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Speaker
Honourable Michael A. Brown

Clerk
Claude L. DesRosiers

Assemblée législative de l’Ontario

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L’honorable Michael A. Brown

Greffier
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

Wednesday 1 November 2006

Mercredi 1er novembre 2006

The House met at 1845.

ORDERS OF THE DAY

BUDGET MEASURES ACT, 2006 (NO. 2)

LOI DE 2006 SUR LES MESURES BUDGÉTAIRES (NO 2)

Resuming the debate adjourned on October 31, 2006, on the motion for second reading of Bill 151, An Act to enact various 2006 Budget measures and to enact, amend or repeal various Acts / Projet de loi 151, Loi édictant diverses mesures énoncées dans le Budget de 2006 et édictant, modifiant ou abrogeant diverses lois.

Hon. Steve Peters (Minister of Labour): On a point of order, Mr. Speaker: Last night I had the opportunity to withdraw a comment that I made in the House, and I apologize to the members for the comment I made.

The Deputy Speaker (Mr. Bruce Crozier): Further debate? The member for—

Mr. Bob Delaney (Mississauga West): Mississauga West.

The Deputy Speaker: —Mississauga West. I don't know why that escaped me.

Mr. Delaney: Thank you very much, Speaker.

We're here to debate Bill 151, an act to enact budget measures, but the moment is just too rich to ignore. This morning's Globe and Mail headline simply screams, "Tories break key election promise with sudden distribution tax…"—a tax—and shows Jim Flaherty, the former member for Whitby–Ajax, looking for all the world like a deer caught in the headlights.

Bill 151, the Budget Measures Act, is an exercise that shows how a real government that represents real people coping with real issues makes real choices and delivers real, positive change in real time.

Bill 151 is part of a process that is doing for Ontario what 13 years of Liberal government did for Ottawa. Tory governments spend money, rack up deficits and leave behind an ocean of debt. Bill 151 is a step that continues the steady march forward to good fiscal management in the province of Ontario. In Ottawa, a Liberal government took the responsibility of government from a Conservative Party that had mismanaged Canadians' money, run up $300 billion in deficits on their watch and left Canadians the legacy of a $600-billion long-term debt.

In Ontario, a Liberal government took the responsibility of government from a rudderless Conservative Party that had mismanaged Ontarians' money, run up some $25 billion in accumulated budget deficits and left Ontarians with a $130-billion long-term debt.

Bill 151, the Budget Measures Act, is another step that shows to Ontarians that after Conservatives have mismanaged the economy, run up debt and hidden deficits, Liberal governments fix it up, run the economy professionally, balance the budgets and pay down debt.

The many forward-looking measures implemented in Bill 151, the Budget Measures Act, show Ontarians with crystal clarity that Conservatives just can't be trusted with money. Ontarians agree, and poll after poll has shown that by this time next year Ontarians will be looking forward to our government's fifth budget and that an education minister, the member for Don Valley West, will be implementing Ontario's ambitious capital program throughout our 72 school boards. And a year from now people will be asking, "Whatever happened to that PC candidate who finished a distant second in the 2007 election? Who was that PC candidate who ran in 2007 in the riding of Don Valley West and finished a distant second?"

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Bill 151 is an act that continues to deliver hope and results to hard-working Ontario families. Bill 151's property and sales tax credits say to the men and women who built communities, built neighbourhoods, homes, families and careers in places like Streetsville, Meadowvale and Erin Mills that in their sunset years they can stay in their homes as long as they're able. Enhancements to Ontario's property and sales tax credits and Ontario's child care supplement mean that the working families in newer neighbourhoods like Lisgar and Churchill Meadows will be able to build great communities and deliver safe and secure living spaces in their time.

By the way, is anybody wondering about that trivia question: Who was that candidate who finished second in Don Valley West in 2007? Well, that would be John Tory.

Churchill Meadows alone is celebrating the opening of not just one or two but three new schools in just more than a year—three. Let's contrast that with a Tory government that in its day called a moratorium on the building of new schools. The former education minister, who later became known in our community as "the member from Oklahoma," made his mark when he declared that his approach to education was to, again to use his own words, “create a crisis in public education.” The people who sent him here were so repelled by that government that one of their many changes of mind three years ago was to show his party the door all across Peel region and send me here in his place.

A year from now, the former PC member from Mississauga West can tell the former PC candidate from Don Valley West that a re-entry into the business world is really not that bad, now that Ontario’s economy is purring like a finely tuned engine manufactured in one of Ontario’s state-of-the-art auto plants—and good on you, Ontario auto workers. This government is getting the job done for you, and there’s lots more to come in the future.

Bill 151’s aggressive measures to curtail smoking through a toughened Tobacco Tax Act are having an effect in our community. Having more Ontarians, and especially more of our community’s new Canadians, kick the tobacco habit is going to mean less congestion in places such as Credit Valley Hospital in Mississauga West.

This is a government that has shown up, chequebook in hand, for Credit Valley Hospital and for that western Mississauga community that it serves so very well. The Premier came to Credit Valley Hospital with me last year, and we celebrated the hiring of 50 new full-time nurses. The Minister of Health has been out with me numerous times to Credit Valley Hospital. He personally took an interest in finding our community enough money to run our existing three MRI machines for a full 12 hours a day, and our fourth MRI machine is bought, paid for, delivered and installed, and is going to be in full service in just a few weeks, as soon as calibration of the unit is complete.

In the year 2003, I ran on a local commitment to get our western Mississauga community capital funds to expand our world-class Credit Valley Hospital. Next year, Credit Valley will get started on phase 2, the construction of A and H blocks.

Bill 151’s many progressive measures mean that for the new mothers in western Mississauga, Credit Valley Hospital’s 365 beds will increase by at least an additional 140 beds. Bill 151’s measures will mean that at a facility built 21 years ago for 2,700 births per year, and now handling more than 5,000 births per year, new moms are going to be able to give birth at their local hospital, not be turned away, and will get the world-class care they have come to expect at Credit Valley Hospital right in western Mississauga.

Now, there have been some who have called our phase 2 expansion a P3. Nothing could be further from the truth. Our Credit Valley Hospital is, at this time, publicly run, publicly accountable and publicly funded. While we construct phase 2, our Credit Valley Hospital will be publicly run, publicly accountable and publicly funded, and when it’s all done, our Credit Valley Hospital will be publicly run, publicly accountable and publicly funded. All those companies who earned their funds by supplying the parts, construction and expertise to build phase 2 are suppliers. They’re not partners; they’re not owners. They’re suppliers. And Credit Valley will pay cash. Credit Valley employs a vice-president, paid by the hospital to oversee construction of phase 2.

Credit Valley Hospital is just one of the many ways in which our government, through such measures as Bill 151, the Budget Measures Act, has kept its commitment to western Mississauga. The final one is coming up this month in western Mississauga. We expect to be turning the sod on the Lisgar GO train station, yet another way of improving the way Ontario moves people from where they live to where they want to be, and does it safely, reliably and on time.

It’s been a pleasure to speak to Bill 151. I look forward to its early passage.

The Deputy Speaker: Questions and comments?

Mrs. Julia Munro (York North): I want to just comment for a moment on the issues that stand behind the bill we’re looking at this evening. I think one of the most important aspects of this bill is the whole notion of being able to see the fact that we have to have long-term success. If you look at the kinds of issues that have been raised through this, we can see there are some short-term.

If you take, for instance, the kind of on-the-fly decision of the Minister of Health in raising money for emergency room doctors, it demonstrates the inability of this government to understand that it is long-term answers that are necessary. While it’s perhaps appropriate to provide further financial incentive to those doctors, what Ontarians need even more is a sustainable kind of program that will speak to those issues. Certainly in that regard, the importance of understanding the flow from the people who arrive in emergency, the kind of tie-ups that people have, the inability of hospitals to provide acute care beds, the lack of initiative on the part of this government to provide long-term-care beds—these all speak to that short-term, on-the-fly kind of reaction to funding issues.

Mr. Rosario Marchese (Trinity–Spadina): Just some comments in response to the member from Mississauga West. I didn’t get to hear much, and I apologize, but I did hear him, earlier on, praising the Minister of Education around the—how much?—$1-billion announcement to build 100 new schools. What I am fond of saying is that the Liberals like to make a lot of announcements about money and capital projects. I’d like to explain it to the member from Mississauga West in the following way, because I’m sure he understands this: Your Liberal government promised to spend $200 million in 1994-95—never spent one cent. That was Mr. Kennedy. In 1995-96, Mr. Kennedy said, “We’re going to spend $275 million for capital projects.” I don’t know how much he spent, but he said, “We’re going to have a first phase of that $275 million, and we’re going to spend $75 million for Good Places to Learn.” In committee I said, “Did you spend it all?” Kennedy said, “Yes, we did. We spent all of it.” Lo and behold, I find that they didn’t spend the $75 million; they spent only about $20 million.

