.

After that, I would be very interested to see what kind of questions we hear in the House. I don’t want my suspicions to be confirmed; I hope they’re not. I know the new Leader of the Opposition, whom we all wished well the other day, is not going to ask these questions, but I’ll be watching other members of the caucus to see who’s asking the questions on behalf of those whose development and paving interests are adversely impacted by the greenbelt.

There’s room for lots of debate on the issue; I understand that. There are people who legitimately may put forth their viewpoints. But I’ll really be curious to see if that \$1,000-a-head shindig at the Bayview Country Club, where you get to speak intimately with John Tory, doesn’t produce some rather interesting developments in this House; maybe even some questions that will be forthcoming at that time.

**The Acting Speaker:** Questions and comments?

**Mr. O’Toole:** I think very few of the remarks of the member from St. Catharines had anything to do with Bill 92, but to put his mind at rest or at ease, I would suggest

that the best list he could get is the \$10,000-a-plate secret invitation at the mansion of the Sorbara family. That's the \$10,000 list. It's one example of the consultation—

*Interjection.*

**Mr. O'Toole:** For the record, it's important here, since the member for St. Catharines brought this up, and I'm going to quote. The member from Peterborough may want to pay attention. This is with respect to the lack of consultation on the Greenbelt Task Force, on the mapping of the boundaries:

"The man who led the task force"—on the mapping—"that created the greenbelt system says he's happy...."

"But Burlington Mayor Rob MacIsaac says his group had nothing to do with drawing the actual boundaries of the zone that stretches from Niagara to Rice Lake."

I'm going to quote here from the Peterborough Examiner of January 24:

"Rosen said the province is making decisions without properly consulting with local governments that depend on Queen's Park's assistance.

"There has been a general lack of consultation from the province," he said. "The province has said it wants us as an equal partner, yet it has made a decision to flatline the CRF"—the community reinvestment fund—"and tell us how we're spending gas tax money. They're putting us in a real difficult position without a lot of consultation."

That's from Kingston mayor Harvey Rosen, and that's in the Peterborough Examiner. So you had best look to where you're pointing before you ask.

I believe it's important for John Tory and all leaders to consult, but secret \$10,000 consultations on the most enormous land grab deal in the province's history were held at a mansion in York region. Some of the names on that list may indeed be on our list, but at least ours is a public process and it's real consultation.

**Mr. Marchese:** Because I may not have an opportunity tonight—I know the Conservatives are so eager to speak to this bill—I'm going to use my two minutes to make a couple of points. I simply say to the member from St. Catharines—and I'm sure it was an oversight—that there was a little dinner held by one well-known Liberal just a mere short while ago, and it was a tête-à-tête kind of dinner, a very small, exclusive group, and all you had to do was put out 10,000 bucks for that wonderful tête-à-tête avec le premier ministre. I'm sure you forgot it, Jimmy, but I wanted to raise it for the record and help you out in case the memory had failed a touch.

The member from Perth–Middlesex says this bill is so crucial that perhaps it skipped his mind, because it's hard in this place to keep it all together, that the Frost Centre was shut down a year or so ago; no consultation with me as a critic of culture, no consultation with anybody I am aware of. But the Frost Centre is not such a big deal. It's an outdoor education centre, a mere little thing that we could just send by the wayside. I understand that, but I'm sure it's an oversight.

The other issue has to do with the city of Kawartha Lakes. You will recall that when they were in opposition they said that, if there were a vote in the area of the city of Kawartha Lakes to de-amalgamate, they would honour that. They had a vote through a referendum to de-amalgamate. What did the Liberals do? They didn't listen.

Just recently, they took Muskoka out of the north. Did they consult you as the municipal critic? I don't think they did. Did they consult anybody? I don't think they did.

This bill is a sham. It's empty, worthless, meaningless. It has no effect or power and it means nothing to anybody.