1900

They announced just recently that they're going to spend $1 billion more to create 100 new schools, and all I can say to the member for Mississauga West is, "You guys—all you do is make announcements. The money's not real; it's fictitious."

The member for Brampton Centre—God bless her little soul—said how great the news was today, but all I want to say to both of them is, "This money is never going to come. They're just announcements." That's how you fix things: You just simply announce things, and the money never flows. That's the problem with the Liberal government."

The Deputy Speaker: The member for Brant—

Mr. Lorenzo Berardinetti (Scarborough Southwest): Scarborough.

The Deputy Speaker: I'm having a great time tonight. Scarborough Southwest—there we go.

Mr. Berardinetti: I just wanted to make some comments on the member for Mississauga West who spoke this evening. There are some measures in Bill 151 that are worth talking about. If you look carefully at the bill, what we've brought in in the bill is called tax increment financing, or TIF. What this provision does is help to assist in new pilot projects that are involved in redevelopment of public infrastructure in brownfields.

We've got two pilot projects that we are going to work on: the subway expansion in York region in the city of Toronto, and the West Don Lands, a brownfield development initiative that is part of the revitalization of the Toronto waterfront. What we're saying is, "Let's look at these two projects. Let's let them get started and give them an incentive." The incentive is that, as the assessment value of these properties and projects goes up, the tax money that's generated is not flowing to the general coffers but is put back into the projects to be reinvested there. So those who are involved in this will have an incentive to want to see these projects through to their fruition. I think the long-term goal of this is that, if it works well in these two projects and as it's evaluated, we can do this in other brownfields.

In Scarborough Southwest, we have large tracts of brownfield land that need to be redeveloped, but there is really no incentive for someone to come in there and do it. If they know that they will have their property tax values put back into the particular project they're working on, they're more likely to do it. That in itself makes this a unique and very special budget.

Mr. Ted Arnott (Waterloo–Wellington): The member for Mississauga West has brought forward his views on Bill 151 this evening. I know that he sincerely supports this bill, but it's a bill that does not enjoy the support of the opposition parties. In fact, our caucus voted against at it first reading because we're opposed to the budgetary policy of this government. We know that after three years—and we're almost into the pre-election run-up—this government will say anything and do anything to try and get itself re-elected. We don't have confidence in the statements the government makes with respect to their budgetary policy, with respect to Bill 151 or with respect to almost anything else.

The member for Mississauga West devoted much of his speech, I understand, to predicting the outcome of the upcoming election in the riding of Don Valley West, and I would beg to differ with him as to what the outcome will be. Certainly, time will tell, and the people of that riding will have the opportunity to decide which of the candidates whose names are on the ballot would be best suited and capable to represent their interests in the next provincial Parliament. I'm certainly looking forward to seeing John Tory here in the next Parliament, and I certainly expect that to happen.

The member for Mississauga West, I understand, also talked about health care, and certainly health continues to be the number one concern of the people of Ontario—at least that's what the pollsters tell us, and it's certainly what I hear when I talk to my constituents in many cases. They want the health care system to be there for them when they need it or when their family needs it. We continue to have a severe doctor shortage issue in my riding and many ridings all across the province. Of course, recently, the Grand River Hospital in Kitchener-Waterloo, which serves many constituents in Waterloo–Wellington in many ways, has had trouble staffing doctors to keep their emergency department open. Obviously, much, much more effort needs to be done to focus on this issue and solve it. It's our position as a caucus that the solutions have to come forward. We'll continue to advocate for those.

The Deputy Speaker: The member from Mississauga West has two minutes to respond.

Mr. Delaney: Well, love is in the air. It's unusual for four members from three different parties to make remarks that are so strongly in favour of a government budget bill.

The member from York North agrees with Ontarians and with their government about the need for long-term planning. That's why Ontario has approved a medical training facility at the University of Toronto at Mississauga, a sustainable program to train the very doctors that our western Mississauga community, and indeed all of Peel region, so badly need. The member for Trinity–Spadina, a good guy, talked about 100 new schools being built for $1 billion. Where was he yesterday, when we announced that? A new school: Oscar Peterson Public School. He could have stood on the very ground of the facilities that we've announced.

Coming up is Stephen Lewis Secondary School. It's already open. It's on Thomas Street. Next January, St. Joan of Arc is going to open on Thomas Street at Churchill Meadows. That's not fiction; that's fact. I say to my colleague, come and run your fingers over the concrete; come and get out of the cold; come into the warm classrooms in the new education infrastructure being built in western Mississauga.

My colleague from Scarborough Southwest mentions public transit infrastructure. I sincerely hope he joins us in a few weeks in turning the sod on another example of that infrastructure, the new Lisgar GO Train station at 10th Line and the tracks in Lisgar. Finally, I say to my colleague from Waterloo–Wellington, come and touch the infrastructure. See how a good government actually keeps its commitments and helps build a stronger Ontario for everyone, all of our 12 million citizens.

The Deputy Speaker: Further debate?

Mr. Tim Hudak (Erie–Lincoln): Thank you.

Applause.

Mr. Hudak: Jeez, see if you're still clapping after an hour. Will you be?

Hon. David Caplan (Minister of Public Infrastructure Renewal, Deputy Government House Leader): An hour?

Mr. Hudak: An hour, my friends. It's an important piece of legislation, Bill 151, with—

Hon. Mr. Caplan: It's also your birthday.

Mr. Hudak: It is my birthday.

Applause.

Mr. Hudak: Thank you. You're very kind. There's no place I would rather be than hanging out with my friends and colleagues in the Ontario Legislative Assembly, as I celebrate my 39th birthday, the last year of my 30s. Debbie and I had a very nice evening last night, celebrating on Halloween.

Hon. Mr. Caplan: You handed out candy to kids?

Mr. Hudak: We handed out candy to the kids who came by. We had a nice dinner and some very nice gifts. In fact, you know those GPS indicators? When I'm visiting other ridings, I tend to sometimes misread directions and end up in somebody else's riding, so now I have this little computer thing.

Interjection.

Mr. Hudak: Now I'll be able to find my way around, Mr. Bartolucci, so I'll find out where you live in Sudbury and pay you a visit next time I'm travelling across northern Ontario, because no doubt the Bartolucci home will be bookmarked; if not, that fancy office that northern development and mines has. That has a big boardroom. It's a good spot. Thanks to my colleagues for those kind birthday wishes.

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Let me start by offering a little bit of a preliminary here before I get into Bill 151. I do want to thank Sarah Hanafy, from Minister Sorbara's office, who is joining us this evening. Ms. Hanafy is the special legislative assistant to Minister Sorbara—"special" legislative assistant, so this is a higher rank than your regular, everyday legislative assistant. I do appreciate her assistance. She was kind enough to arrange a briefing on a number of matters of interest to me and to other members of the Progressive Conservative caucus, and most recently an extended briefing on Bill 151. Sarah is working hard and we appreciate her assistance in that matter. And Craig Slater, who is the director of legal services at the Ministry of Finance; he led a team of some 50 people, who took time out of their busy days as civil servants to address the questions that I had; as well as support from PC researcher David Goodwin, on the bill. I know, having been in the Macdonald block before, how busy Ms. Hanafy, Mr. Slater and the team are in their work as civil servants, and I do appreciate what ended up being about a two-hour briefing on this. As my colleague the Minister of Northern Development and Mines knows, this has a significant number of schedules. In fact, it exhausts all of the letters of the alphabet, from A to Z, and then it goes to Z.9. Maybe I'll have a chance this evening, although my time is limited, to discuss each schedule in the bill, but I do want to offer my thanks, and of course to the minister as well for authorizing that briefing. I think it's an important part of our role as legislators to ensure that opposition members and government members have an opportunity to fully understand a bill of this complexity. I thank the minister for ensuring that that did happen.

I want to start out a little bit in responding to the minister's opening comments on this bill. The minister did spend a considerable amount of time on the issue of the current spat, if you will, between the federal and provincial governments with respect to the Canada-Ontario agreement—again, another topic of a briefing that Ms. Hanafy is kind enough to arrange, because the provincial government says one thing, the federal government says another, with respect to the Canada-Ontario agreement. I look forward to seeing more detail of the province's position on this matter.

I do want to say, though, that Premier McGuinty has been a spectacular failure at securing a better deal from the federal government. I think all three parties here in the assembly agree that Ontario does need a better deal from Ottawa as part of Confederation. Premier McGuinty has made that case from day one—I don't know if it was day one particularly. The reason I say that—my colleague the Minister of Northern Development and Mines is saying it was day one.

I do recall that initially, when the federal government offered a pig in a poke, a very poor deal on SARS funding—I think my colleagues remember that. I'm seeing if I have some level of detail here. I do recall, when Ontario went through that tragic experience, particularly here in the city of Toronto, that it impacted our province as a whole dramatically when the SARS crisis hit the province of Ontario in—what was that?—2003. Certainly, that caused a major impact on a number of areas, specifically the health care system. In fact, it was a disaster with the increase in bills, the stress it put on the health care system. I certainly know, coming from a tourism area, that it had major implications on the tourism sector in Niagara, where I'm from, here in the city of Toronto and elsewhere.

We went quite strong at the time. The then Progressive Conservative government was asking for a fair share of funding from Ottawa, because it was a disaster, no doubt. Ottawa, then under Prime Minister Chrétien, offered a very paltry amount of funding to the province of Ontario, and the then Progressive Conservative government under Premier Eves said that that deal was not good enough. Minister Clement, now the federal Minister of Health, then the provincial Minister of Health, if I recall correctly, said that it was far from what the federal share should be.

I recall Dalton McGuinty at the time sitting just here as Leader of the Opposition that attacked the then Progressive Conservative government for being too aggressive for using brass knuckle tactics. I can't remember exactly what he said, but he said it was done for partisan purposes and we should get along better and tone down the rhetoric, to paraphrase what Premier McGuinty said at the time.

Then, of course, the 2003 election transpired. The Leader of the Opposition, Dalton McGuinty, became Premier McGuinty and, when I'm talking about day one, basically accepted the poor, paltry deal from the then Chrétien government and settled for far less than Ontario's share. I think this established in the federal government's mind, to be rather blunt about it, that Dalton McGuinty was a pushover. When it came to federal-provincial relationships and the important role the federal government has to support Ontario on cases like this—the SARS funding—Dalton McGuinty bought a pig in a poke and was a pushover in Jean Chrétien's mind. That old man of the Liberal Party, Jean Chrétien, ran the table with Dalton McGuinty when it came to SARS funding. I remember a sheepish Dalton McGuinty saying, "Oh, we got a good deal." Bunk—not true at all. He sold out for a very poor share of funding from the federal government and I think at that point in time showed Ottawa that Ontario was not going to fight for its fair share and, I think because of that weak start in his negotiations with the federal government, put Ontario's case at some disadvantage.

As I said, all three parties in the Legislature agree Ontario needs a better deal. We hope that Premier McGuinty is successful, but my goodness, he really shot himself in the foot in his first opportunity to wrest more funds from Ottawa and established the reputation at Parliament that you could take advantage of this guy, that he wasn't going to be strong and stand up for Ontario. So we began at quite a disadvantage.

Shortly thereafter, after Dalton McGuinty began breaking all of his campaign promises, he needed to turn the focus, turn the channel, as they say, and he came up with this $23-billion gap. Remember the $23-billion gap that the Premier, the suddenly verbally muscular Premier, was going to wrest from Ottawa to get Ontario's fair share of funding and close this $23-billion gap? This was circa 2004-5? Well, now in 2006, nary a mention of the $23-billion gap. It's certainly dropped from the Premier's lexicon entirely. I think at the end of the day that $23-billion gap came under attack from a number of quarters as not being an accurate reflection of the finances. In fact, in the Toronto Star, Robert Benzie's column recalled how that $23-billion gap had disappeared from the Premier's press releases, his speeches and his language. In fact, when he had the so-called thinkers' conference not too long ago here in the city of Toronto, Don Drummond, one of his own panellists, basically said that he did not agree with McGuinty's characterization of this so-called $23-billion gap. So that disappeared.

Then we had the—was it the council of Confederation? Which I guess is an opportunity really for the Premiers to band together to find like causes, form alliances, and then, through the council of Confederation, wrest a better deal from Ottawa to address the fiscal imbalance. Premier McGuinty adopted a rather strange strategy where, one by one, he picked off each individual Premier and attacked them or their province or their claim for more money from Ottawa. I think the problem was that by attacking the other Premiers or the other provinces—not helped much by the member for Vaughan, who said that Ontario had nothing to learn from the Maritimes on the eve or so, a day or two before the Premier was visiting with the Maritime Premiers. It certainly alienated those on the east coast. As a result, the council of Confederation really flew apart at the seams, and at the end of the day there was no agreement made, no alliances forged by the Premier. He basically stood alone at the table. One would think that maybe that was intentional, but I think it was a lack of strategy. One would think that if you forged alliances with the other provinces, you'd strengthen your case at that table rather than standing one against the other Premiers—and the Prime Minister later on.

So we've seen a number of failures on this file, starting with accepting a terrible deal on SARS when Ontario deserved a lot more, followed by the change in rhetoric on the $23-billion gap, which seemed to be the Premier's main goal, and now it has faded away. The council of Confederation flew apart at the seams. So here we are, one year from the election, the Premier demanding a better deal from Ottawa, but to date it has been a spectacular failure. I hope he's successful. I would like to see more funds coming from Ottawa to support Ontario programs, no doubt. And I want the Premier to be successful. My goodness, it's been hard, the way he's handled this file and blown so many opportunities.

1920

My God, remember Paul Martin was having a going-out-of-business sale? Everybody was getting a better deal from Paul Martin. He so badly wanted to be elected Prime Minister with a majority government, so badly wanted to show up his rival, John Chrétien, and was willing to give away the entire store. Newfoundland got a better deal. The Maritime provinces got a better deal. Saskatchewan got a better deal. Dalton McGuinty negotiated a deal with Paul Martin when he was having a going-out-of-business sale, and now it seems that the federal government, according to the Premier, is not honouring that deal. We'll see what the details say, but I certainly think that Dalton McGuinty, when you'd think he had Paul Martin over a barrel, allowed some unclear language or some loopholes in that deal to blow the best opportunities Ontario's had in a long time.

Premier McGuinty has been a spectacular failure in his negotiations with the federal government. We'll see what happens next year. I hope he secures a better deal but, my goodness, he's blown a lot of chances as it is.

The other point I'll make on this in response to the finance minister is the general lack of credibility that Premier McGuinty has with the other Premiers and the Prime Minister. It all stems from so many broken promises. You wonder if the Premier presents a set of data on the one hand and what he has up his sleeve on the other.

When you see a government that has increased program spending by some 8% a year, when you see a government that goes on an end-of-year spending spree that would make a drunken sailor blush and then goes new cap in hand to Ottawa begging for more funding, it strains credibility.

He attacked directly Minister Flaherty, Minister Clement, Mr. Baird, in his most recent barrage at the Liberal convention to try to get some better press from some weak press that had come out in the first couple of days. Minister Flaherty, who's a former finance minister, Minister Baird and Minister Clement know the situation Ontario is in. They've been at the cabinet table. Minister Flaherty is the finance minister, so it must be particularly upsetting when they see the high tax and high hydro rate regime that Dalton McGuinty has brought in and see money frittered away on changing the logo of the province of Ontario. How can you go begging to Ottawa and say that you're trying to do a good job of the finances when you blow that much money on redesigning a flower, when you attack the trillium, or dropping the C from the Ontario Lottery and Gaming Corp.?

Premier McGuinty's credibility gap has done tremendous damage to Ontario's chances of securing a better deal from Ottawa, and he's running out of time. If he can't do so in the next year's time, one wonders if it's not time for Premier McGuinty to step aside and for somebody else to takeover who has a clear and consistent message, because if you're saying one thing in Ontario, going out on a spending spree and then begging poor to Ottawa, that strains credibility. If you're saying you have a $23-billion gap and you're saying, "Well, no, we don't say there's a $23-billion gap any more," if you accept a raw deal on SARS funding and then you get mad at Ottawa, well, no wonder Dalton McGuinty is seen as a pushover, because he has made mistakes in this file that continue to haunt Ontario today.

I hope he's successful but, my goodness, he's hurting himself and he is hurting Ontario's chances of securing a better deal by so many conflicting messages and by straining his own credibility in the province with other provinces and with the federal government.

Just to make a twist on the common expression, it's not a matter of shooting the messenger, but the messenger has shot himself by breaking 50 promises, by changing his mind on fiscal federalism several times, by accepting a poor SARS deal. We have a wounded messenger. The top salesman for Ontario obviously does not seem to be taken seriously for the province because of mistakes he's made on the file.

I'll leave it at that and move more towards Bill 151 specifically, but I wanted to respond to some of the comments by my friend and colleague the Minister of Finance.

I certainly hope the Premier, in one of his most important responsibilities, does get a better deal from Ottawa but, my goodness, after three years of failure, he's running out of time.

Let me make a couple of comments about the general finances of the province of Ontario before I get into some of the detailed schedules of Bill 151.