**Mr. Leal:** I listened carefully to my colleagues the members from St. Catharines, Huron–Bruce and Perth–Middlesex. When I was in the riding on the weekend, I talked to my good friend the reeve of Havelock–Belmont–Methuen, Ron Gerow. Under that government, Ron Gerow got zero under CRF. Havelock–Belmont–Methuen has one of the lowest assessment bases in the province of Ontario. What did he say to me on Saturday? "Jeff, thank God you've changed the funding formula because I'm getting \$352,000 to pay for the services in my community."

Look at the riding of Haliburton–Victoria–Brock in the northwest corner of Peterborough county. Galway–Cavendish–Harvey got zero under that government. I talked to Tom Flynn, the reeve. For the first time, \$400,000 in funds to help with their services.

I go back to 1999. Al Leach was the author of the who-got-done-in committee. Who got done in? The municipalities. By enshrining the memorandum of understanding in Bill 92, we are putting in place that this memorandum of understanding, which started to evolve through consultations last August when AMO put forward a committee to negotiate, when the government of Ontario put forward a committee to negotiate—last Thursday we heard the results of their deliberations. We got a funding formula that is fair for municipalities right across the province. It is now a formula that is transparent.

If you ask the association of clerks and treasurers in the province of Ontario, they will tell you that none of them could understand the old CRF formula. It didn't make sense. We now have a new funding formula that's transparent, that's going to assist municipalities right across this province. I say, it's about time a government brought forward this kind of legislation.

**Mr. Baird:** On a point of order, Mr. Speaker: Roger Anderson and Tim Hudak want this bill passed, so I'd like to ask for unanimous consent for second reading.

**The Acting Speaker:** Is there unanimous consent? I heard a no.

Further questions and comments?

**Mr. Dave Levac (Brant):** I want to take a couple of minutes to talk about why the bill is here in the first place. Let's be mindful of the fact that when the municipalities were downloaded to, David Crombie came back with a Who Does What recommendation that said

hard costs should go to the municipalities and soft costs should go to the province because of the nature of soft costs, which can fluctuate in times of duress, in times of a drop in the economy. It would be a little bit easier, apparently, according to what David Crombie and his crew came up with, for the province to deal with that.

Let's talk about the neutrality. The one point I remember when I was in opposition was that they had to come up with \$200,000 to make up the difference of that exercise that said they were going to have a balance or equal amount of money on both sides and the download would be revenue neutral. They just simply, out of the air, picked ambulance services. That's exactly what they said. "The numbers fit, so let's download ambulance."

There was a good thing that came as a result of that. In terms of delivery, it makes sense that ambulance is done on a local level because of its subsidiarity, that where you have the easiest, most effective way to provide that service it should be given to them, and that the harder way goes to the province.

So why do we have this bill before us? To ensure that from here on in—and listen carefully—unless another government at another time later in the future decides not to consult with the municipalities, we will now have this enshrined. It may be classified as a simple "nothing" bill, but ask the municipal politicians whether or not they believe that enshrining consultation is a bad idea. I know what the answer is; you know what the answer is. Let's pass the bill and get on with it.

**2100**

**The Acting Speaker:** Two minutes for reply.

**Hon. Mr. Bradley:** I appreciate all the comments that were made, particularly by the members on this side of the House, but all the comments. I want to say to my friend from downtown Toronto and the NDP whether he is aware that Eleanor Clitheroe, the former head of Hydro One, gave \$5,000 to the New Democratic Party. In 1995: \$5,000 to that party. That is something a lot of people don't know and I thought they might want to know.

I was happy there was mention of the firefighting money. For the first time, a government provided money to municipalities for firefighting purposes, and I talked to several firefighters in my community who were absolutely delighted with that.

I was talking about this consultation and my friend from Durham got up to speak about invitations and so on. Perhaps he didn't get an invitation to the \$1,000-a-person gathering at the Bayview Golf and Country Club, tomorrow night I think it is, with John Tory. There's going to be money coming in from all kinds of the rich and the privileged. You see, when he makes reference to any fundraising on the other side, the people are angry because they did not get what they wanted, but we can be sure that the rich and the privileged will do very well, thank you, under John Tory.