You will remember Dalton McGuinty's campaign plan. He had brought forward a number of pledges, a number of promises he said he would fulfill if people chose to elect him Premier of Ontario, and then set out a costing which was signed off on by one David Hall, principal of Vista Economics. I'll take you back to that document. The Premier, Dalton McGuinty, then the opposition leader, leader of the Ontario Liberal Party, said that for 2005-06 the revenue of the province of Ontario would be $79.2 billion, his total expenditure would be $78.2 billion, and less a reserve of $1 billion, he would have a balanced budget. I think he had actually promised a balanced budget each and every year of his mandate.

He made a number of promises. I think the Toronto Sun had calculated some 231 or so promises. The cost of those promises, I guess, according to Vista Economics, has part of his platform saying how they will pay for it and how they will invest it. They costed all his promises. He said at the end of the day, "If revenue in 2005-06 is $79.2 billion, our total expenditure will be $78.2 billion and we will balance the books."

Now, after three years of the McGuinty government, a significant amount of evidence has come in on the numbers. I'll call your attention to the public accounts of 2005-06. The actual revenues that have come into the province of Ontario for the fiscal year 2005-06 were $84.2 billion, expenses $83.9 billion, for a surplus last year of $298 million. So Dalton McGuinty said he needed $79.2 billion to finance all of his campaign promises, that was his revenue. He has $84.2 billion now at the end of 2005-06, so some $5 billion more in revenue than he said he needed during the campaign. And what does he do? Well, he doesn't keep his campaign promises. He's broken, we count, at least 50 of his campaign commitments and, according to the public accounts, has $5 billion more in revenue in 2005-06, and is predicting a deficit for 2006-07.

So you take out, say, the $2.4 billion approximately, for the sake of argument, from the so-called health tax, which we all know is just an income tax that goes into the consolidated revenue fund, the big pot of money over there in the Minister of Finance's office, and there's approximately $2.6 billion more that Dalton McGuinty has in excess revenue than he said he needed in order to balance the budget and keep his campaign promises. So a heck of a lot of revenue has come in there, largely, as you know, through tax hikes on working families, seniors and businesses in Ontario.

Why the fiscal challenge? Why does Dalton McGuinty narrowly run a surplus, according to his numbers, and forecast a deficit for this upcoming year? Well, he has a major spending problem. I remind you again that the expenditures Dalton McGuinty said he would hit by 2005-06 by keeping all his campaign promises were $78.2 billion; his actual expenses $83.9 billion, some $5.7 billion more in expenditures than he promised he would do. In reality, the only reason Dalton McGuinty broke his promise and brought in his income tax increases was because he broke his promise on controlling expenditures. And because Dalton McGuinty has spent, as of last fiscal year, some $5.7 billion more than he promised, he increased taxes to help finance that.

I know my colleagues say, "Well, what about the so-called $5.6-billion deficit?" I think members of the House know that 2003-04 had a significant number of one-time events. We can debate 2003-04 all night long. The reality is, look at the amount of revenue that has come in. The revenue bounced back strongly in 2004-05, and the Premier ramped up his spending. We're looking at, in many of his years, an approximately 8%-plus increase in program spending while the economy was growing around 4% on a nominal basis.

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So here we are with a budget bill, a budget that says it's going to run a deficit. Let's get this straight too. Last year they had a surplus—approximately $300 million—and they had $2 billion-plus in a last-minute spending spree. They had to get it out the door because they wanted to run a deficit last year. The only thing that limited spending in March 2006 was the ability of the minister to sign those cheques, lick the envelope and get them in the mail as quickly as possible. That was really the only limit on this mad money spending spree—$2 billion-plus. In reality, they had at least probably a $2.3-billion surplus in 2005-06. So they have that massive amount of money in the treasury. They try to spend their way into a deficit. The revenue has actually increased this year, as of Q2, some $1.3 billion. They could look back at the economic update. So they had a surplus last year. On top of that, they had a lot of end-of-year spending to hide the size of the surplus, their revenue has increased this year, and they say they're going to run a deficit. It defies credibility. The only explanation for that is, they're going to ramp up spending even more so and maybe break their old records.

I know Bob Rae is now a good thing. Bob Rae is now a good thing, according to my colleagues on the Liberal benches—or at least some of them. But they used to castigate Bob Rae—not all of them, but some of the significant ones he's pointing at. You're all significant—don't get me wrong—but there's a couple who are heavy hitters around the cabinet table who are handing out those Bob Rae pamphlets to all of you.

Hon. Mr. Caplan: Name names.

Mr. Hudak: I've said Bob Rae; that's enough.

I remember how my Liberal colleagues used to castigate Bob Rae for his runaway spending. They said he was out of control. But Dalton McGuinty's spending increases left Bob Rae in the dust. Dalton McGuinty is actually the world record holder of increases in spending, more so than Bob Rae or that old favourite, David Peterson. Remember him? He liked to spend money too, right? Aw, he's got nothing on Dalton McGuinty.

Now, where was I? Runaway spending. So they're planning on running a deficit, I guess, in 2006-07, because they have no control over their impulse to spend, spend and spend.

Let's look at some of the areas they are spending in, by the way. Why not? I know they'll say, "Well, we're spending it all on health care. We're spending it all on education."

Hon. Mr. Caplan: Infrastructure.

Mr. Hudak: Well, infrastructure is one of my colleague's favourites. We're talking about that, having a good discussion in estimates.

Hon. Mr. Caplan: Yes, we are.

Mr. Hudak: But if you look at their spending between 2003-04 to 2005-06, health spending has increased by 12%, education spending has increased by 17%. If you asked the average Ontarian, most would probably put health or education, or both, in their priority basket. So I'll say to my colleague the Minister for Northern Development and Mines, a 12% health and a 17% education increase. What do you think the increase is in the other spending areas, taking out debt interest? It's 21%, just to kill the suspense. I know the Minister of Northern Development and Mines would know that—a 21% spending increase outside of health care and outside of education. That's the reason we continue to find ourselves in deficit this year.

Mind you, they do have—what?—about $1.4 billion in slush funds hidden in this current budget, as adjusted for the economic outlook, and another billion dollars in reserve. So there's about $2.4 billion sitting there, and probably more if you look at past behaviour. The accuracy of the revenue figures and the amount of spending the government would do at the end of the year gives you pause to be concerned. But there you go. What was it? Twenty-one per cent? Is that what I said, to my friend the minister? Twenty-one per cent outside of those areas. Some of those examples—my friend from Brantford has the Brantford Charity Casino, a major employer in his area. He was probably outraged when he drove by the Brantford Charity Casino and saw that brand new sign there, OLG, where that whole C had disappeared. I don't know; when I would drive by Fort Erie Race Track and Slots and saw that money that should be coming to taxpayers was spent on a new sign to drop the C from OLGC—I mean, come on. You wonder where the priorities of the McGuinty government are. And why are you picking on the C anyway? Why not the G or the L? Or are they to go next? Six million dollars, at least, to get rid of a C. C is Canada.

Interjection: "Conservative."

Mr. Hudak: "Conservative": Is that why? Fair enough. Thankfully they didn't get rid of any other letters. Lord knows what that would have cost. Those L's aren't cheap. Six million dollars to take down the C. Who knows what it would have cost if he had bought a vowel. Bensimon Byrne would have given you a good proposal about what vowel to buy and how to design that U-E-I-O.

Speaking about Bensimon Byrne, they redesigned the Ontario trillium logo for $219,000, plus countless millions to roll out on new government stationery, signage, vehicles etc.—picking on the trillium. It was some $220,000 simply for the redesign.

I know my leader, the next member for Don Valley West—

Hon. Mr. Caplan: East.

Mr. Hudak: He may turn his attention to east next: do west first, then east. You never know.

Hon. Mr. Caplan: The beast from the east.

Mr. Hudak: The beast from the east is gearing up.

There was some $20 million invested to give raises to Liberal appointees on the various agencies, boards and commissions, also extending their term for up to 10 years.

Mr. David Zimmer (Willowdale): And Tory members.

Mr. Hudak: Well, we'll see how many of the Tory members get a 10-year appointment. We'll watch that closely. That was $20 million. Partisan government advertising: $100 million. Firing nurses: I still remember that bizarre press conference by Health Minister George Smitherman when he used $91 million of additional health money that had come in—$91 million to fire nurses. That's entirely bizarre. The LHINs: You guys must talk about those LHINs at cabinet all the time. You must say, "George, Minister, what's happening with these LHINs?" I drive by my LHIN and I just see a tumbleweed going down the hallway on a regular basis.

So you closed down, consolidated the community care access centres and invested in these LHINs, for some reason using dollars allocated to the health envelope to hire a new level of middle managers as opposed to investing in front-line care. These LHINs are hopelessly behind. I don't know what the heck they're doing—a lot of consultations, I guess, a lot of hand holding. But I've not seen any positive impact from LHINs on health care delivery in my riding, in fact, I'd argue quite the opposite. Money in the LHINs could have been better invested in hiring more doctors, more nurses, more physiotherapists etc.

I guess I needn't go on much longer on this particular topic, since my time is rapidly coming to an end. But my central point is that my advice would be, not only to my hard-working colleagues in the Progressive Conservative caucus but to other members of the assembly as well, that when you see that kind of irresponsible spending, when you see that many broken promises, when you see merciless tax hikes on working families, seniors and businesses in the province of Ontario, you have no choice but to reject the budgetary policy of the Dalton McGuinty government. You have no choice. I've laid out my case. This is just a bill that enables that misguided, high-tax, high-hydro, runaway-spending approach by Dalton McGuinty that would make Bob Rae and David Peterson blush. We have no choice, as responsible members and guardians of the taxpayers' investments in this province, but to reject the budgetary policy of the Dalton McGuinty government included in that, despite the good work by Sarah Hanafy et al. to reject Bill 151.

Speaking of which, I had mentioned the high-taxation, high-hydro policies of the Dalton McGuinty government. Let's not forget about the 90,000-and-growing well-paying manufacturing jobs that have fled the province of Ontario since 2005; in fact, so many things to say, so many things to say.

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Mr. Marchese: Take your time. Don't go in a hurry.

Mr. Hudak: I know that my colleague the New Democratic member and members of his caucus, just like our caucus, are concerned about the 4,000 jobs—well-paying jobs—lost in the forestry industry sector. That impacts on the entire province, but many northern Ontario communities are devastated by the impact of the McGuinty government policies, with 4,000 factory jobs lost.

I was shocked, absolutely shocked, to read, I think it was in the Royal Bank's report, that the unemployment rate is higher in Ontario than the national average for only the second time in 30 years. You'd think that would be a problem. You'd think that would be seen by the government to be a significant and pressing problem to deal with in the budget or the economic statement, but instead they turn their backs.

Mr. Marchese: They've got to lower taxes, for God's sake. We've got to lower taxes. Tell them, Tim.

Mr. Hudak: Remember this, I say to my colleague—he knows this and he's concerned—that the Royal Bank of Canada forecasts that Ontario will be dead last in economic growth in 2007—dead last. That's not the Ontario I grew up in. It's not the Ontario that we've always known, that's been a leader in economic growth, and the bread and butter of Ontario's economy, the manufacturing sector with its well-paying jobs. Royal Bank, RBC Financial Group: "Ontario slips to last place on growth." Holy smokes.

Interjection.

Mr. Hudak: I would take you out on that, I say to my friend from Willowdale. You look at the growth rates under the Mike Harris government for this economy: not only a leader in Canada, a leader in North America in job creation. Today, in Dalton McGuinty's Ontario, 2007? Dead last, according to the RBC.

Mrs. Linda Jeffrey (Brampton Centre): The Royal Bank is a font of information.

Mr. Hudak: My colleague doesn't like the Royal Bank. I think with some sarcasm she says that the Royal Bank is the font of information. I think they take their work rather seriously, and their word is respected. My colleague from Brampton may differ, but I'll read, for her edification, from page 1. The Royal Bank says, "We think Ontario will narrowly avoid a recession and post its weakest growth rate since 2003." Reminder, 2003: SARS, the blackout, a very difficult year for the district of Ontario. "Manufacturing is contracting in high-cost labour-intensive sectors, improving productivity shortfalls in others, and is awaiting higher auto production.... All this despite energy price relief and being one year from an election."

So my colleague from Brampton says she's not a big fan—I'm putting words in her mouth—she's skeptical about the Royal Bank. Your favourite bank is?

Mrs. Jeffrey: I don't think I have one.

Mr. Hudak: You don't have one. All right. So maybe you're saying you don't think the Royal Bank had done its homework, but a week later, the CIBC World Markets provincial forecast—the Royal Bank said Ontario would be dead last in growth in 2007. What do you think the CIBC said?

Mr. Marchese: They're all the same.

Mr. Hudak: My colleague says they're all the same, but there's actually a slightly different prediction. The CIBC says Ontario will be dead last in growth in 2007 and in 2008. Let me read from page 6, under the headline "Ontario Rebound Not Yet in Sight." "In Ontario, quarterly GDP growth has failed to top 2% ... going back to the start of 2005.... The province appears headed for a tepid 1.4% GDP gain on a full-year basis in 2006, making Ontario the slowest-growing jurisdiction in the country."

Interjection.

Mr. Hudak: My friend from Willowdale says, "Oh, Mike Harris had a slow-growing economy," or something to that effect. Well, listen: This "pace would be slower than at any time in the past decade, and amounts to less than half of what is generally considered the province's non-inflationary potential growth rate"—news you'd think would make the Minister of Economic Development and Trade, the Minister of Finance and members across the floor stand up and take notice.

Page 7 of the CIBC World Markets: Provincial Forecast says, "Another 50,000 manufacturing jobs risk being lost before the end of 2007, with today's layoffs conjuring up memories of the 1990s recession."

Look at this: the who's who of manufacturing in the Hamilton–Niagara area. "Recent manufacturing job losses include Ferranti-Packard in St. Catharines": 212 well-paying manufacturing jobs, gone; Bazaar and Novelty in St. Catharines—200 jobs; General Motors in St. Catharines—130 jobs; Redpath Sugar in Niagara Falls—20 jobs; Automation Tooling Systems in Cambridge and Burlington—169 jobs; Rheem Canada in Hamilton—150 jobs; just a couple of weeks ago, sadly, Ball Packaging in Burlington closing up shop—300 jobs.

While not manufacturing, Casino Niagara just announced 104 layoffs at the casino. I fear, when you look at the numbers from the Ontario Lottery and Gaming Corp.—and I know my college the Minister of Public Infrastructure Renewal is engaged in turning that around. An alarming number of layoffs are forecast in the gaming sector in 2007 as well.

One would think, with the evidence brought forward by the RBC, with the evidence brought forward by the CIBC, with this shocking news, that Ontario would be the only province that grew in the number of unemployed; one would think, with the shocking news of Ontario being last in economic growth, with the shocking news of some 90,000 well-paying manufacturing jobs lost since 2005 and, according to the CIBC, 50,000 to come, that we would have seen, with great alacrity of plan by the Minister of Finance and his economic update to turn this around, a realization that Ontario has the second-highest business taxes in all of North America, a realization that their hydro policy has chased manufacturing jobs out of the province of Ontario, a realization that this needs to be reversed.

But you look through each and every one of those pages in the economic statement—

Mr. Marchese: They will not be moved.

Mr. Hudak: They will not be moved. My colleague said it well. There are some rather meagre measures—and maybe I'll get a chance to speak to them a little, though my time is rapidly expiring—light on detail and, I'm afraid, light on impact. Some mentioned the accelerating infrastructure projects. We will see, but as I pointed out to my friend the Minister of Public Infrastructure Renewal, Ontario is already behind on delivering on previous commitments for infrastructure.

A proposal to have more people travel to the province of Ontario: Coming from the tourism area, we're always looking for more people to travel, but I don't think those 90,000 individuals and their families who lost their jobs in the manufacturing sector in the province of Ontario are prepared to take a vacation.

And a continuation of the high tax, high hydro and runaway spending in the 2006-07 budget: We need a reverse course. We need to lower the tax burden, the regulatory burden faced by working families, seniors and businesses but, instead, the Dalton McGuinty "Damn the torpedoes" approach will continue with the headlong, runaway spending, adding to our provincial debt, maintaining the highest or second-highest tax rate on business in all of North America and standing idly by while 90,000 manufacturing jobs have left, 4,000 in the forestry sector and potentially 50,000 more in the year to come.

So what actually is in Bill 151?

Mr. Zimmer: Substance, substance.

Mr. Hudak: Well, my colleague for Willowdale says, "Some substance."

I'll refer him to schedule A of the Assessment Act. In schedule A of the Assessment Act the Premier—and I questioned him about this in the assembly today during question period because the Premier always talks about an assessment freeze. Remember when I talked about how he deals with Ottawa to present one set of numbers on one hand, and who knows what he has up his sleeve on the other? Well, it's like that in schedule A, right? The Premier is talking all the time about the assessment freeze—"Until we get system right"—forced to it, by the way, by the Ombudsman and some outcry, rightfully so, by taxpayers about skyrocketing assessments. In fact, I remember the Premier's earlier remarks were that he wasn't going to do anything about it because he didn't run on it, let alone pit bulls and all that kind of stuff he didn't run on either.