I notice that there's no heckling allowed by John Tory from the Conservative members of the House. I read it in Ian Urquhart's column. They're back heckling again. What has happened with the questions and the debates in

this House is that John Tory at the convention may have got the most votes, but Jim Flaherty won the last leadership convention. We can see that in the Tory policies.

**The Acting Speaker:** Further debate?

**Mr. O'Toole:** The member from Trinity-Spadina is very anxious to comment on this bill, and I hope that, with the indulgence of the government, there will be time given to him at the appropriate time. All of us here, I believe, want to move forward, as has been explained, with this feel-good bill. I should explain for the viewers that this is the bill. You wouldn't want to spend a lot of time here because it's pretty much a commitment to thin air.

I could read the explanatory note, just for some context, because I have time to fill. "The bill provides that the province shall consult with the municipalities on matters of mutual interest in accordance with a memorandum of understanding entered into between the province and the Association of Municipalities of Ontario." In fact, that is the current status that expired under Ann Mulvale, when she was president of the Association of Municipalities of Ontario, and I believe that at that time it was Chris Hodgson who signed that agreement. There were consultations, and I could go on at length that there were indeed plenty of consultations.

Many members here, as I said earlier in my remarks, were part of municipal levels of government and as such would be familiar with some of the references to history that I will try to recall off the top of my head. I served as the chair of finance for the municipality of Clarington, and I enjoyed it. I would thank Marie Marano, the treasurer at the time, for teaching me a lot about municipal tax rates, transition factors, mill rates and assessment bases, and how there was inconsistency across the province, how they had to have assessment adjustment factors to calculate the relationship of the province in terms of the transfer of funds between the province and the municipal jurisdictions.

Those funds had different names. In the old days they were called conditional grants and unconditional grants. But there was a schedule of relationships, and those occurred primarily at the staff level, as you would know, Mr. Speaker, as the previous mayor of East York—the last mayor, I might say, and probably the best mayor, or the last best mayor, of East York. I know Dave Johnson was also a highly regarded mayor there who at one time certainly had a large role here.

The history that I want to go back to a little bit started basically at the tail end of the David Peterson government. The David Peterson government initiated a paper, and I think it was called the disentanglement report, if I'm not wrong. They were trying to disentangle—that just means "sort out"—what sources of revenue, whether property tax, sales tax or income tax, would go to what level of government to pay for which services.

You could say that the current debate in Ottawa, at the federal level, with the provinces is that they are dealing with the transfer payments under the same discussion,

really. You might think of the Canada Health Act as a perfect example to understand the context of what I'm talking about. The federal government signed a relationship, a memorandum, under the Canada Health Act with the provinces. In that memorandum it was a 50-50 agreement: The feds would pay 50% and the provinces would pay 50%. But there again, the federal government sets the standards of service, what they call medically necessary treatments. Those medically necessary treatments cannot be delisted as services being provided in any other way by the provinces.

Alberta's relationship would be a good example. They tried to delist some services in their negotiations with the medical community so that the doctors could then pass those charges on through private health care. Ontario has done the same in its relationship with the doctors. In fact, in your last budget, the Liberal budget under Greg Sorbara, you delisted chiropractic, optometry and physiotherapy services. Those delisted services in fact really became private services. In other words, the funding would come into the system through the user-pay system. So it's not unique—not unique to you, not unique to us.

The broader history of this disentanglement, which was the first attempt—and Mr. Prue would remember, as I do, being a municipal councillor during the Bob Rae government, and Mr. Leal would as well, that they had what they called the Fair Tax Commission. The Fair Tax Commission—and I did attend meetings—was a very broad and considered attempt to deal with the haemorrhaging of fixed expenditures, basically payroll, and a shortage of revenue. With a bad economy in the time of the NDP government, it was no fault of theirs. They aren't responsible for fiscal policy; it's the federal regime really. And even there, Canada's overall contribution in the general scheme of world economics is kind of minuscule, actually. We're very much dependent on the US economy. So even their fiscal policy on tax and monetary control is somewhat out of their control as well.

For instance, let's say the economy drops three points, as it did during the NDP government. On an annualized basis, three points amounts to about a \$3-billion loss in revenue.

**Interjection:** It's more than that.

**Mr. O'Toole:** No, no. Every point of loss in the GDP represents about \$700 million in real revenue. You are going to experience that in your upcoming budget at the end of this month. But the point I'm really making is even more complex, because when your revenue goes down, your expenditures on social programs go up, i.e., welfare, EI costs and other assistance for persons who have been disenfranchised from the workforce and need help. So social spending goes up as your economy goes down.

I'll try to make those relationships throughout my presentation, because our attempt—and the Fair Tax Commission was to do the same thing. They tried to isolate what revenue paid for what service. It was a valiant attempt, because it was preceded by what I remember as the local services realignment. That's what it

was called. That was the bill, the consultation paper, that Mr. Marchese and his government had prior to the social contract. They tried to recognize—listen, viewers, your councils are now dealing with their budget. Some 80% of the municipal budget is wages and benefits—potentially more. One of the most volatile areas is public safety and emergency response. The highest-cost, most vulnerable area is policing, fire and ambulance. Those are the three really serious cost drivers for the municipalities. The capital portion of the budget is actually one of the smaller portions.

*Interjection.*

**Mr. O'Toole:** No. As a previous mayor, I'm surprised how little you bring to the conversation, so I won't acknowledge that.

**2110**

My point is this, and I am trying to make a substantive contribution here: I believe that what we had developed—and some may disagree with it. In fact, I think it was an ongoing dialogue. I would say to you that it's not true what has just been said. It's not true that they disagreed, and I will show you evidence to the contrary.

What we ended up with was trying to pull ourselves out of the Fair Tax Commission and the social contract with the election in 1995. Remember that in the social contract, they actually cut people's pay. They opened contracts, ripped them up and cut people's pay. What did I tell you? The pay is 80% of their budgets. So what the heck is wrong with municipal spending? It's the payroll issue. What is wrong with the provincial government? It's payroll. It's payroll and benefits, and they're going through the roof.

If anyone has been paying attention recently to financial reports in the private sector, a good example would be my previous employer, General Motors. General Motors has serious demands. In fact, there was an article in the paper today that some of the pension funds are experiencing as much as a 15% annualized increase in the cost of benefits for retired people. These are not sustainable when you have a shrinking workforce. I'm getting a small bit off topic, but the whole thing here for everyone, including the Minister of Energy—he should well know that over half the Ontario Hydro employees are making over \$100,000. They are not inventing nuclear engineering or high-voltage transmission; they are actually administering a highly regulated market.

I think there are some reasons for competition within all sectors, to say what is the value on a go-forward basis to the taxpayer, who at the end of the day is paying for all this. This isn't like selling cars or computers; this is the public service. They are valued, they are important and they are essential to the extent that they must continue even through economic difficulties.

The government's revenue is tied to the economy. The fundamental premise for the Harris-Eves government, if you will, is that without a strong economy you have no quality of life. And if you want to look for proof of that throughout the world, look at countries that have a weakened economy. Look at countries, like Afghanistan,

that have no economy. They have no monetary system, no legal system, no educational system to speak of, and people's quality of life is adversely affected.

It's important to understand which came first, the chicken or the egg, and in this case the economy or the standard of living. As we know, tax policy, and capital tax specifically, is very important to the vitality of an economy and to the quality of life. They are inextricably linked. They are linked federally, provincially and municipally.

We have a history here that all governments over the past 15 years have struggled to develop a relationship—call it a memorandum of understanding, call it Bill 92—and I endorse the principle that we should be consulting on major shifts in relationships as to who pays for what. After all, there's only one taxpayer.

You should also know that Ontario, in a municipal sense, is the highest contributor to municipal expenditures in Canada. Of all the provinces, the municipal portion of the tax burden is greater in Ontario than in any other province in Canada. It's important to understand, first of all, that since the Liberal government, the NDP government and the Conservative government, we have been shifting responsibilities. Some would call it delisting; some would call it downloading.