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Schedule A of the Assessment Act—I'm sorry, to my colleague from Willowdale. If you look in there, what happens conveniently after the next election is you get a triple whammy of three years of assessment increases hitting you all at once. The tax year 2009 will be based on market valuations of January 1, 2008. Today, homes, for assessment purposes, are valued at January 1, 2005. There's a freeze in the province. The Premier tells you about the freeze. What he doesn't tell you is about that ticking time bomb of property assessment increases conveniently after the next election, three years of assessment increases, all coming down on the backs of seniors and working families in one fell swoop after the next election.

Mr. Zimmer: But we'll have the system fixed by then.

Mr. Hudak: He says we'll have the system fixed. I don't know what he means by that. Three years of assessment increases conveniently rolled up into one big ticking time bomb after the election: If that's any kind of fix—you want people to sell their homes.

I don't understand why there aren't some sorts of controls in here. I've brought forward my Homestead Act, which would cap assessment increases at 5% per year as long as home ownership is maintained, other powerful protections like allowing up to $25,000 in improvements to a home without triggering a reassessment, a modest but important property tax break for seniors, that 5% cap as part of the Homestead Act. I think my colleague from Willowdale voted for it. I thank him for that. I know the member for Wellington had voted for it. My colleagues here had voted for it, and Mr. Marchese may have voted for it. It passed a vote in the assembly. It hasn't been called back for third reading. I'd be happy if the Premier even borrowed some of those and put them in Bill 151, schedule A, to give real protection to homeowners after the next election, but no. We see the true policy of the McGuinty government: conveniently after the next election, three years of assessment increases coming down on homeowners all at once.

Do you remember when Premier McGuinty looked into the TV camera and said he wouldn't raise your taxes? Maybe I didn't have a big-screen TV; maybe he had his fingers crossed somewhere around here and I just didn't pick it up on my television. Maybe he winked and said that wasn't actually what he meant. But I remember him looking into the camera, no fingers crossed, no asterisk appearing above his voice, saying he wouldn't increase taxes, and one of his first bills? One of the biggest tax increases in the history of the province of Ontario.

Here's version 2. While Premier McGuinty is trying to tell seniors and working families that there is some kind of assessment freeze on, boy, oh boy, you get him re-elected: a triple whammy, a ticking time bomb of three years of assessment increases, all coming down at once on working families. Maybe the Premier will allow the Homestead Act to go to a third vote. I would like to see that, but I bet you he won't, because he knows it will pass. He knows it will pass because members of the assembly are on to this provision in Bill 151 that will see a massive, skyrocketing assessment increase after the next election.

I mentioned, in my question, Doug and Tina Palmer of Haliburton, who saw their assessment increase by 43% in one year alone. They were told, if they didn't like it, to sell their home. That's one assessment. Can you imagine what will happen to people like Doug and Tina Palmer if Bill 151 is enacted?

Ken and Ida Young lived in Crystal Lake for 33 years. Their property assessment increased 25%. They appealed and were denied. They're on a pension and a fixed income. They can't afford these skyrocketing assessments, but my goodness, poor Ken and Ida Young. Imagine three years of assessment increases all hitting them at once, if Dalton McGuinty is re-elected, with Bill 151.

Let me move on to other aspects of the bill. I want to express some concerns. We look forward to, and I would fully expect, hearings on the bill. I'm skipping from A to D, schedule D on the Canadian Public Accountability Board Act—and I appreciate the briefing I had today—to talk a bit about the Canadian Public Accountability Board. Given the limits on my time, I won't get into great detail here. I do want to highlight some concerns by various groups about what this bill will do.

If you go to the Ontario Bar Association's website, for example, there's a letter on that website from James Morton, president of the Ontario Bar Association, that has some significant concerns about schedule D of this bill. To read part of Mr. Morton's letter:

"However, the pressing matter at hand as this bill is now before the House for second reading debate is the matter of solicitor-client privilege. Given that this is a fundamental principle for our profession, it is disappointing that there was no contact with relevant stakeholder groups in the legal profession for input in the development of this legislation.... [W]e continue to have significant concerns pertaining to section 11(4) requiring a participating audit firm to provide information or documents to the board even where that information or documents are privileged."

So I look forward to an opportunity here. It does give one concern that a group of the significance of the Ontario Bar Association was not consulted before schedule D was brought forward to the Ontario Legislature. I hope we'll have ample committee hearings so that groups like the OBA can come forward and we can hear directly from the minister and finance staff on how they're going to address this issue. I know that the CGA, the Certified General Accountants, also have concerns about provisions in that aspect of the bill, and I hope they'll have that opportunity in the time ahead.

Schedule L, on the Gasoline Tax Act, basically ensures that ethanol is taxed at the full rate of gasoline, will be taxed the same way as gasoline. The government has asked us to trust them that those funds will go into an ethanol development fund of some sort. Forgive me if I take with several grains of salt the notion of trusting Dalton McGuinty to keep one of his promises.

Mr. Zimmer: Oh, that's unparliamentary.

Mr. Hudak: No, I don't think that's out of the ordinary.

I know that the auto industry has concerns about schedule L and how it applies. My colleague from Oshawa will hopefully have a chance to talk about this as well, somebody who obviously has his ear to the ground when it comes to the auto sector. But I do hope they'll have an opportunity to come forward and speak about the taxation of ethanol. I suspect, when Premier McGuinty made his promises about ethanol being part of gas for an environmental reason, they didn't expect that he would whack the ethanol industry with this new tax.

I want to spend a bit of time—I'm skipping now to schedule Z.2. If they had stopped at Z and moved on to Greek letters, it would be schedule Beta—that was my suggestion—as opposed to Z.2, or it could be BB. But as it is, it's schedule Z.2, on provincial land tax reform. The government has, deep in this bill, a proposal to effectively give the Minister of Finance authority like a municipal council in unorganized areas. There are really two aspects to this. They're going to update the valuation system from sometime in the 1940s to January 1, 2008, in unorganized areas. The Minister of Finance will be given the ability to set a tax rate—just as a municipal council would in Fergus, for example, Mr. Speaker—to decide the tax rate for properties, whether it be homes or businesses, cottages, what have you, in the unorganized areas. The problem we have here is that the Minister of Finance and the Dalton McGuinty government are asking us to trust them to make a reasonable decision on tax hikes. Certainly if you look at the massive tax hikes that Dalton McGuinty brought in while promising the contrary, it gives pause for concern.

Secondly, there is no guarantee in the legislation that this money will be reinvested in northern Ontario. You'd think that would be obvious. You would think that if the unorganized territories were going to pay more taxes after the next election, thanks to Dalton McGuinty, at the very least, those funds would go back to services, to municipalities, to DSSABs in northern Ontario. No such provision exists in Z.2 of Bill 151. As far as this amendment is concerned, all that money from northern Ontario is being funnelled right down here to Queen's Park, into the provincial treasury. We will see if the Minister of Finance will entertain amendments to this bill to ensure that it goes back to northern Ontario. I know my colleagues opposite from northern Ontario would certainly feel the same way. The last thing they want to do, after consultations—and I'll give credit to the government; consultations took place. But after those consultations, boy, some eyes are going to be opened if that money is not going back to support services in northern Ontario. We wonder too what protections will be put in place to ensure that whatever tax rate the Minister of Finance sets is not going to be a major, major encumbrance on residents and businesses in unorganized areas in northern Ontario.

2000

Schedule Q, the Liquor Control Act: Schedule Q would increase the number of members on the Liquor Control Board of Ontario from seven to 11. As well, it allows for the creation of a chief executive officer, presumably Mr. Peters. I'm just joking; we don't know if that decision's been made yet for Mr. Peters. But a new executive position is being created at the LCBO, as well as four new positions on the board. In itself, you might think this is innocuous—from seven to 11 members—but let's not forget the context. We recently saw, without any real press conference or scrutiny by members of the assembly or by the media, a massive raise, some $30 million, to the appointees on various agencies, boards and commissions, including the LCBO board. While working families are struggling to make ends meet in Dalton McGuinty's Ontario, dealing with higher taxes and higher hydro rates and higher user fees—in fact, we estimate there are some $2,000 more in costs on a typical working family in the province now than before Dalton McGuinty was elected. It's awfully hard to make ends meet when $2,000 has disappeared out of your wallet.

The government, through schedule Q, is asking us to trust that they are going to take care, given that they've already significantly increased the rates of pay at the LCBO and made a significant number of patronage appointments of Liberal campaign managers, fundraisers etc. to boards like the LCBO.

You'd think it would be rather innocuous, but given that context of the massive increase in pay to patronage appointees and the number of patronage appointees, we will have to watch very closely, as schedule Q goes through, what kind of individuals are brought forward to the LCBO.

Mr. John O'Toole (Durham): Heaven forbid we try to trust them now.