I want to respond to a comment that was made a bit earlier. This is a research document. It's part of an ongoing discussion user guide issued in 1999. All the municipal clerks and treasurers have a copy of this guide. I attended a workshop. I hope, Lou—at that time you weren't elected—that you did attend, because I believe you were the mayor of Cobourg and, as such, you should have. If you didn't, you should attend one of the sessions about the local services realignment. What was your municipality?

**Mr. Rinaldi:** Brighton.

**Mr. O'Toole:** Pardon me. I apologize, Lou. I did meet when you were the mayor.

All I'm saying here is that this significant user guide was worked with municipal staff—clerks and treasurers—to develop a relationship.

I should tell you that if we had taken the intent of the initial consultation under the Who Does What committee—and the Fair Tax Commission, I might say—the major recommendation, Mr. Levac, was that we would take education funding off the property tax base. That was in the Fair Tax Commission, it was in the Royal Commission on Learning and it was also in the Who Does What committee. But when we looked at how much we were transferring to the municipalities at that time and the cost of education, the two numbers didn't match. We could not have taken all of education, which was about \$8 billion, off the municipal tax base because there were not enough equal things to transfer down, and the amount of tax room would have accrued to the municipality, which means we would have been paying more. We would have had to raise taxes, and they, theoretically, should have lowered them, but that tax room just may

have been crowded out by more expenditures. Mr. Leal from Peterborough would probably know that.

It's a complicated relationship, but what we ended up with—this was a dialogue occurring from 1997, which was when we started the responsibility of transfers under local services realignment—that's where this acronym LSR comes in. The responsibilities we dealt with were pretty important expenditure programs: general welfare, family benefits, daycare services, long-term care, home care, women's shelters, social housing, municipal transit, GO Transit, municipal ferries, municipal airports, sewer and water, policing, real property assessment—called MPAC—public health, land ambulance, roads, provincial offences, and residential education property tax.

All municipal councils would remember that historically the argument at the municipal level was that the darned school boards would keep raising taxes, which the municipalities had to collect.

**Hon. Mr. Bradley:** Weren't you on the school board?

**Mr. O'Toole:** Yes, I was, and I was chair of finance as well. But the fact is that legislatively the school boards came under the municipality for tax collection purposes. So the lower-tier level of government—in my case, Clarington; in Peterborough, Peterborough would be the lower tier as well—the school board, of which I was a member, would hand in that tax rate, and the municipality would send the tax bill to the house, and they'd say, "That darned city of Peterborough." The municipality itself was probably flatlining its budget, whereas the school board was going for 6% or 7%, and technically, the homeowner knew no difference. He couldn't sort this out on the tax bill.

I think it is important, as I said earlier, that two levels of government did try to sort out who paid for education. This has always been my standard argument on that: Education is a public right, and, as such, it should not be dependent on the wealth of the assessment base to pay for it.

What we had—and Mr. Levac, as a high school principal, would know—was that many jurisdictions throughout Ontario had—without any political bias here, because I was in one of the poorest-funded boards in Ontario, yet we were trying to provide and teach to the same standards of curriculum, outcomes and expectations for our youth as larger cities that had a wealthy tax base. What it used to be referred to as in inner circles was the "non-residential tax base." That is code language for all the commercial-industrial tax.

Good examples in the city of Toronto would be the Hummingbird Centre, SkyDome, the Gardens: all these commercial entities that pay huge taxes—millions of dollars—but don't produce students. If you only have a residential tax base—and about 89% of our tax base was residential—those residential taxpayers actually send kids to school. It's not like SkyDome, which pays \$10 million in taxes. They don't send kids to school; they just send the money to the school board.

Large urban centres—Ottawa, Toronto and London—certainly were the major centres that spent more on



education than other jurisdictions: as much as \$8,000 per student in some jurisdictions, versus \$4,000 per student for some jurisdictions. We deemed, and the Royal Commission on Learning deemed, that that was an inappropriate use of access to a publicly funded service, and I agree. The Royal Commission on Learning agreed, the Fair Tax Commission agreed and so did the Who Does What Panel. I told you why we didn't take all the tax base off the residential portion—we left a very small part; I think about 18% of education funding still comes from the municipal tax base—because there simply wasn't enough tax room. When we took education up, we took \$3 billion in education funding back to the province and gave them room in their tax bill so that the bottom line of your tax bill wouldn't change.

Here's what we moved down. Welfare rates in 1997 were going to be 80% by the municipalities and 20%—

*Interjection.*

**Mr. O'Toole:** Listen and you'll learn.

*Interjection.*

**Mr. O'Toole:** We moved it back up. You've got to listen. This is a story and it demonstrates the ongoing dialogue we had right from 1997.

I'm just going to say here that, for instance, when it came down to provincial offences—provincial offences are traffic tickets, parking tickets—all that revenue used to go to the province. We gave the municipalities all of the revenue from provincial offences. So the more tickets they give out, the more revenue they get.

We also backed off from most of it. We had a relationship of 50-50 on daycare; we went back to 80-20. On welfare we went back to 80-20, the way it was, the way it always was.

The worst services—and one of the more obvious ones probably had to do with the realignment of policing services. Much of rural Ontario did not pay for policing. It was OPP services, which were provincially funded. We assessed policing—

**Mr. Rinaldi:** Municipalities.

**Mr. O'Toole:** No; the municipalities were never paying it. It was always paid by large urban centres that had their regional police forces. So they were inadvertently avoiding a cost. I could go down this list. I think this is a very important challenge you have.

I generally support the theme of working together and making sure we understand that all the revenue at the end of the day is tied to a healthy economy, which comes back to tax policy. If you look at tax policy and you think tax cuts are a bad thing, we can demonstrate that the amount of revenue we lost with our tax cuts was \$4 billion and the amount of revenue gained was \$16 billion. Look at the numbers. When we came in, we increased funding in health care from \$17.4 billion to \$27.4 billion. We did that because we were able to influence investment in jobs and reap the benefits from the economy.

You may not endorse that economic theory, but I'll tell you, without the proper tax policy federally, provincially and municipally, the city of Toronto and the city of Vaughan, the biggest argument—the city above Toronto: Vaughan. What were they doing? Vaughan had a lower tax rate for industrial-commercial. All of the industrial-commercial tax base was moving out of Toronto to Vaughan. That's why we tried a uniform assessment policy in the province. You should stick with it. It may not be right, but stick with it. If you can manage uniformity in baseline measurements, let them apply the tax rate. You say it's a uniform measurement. If you want to tax something at one level in Mississauga and at another level in Durham, that's local policy on tax, but the assessment measurement should be uniform across the province.

This is an important debate. This bill does nothing except establish what's already in place. I want it to go to further hearings.

**The Acting Speaker:** It being nearly 9:30 of the clock, this is an opportunity to adjourn for tonight. We will have questions and comments on the next occasion.