Mr. Hudak: My colleague says he's concerned: "Heaven forbid." Well, "concerned" is an understatement.

A few more things, and then I know my colleagues are anxious to join in the debate after the end of this particular submission.

Another of the other scheduled changes as part of this act: One of my old favourites, as the former minister for mining in the province of Ontario—Schedule R changes the Mining Act to give a valuation of rough diamonds. I was told at the briefing, and I appreciate staff in the minister's office being there—who's that tall fellow who works in your office?

Hon. Rick Bartolucci (Minister of Northern Development and Mines): Graham?

Mr. Hudak: Yeah, a good guy. I see him around. He's enjoying working for Mr. Bartolucci, by the way.

Mr. Marchese: A good guy?

Mr. Hudak: He seems like a very good guy. Yeah, he's a very nice guy.

According to staff, they'll use the same valuation method for rough diamonds from the De Beers project just outside of Attawapiskat. I'm happy to see that project going forward.

Mr. O'Toole: You started that.

Mr. Hudak: Well, I don't know if I put a spade in the ground particularly, but we're proud of the investments we made, in Operation Treasure Hunt, for example, under the Mike Harris government that are now paying dividends in northern Ontario. We're pleased to see a diamond mine, the first of its kind in Ontario, opened up.

I know the minister is going to keep a close eye on this. We are giving the opportunity to the government on how it's going to value rough diamonds. They say they're going to do it the same way as the Northwest Territories for consistency. Sometimes, though, trusting Dalton McGuinty with more revenue options is like trusting teenagers with the keys to the liquor cabinet. You need to offer proper controls and oversight.

Interjection: That hurts.

Mr. Hudak: My friend says that hurts. Is it inaccurate? I don't know if it was particularly inaccurate.

Another aspect that will deserve some scrutiny is schedule Z, which makes changes to the Ontario Lottery and Gaming Corp. to allow the Peterson negotiations to go forward. Was this a volunteer role by former Premier Peterson at that point in time, or was he paid for that work on the Rama deal?

Hon. Mr. Caplan: One dollar.

Mr. Hudak: One dollar. We will see if the government got its money's worth on this particular deal, but it certainly will merit some scrutiny to see what happens in the time forward. Looking at some of the revenues coming from the commercial casinos these days and seeing the drop in customer patronage—I think in their own report they say it's a million customers fewer at Casino Windsor since the Smoke-Free Ontario Act was brought in. I think I saw that in their report. There have been layoffs at Windsor, layoffs at Niagara—we'll see where the revenues go. We certainly hope they turn around, but when you look at the OLGC's current report, it gives reason for concern.

My colleague opposite from Mississauga was speaking a bit earlier about what I think he described as tax breaks in this legislation, but in reality, a number of the tax measures simply ensure that existing benefits are not clawed back. When there's an increase, for example, to old age security, we want to ensure that benefits they receive from the province of Ontario are not clawed back. That's part of this bill. We're pleased to see it as part of the bill. Similarly, when the new Conservative government in Ottawa brought forward the support for daycare—I forget the exact name of the program, but you know what I mean: the money to support families with young children—we asked Premier McGuinty on several occasions in the Legislature whether he was going to claw that back through other programs. Eventually, I think after the third or fourth day, he said no. In this legislation, we ensure that no clawback of existing provincial programs takes place. It's a good thing to see, but let's not call these tax breaks. In fact, they're protecting the taxpayers from the government clawing back benefits they receive from other programs.

As always, time flies when you have an opportunity to discuss Bill 151. Again, I thank Ms. Hanafy and staff members from the Ministry of Finance and other ministries who took the time to brief the opposition. I do strongly recommend to members of the assembly to reject the budgetary policies of the McGuinty government that have resulted in so many manufacturing job losses in the province of Ontario and runaway spending.

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

Mr. Marchese: The member for Erie–Lincoln covered a lot of ground and I only have two minutes to respond, in supportive ways.

In fact, one of the issues he talked about was the changes this government has made to the Assessment Act. It's not a whole lot of change. It's simply going to freeze the Assessment Act for 18 months. You will recall that this is something the Conservatives brought in before—the current value assessment—which saw so many people across Ontario get whacked with property tax increases. They get confused between what the city increases by way of the services and the additional whacking they get because the property values go up based on current value. As a result, they get a double whammy, and they have been getting hit over and over again, year after year. The Liberals know this.

The Ombudsman did a study of this and he said, "It's pretty bad. We've got to make changes," and recommended 22 changes to the Assessment Act. The government implements 20 of no great consequence, and leaves out two. So the government says, "We've got to study this. We're going to freeze the assessment for two years, more or less. We're going to come back in two years, after the election, and give you the fullness of our opinion in this regard." The government is going to come back and deal with two questions the Ombudsman hasn't dealt with: the reverse onus, so the onus is no longer upon the citizen to prove that the MPAC recommendations are wrong but upon MPAC to prove they are correct; and forcing MPAC to release the information upon which the computer model is based. They're going to come back, after the election, with what the Ombudsman recommended a while ago, and that will be the end of the reforms to the Assessment Act. That's all we're going to get two years later. "Elect us now. We'll deal with it later."

2010

Hon. Mr. Caplan: I certainly want to congratulate the member from Erie–Lincoln for, I think, a good dissertation, especially on his birthday. I think he should have talked to the whip of his party for making him come to the Legislature on his birthday. But we are the better for his contribution to this particular debate. He touched on a couple of the schedules.

Schedule Q: The Liquor Control Act has not largely been changed since it was first formed in 1927. In this act, in fact, the chair and the CEO are the same person. Corporate governance worldwide has changed quite significantly, where the chair and the board have a very important oversight role on the staff and the executive function of any company. It is in keeping with that separation that this act makes that change and creates a chief executive officer. I would say that Mr. Peters is doing an outstanding job and has the full confidence of the government in the way that he's carried on with the LCBO. We're adding four new positions, and I think that will be very effective to bring additional advocates—a wine advocate and others—from other sectors.

The member also talked about schedule Z. This is nothing short of historic. We have entered into an agreement in principle with Ontario's First Nations. I had the privilege to be here earlier this spring in a signing ceremony between the Premier, Chief Angus Toulouse, regional chief of Ontario, and Harvey Yesno of the Ontario First Nations Limited Partnership, to bring in and have a full partnership. This will allow Ontario Lottery and Gaming to make payments to First Nations, should that agreement reach its final conclusion.

I did want to speak about schedule Z.7, the Tax Increment Financing Act, a new tool to finance the infrastructure badly needed in this province. I wish the member would have commented on that, because it has done tremendous things worldwide.

Mr. O'Toole: It's always a pleasure to listen to our finance critic, the member from Erie–Lincoln. In the limited time he had on his birthday, I commend him, first, for making the personal sacrifice, and second, for spending so much time preparing such an important speech. I encourage members to get a copy of Hansard tomorrow so that they can use it as a reference point over the next year, because really, what he was trying to establish is a pattern that's being detected under his watch as the critic. There is a pattern here that I think he was making us aware of, that the cycle of Liberal predictability is to continue.

The member from Don Valley East mentioned a couple of schedules on which our critic has briefed us in caucus. To be very leery, he failed to mention the other part of increasing—was it schedule Q?—the LCBO. You'd have to marry that with the $20 million they've set aside to enrich the patronage appointments. What they've done is, they've increased the number of board members so that they can increase the Liberal patronage. It's almost like the Adscam in Ottawa. The Gomery clause would have to come into it, or the Chuck Guité clause would have to come into some of this stuff.

I would say, quite frankly, that scrutiny is required here, because their revenues are up, and yet the service levels—

Interjection.

Mr. O'Toole: The member from Windsor often says that things are up and things are down. What's up here is taxes, and the satisfaction index is down.

I think there's more to be said. I look forward to making a few comments. I thank the member from Erie–Lincoln for his comments this evening on his birthday.

Mr. Berardinetti: I'll start off by wishing a happy 39th birthday to the member from Erie–Lincoln.

Hon. John Gerretsen (Minister of Municipal Affairs and Housing): Thirty-nine?

Mr. Berardinetti: He said he was 39, so I'm taking him at his word. Conservatives always tell the truth.

Bill 151: Many of the points he brought up were criticisms of the bill, but I think we need to look at some of the key positive points in this bill. I spoke a bit earlier this evening about how this would support some of the brownfields and redevelopment of the brownfields, but I also want to talk very briefly in these two minutes about something else that I'm sure the member would be aware of, but would perhaps be encouraged by, and that's the dividend tax credit. By bringing in this dividend tax credit, what we're trying to do is allow businesses to start to want to locate and expand their operations here in Ontario. When you have healthy businesses and growing businesses, you have jobs and also the jobs that are spinoffs from that.