*The House adjourned at 2123.*

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Ottawa West–Nepean / Ottawa-Ouest–Nepean	<b>Watson, Hon. / L'hon. Jim</b> (L) Minister of Consumer and Business Services / ministre des Services aux consommateurs et aux entreprises	Thunder Bay–Superior North / Thunder Bay–Superior- Nord	Gravelle, Michael (L)
Ottawa–Orléans	McNeely, Phil (L)	Timiskaming–Cochrane	<b>Ramsay, Hon. / L'hon. David</b> (L) Minister of Natural Resources / ministre des Richesses naturelles
Ottawa–Vanier	<b>Meilleur, Hon. / L'hon. Madeleine</b> (L) Minister of Culture, minister responsible for francophone affairs / ministre de la Culture, ministre déléguée aux Affaires francophones	Timmins–James Bay / Timmins-Baie James	Bisson, Gilles (ND)
Oxford	Hardeman, Ernie (PC)	Toronto Centre–Rosedale / Toronto-Centre–Rosedale	<b>Smitherman, Hon. / L'hon. George</b> (L) Minister of Health and Long-Term Care / ministre de la Santé et des Soins de longue durée
Parkdale–High Park	<b>Kennedy, Hon. / L'hon. Gerard</b> (L) Minister of Education / ministre de l'Éducation	Toronto–Danforth	Churley, Marilyn (ND)
Parry Sound–Muskoka	Miller, Norm (PC)	Trinity–Spadina	Marchese, Rosario (ND)
Perth–Middlesex	Wilkinson, John (L)	Vaughan–King–Aurora	<b>Sorbara, Hon. / L'hon. Greg</b> (L) Minister of Finance / ministre des Finances
Peterborough	Leal, Jeff (L)	Waterloo–Wellington	<b>Arnott, Ted</b> (PC) First Deputy Chair of the Committee of the Whole House / Premier Vice-Président du Comité plénier de l'Assemblée législative
Pickering–Ajax–Uxbridge	Arthurs, Wayne (L)	Whitby–Ajax	Flaherty, Jim (PC)
Prince Edward–Hastings	Parsons, Ernie (L)	Willowdale	Zimmer, David (L)
Renfrew–Nipissing–Pembroke	Yakubuski, John (PC)	Windsor West / Windsor-Ouest	<b>Pupatello, Hon. / L'hon. Sandra</b> (L) Minister of Community and Social Services, minister responsible for women's issues / ministre des Services sociaux et communautaires, ministre déléguée à la Condition féminine
Sarnia–Lambton	Di Cocco, Caroline (L)	Windsor–St. Clair	<b>Duncan, Hon. / L'hon. Dwight</b> (L) Minister of Energy, Chair of Cabinet, Government House Leader / ministre de l'Énergie, président du Conseil des ministres, leader parlementaire du gouvernement
Sault Ste. Marie	Oraziotti, David (L)	York Centre / York-Centre	<b>Kwinter, Hon. / L'hon. Monte</b> (L) Minister of Community Safety and Correctional Services / ministre de la Sécurité communautaire et des Services correctionnels
Scarborough Centre / Scarborough-Centre	Duguid, Brad (L)	York North / York-Nord	Munro, Julia (PC)
Scarborough East / Scarborough-Est	<b>Chambers, Hon. / L'hon. Mary Anne V.</b> (L) Minister of Training, Colleges and Universities / ministre de la Formation et des Collèges et Universités	York South–Weston / York-Sud–Weston	<b>Cordiano, Hon. / L'hon. Joseph</b> (L) Minister of Economic Development and Trade / ministre du Développement économique et du Commerce
Scarborough Southwest / Scarborough-Sud-Ouest	Berardinetti, Lorenzo (L)	York West / York-Ouest	Sergio, Mario (L)
Scarborough–Agincourt	<b>Phillips, Hon. / L'hon. Gerry</b> (L) Chair of the Management Board of Cabinet / président du Conseil de gestion du gouvernement		
Scarborough–Rouge River	<b>Curling, Hon. / L'hon. Alvin</b> (L) Speaker / Président		
Simcoe North / Simcoe-Nord	Dunlop, Garfield (PC)		
Simcoe–Grey	Wilson, Jim (PC)		
St. Catharines	<b>Bradley, Hon. / L'hon. James J.</b> (L) Minister of Tourism and Recreation / ministre du Tourisme et des Loisirs		
St. Paul's	<b>Bryant, Hon. / L'hon. Michael</b> (L) Attorney General, minister responsible for native affairs, minister responsible for democratic renewal / procureur général, ministre délégué aux Affaires autochtones, ministre responsable du Renouveau démocratique		
Stoney Creek	Mossop, Jennifer F. (L)		

A list arranged by members' surnames and including all responsibilities of each member appears in the first and last issues of each session and on the first Monday of each month.

Une liste alphabétique des noms des députés, comprenant toutes les responsabilités de chaque député, figure dans les premier et dernier numéros de chaque session et le premier lundi de chaque mois.

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