It's extremely crucial that our plan—and we've been laying out this plan since 2003, 2004, 2005, and now we're into 2006. It's a steady movement forward, making the necessary changes so that we have strong communities, a prosperous economy and something that's going to benefit the people of Ontario. This bill does that. The dividend tax credit encourages more investment in Ontario and allows taxpayers to pay less tax on their dividends from large Canadian companies. This will match what the federal government, I think, already has in place.

We would see, for example, companies that want to locate elsewhere in the States or the provinces stay here instead, and that's why I support this bill.

The Acting Speaker: That concludes the time for questions and comments. I'll return to the member for Erie–Lincoln, who has two minutes to reply.

Mr. Hudak: I thank all my colleagues for their comments and best wishes.

Schedule Z.7, Tax Increment Financing Act: I say to my colleague the Minister of Public Infrastructure Renewal, there wasn't enough time. If I get another chance to speak to this bill, if we get unanimous consent, I would be pleased to speak about Z.7. I've made comments in the past about tax increment financing as a tool in the province of Ontario. It's just that I didn't get to Z.7, and Z.8, as well, the Teachers' Pension Act. We look forward to hearing more about this deal, which will see school boards in the province increasing their contributions to the teachers' pension plan. The members of the plan are contributing a lesser amount in 2008 as part of an agreement from a couple of years ago. So I hope there's more discussion of Z.7 as well as Z.8.

I want to get this on the record too. I've dug up my notes here. We had estimated that the costs of SARS-related expenditures in the 2003-04 fiscal year were some $1.13 billion. You remember the devastating impact that SARS had on the province of Ontario, the city of Toronto and the provincial finances. Generally, the compensation from the federal government for these types of disasters like the Manitoba flood, a tragedy a few years ago, is 90%. So that would mean that $1.02 billion would be our fair share from the federal government for SARS.

Dalton McGuinty—he had a big smile on his face, praising Jean Chrétien—at the time accepted, sold out for $330 million, some $700 million less than we should have achieved and, really, that set the tone that Dalton McGuinty was going to be a pushover in federal-provincial relationships, and after three years has accomplished next to nothing.

The Acting Speaker: Further debate?

Mr. Gilles Bisson (Timmins–James Bay): I've been looking forward to this moment for a long time, because this gives me an opportunity to talk about some things that are pretty important to some people up in northern Ontario when it comes to this particular bill, Bill 151.

My good friend the Minister of Northern Development and Mines would know, as I do, as a good northerner, that there were a number of letters sent to people who live in non-organized municipalities in northern Ontario. Specifically, people in communities like Foleyet who own cottages, hunting camps and various types of buildings in unorganized territories got a letter. That letter said that in 2009, I believe, the province of Ontario will be charging them a municipal assessment on their cottage or camp that happens to be in an unorganized territory.

You probably got the calls, as I did, because not a lot of people up in our part of the province are very happy about that. Most people work hard, as we all understand. Basically, they have a home, they work hard, they raise their families, and then they put together a few dollars and decide, "I'm going to build myself a camp or a cottage, and this is going to be where my family and I go and enjoy ourselves on weekends and summer holidays and on winter holidays. And if we're lucky and get to retire, this may even become a place that we can go to spend half of our time when it comes to retirement."

2020

Up to now, when you built a camp or a cottage in northern Ontario and it was outside of a municipality, you basically paid a minimal tax to the province of Ontario in recognition that the camp you built was on a lake, a river or somewhere in the bush where there's no running water, no sewers, no bus service to bring the kids to school. There's none of those services that we take for granted in municipalities. Dog catchers, swimming pools, arenas—all those things that we pay municipal taxes for—are non-existent in those communities.

We've recognized in the province of Ontario that those particular buildings should be treated differently and that we should not apply municipal taxation on those areas that are in unorganized territories, because it would be unfair. The basic idea that you should have representation: You should have a service that is commensurate with the taxes you pay, and that has been the principle up till now.

It would appear—not appear, it's for sure—that in this particular legislation the government is planning in Bill 151 that as of 2009—I believe I'm correct; it might be 2008, but I think it's 2009—the province will be charging a municipal assessment to those people who live in those areas where they now do not pay a municipal assessment. I've got to say there are going to be a lot of people, and there are a lot of people who are mighty upset about this, because it means that those hard-working people who manage to scrape together a few dollars and build themselves a camp are going to pay market value assessment on those buildings. For a lot of them it's going to mean they're not going to be able to hang onto them, because it's a fairly expensive thing.

I speak with some experience. I have a cottage. I have my own home in the city of Timmins that I pay taxes on, $2,500, $2,800 a year, whatever it is. Our particular cottage is a family cottage in the municipality of the city of Timmins, so we have to pay yet a second tax bill on that cottage out at Kamiscotia for probably about $2,400 a year as well. Now, we're fortunate because it's a family cottage. My mother, my brother and I split the costs evenly, the three of us, and we participate in that residence together. The cottage is a place for the family to go, and we're able to equalize the price.

But for a lot of people, that is not going to be an option. People out at places like Saganash Lake and Departure Lake, various places outside municipal boundaries in my riding, are going to be in a situation where they're going to have to pay taxes in their municipality for their homes and an equal amount of taxes, on the market value assessment system, for their cottages. I just say to the government across the way, this is really wrong, because those people are already paying taxes to the municipality in order to receive the services, and to charge them market value assessment on cottages, camps and those places outside the organized municipal areas is unfair because, in the end, based on the market value assessment system, you'll pay almost an equal amount of taxes on your secondary home or your seasonal home, as some people would call it.

I think that raises a whole bunch of problems. Number one, in our part of the province, it's a fair amount of business for companies like Feldman Timber, Timmins Building Supplies, Cashway and others who sell materials to people who build camps and cottages. Quite frankly, it's one of the fairly good sources of income for those businesses and contractors to build those things. Well, imagine now that you have to build one of those and, on top of that, you have to look at a municipal tax bill in perpetuity after 2009. I think a lot of people might decide they don't want to do this, and I think it's unfortunate, because it's going to dissuade people from doing those activities that lead to a good lifestyle but also to a bit of a secondary economy when it comes to providing building materials and construction opportunities for people in the construction trades when it comes to building those particular cottages.

I say to the government, I'm truly surprised they're doing this, because this is an idea that I think was originally floated—and I might stand to be corrected—as a suggestion when the Conservatives were in power, and the Conservatives, I think rightfully so, said, "No, we're not going down that road." The Conservatives basically said that to go down the road of charging municipal taxes to people in unorganized territories is unfair because they'd have to pay taxes for services they're not receiving. In fact, as early as last summer, probably June or July of this year, when people stopped me on the street or we got calls from people who were in unorganized territories who were saying, "We're hearing this rumour that there's going to be charges levied on our cottages, our camps, our hunting camps in unorganized territories," my comment to them was, "I don't believe the government's going to do it. It's the last year of their mandate"—they're not stupid enough, in my view, to basically charge these people municipal taxes going into an election year—"and I wouldn't worry about it too much. I don't believe they're going to do it."

Lo and behold, in August of this year the letters went out to all those people who live in unorganized territories saying that according to laws proposed by the government under Bill 151, if passed in the Legislature, this will come true in 2009, and you will be charged market value assessment. People started calling my office and saying, "Jeez, we got the letters. What goes on, Gilles? You told us two, three months ago that we probably weren't going to pay any taxes because the Liberals weren't going to do this." I said, "Well, you got the letter, but I can't believe the government's really doing this. I know they sent you the letter, but the Liberal Party is smarter than that," I thought, "and basically are not going to start charging municipal assessment in unorganized territories on secondary homes," or seasonal homes, as you would call them.

Here we are. We're in second reading debate. At this point, it's a bit of a moot point. It means to say that I understand, as everybody else does, that the government has a majority in this House, and the government is going to do what the government is going to do. They're going to allow this legislation to pass, as is their right as the majority, and it means to say that as of 2009, those people who have buildings in unorganized territories are going to have to pay tax based on the municipal system, which is market value assessment.

I say to the government across the way: You will reap the reward that that will bring. Because I can tell you it ain't going to go over very well in most places I represent and, I would argue, most of the northern members and some of the people who live in central Ontario. Most of the unorganized territories are in northern Ontario. There are some in the southern and central parts of the province—not a lot, but there are some—but by and large this is a northern Ontario issue.

I talked to my good friend across the way, the Minister of Northern Development and Mines—I consider him a friend of mine; I consider him an honourable colleague. I just say we need your help. We need you, as the minister, to try to do something to stop this from being applied to people who, quite frankly, can't afford to have this happen to them. I say to the government across the way that I think this is ill-thought. I don't think it's a good idea.

I think the basic principles are fairly simple. Number one: for most people, 99.9% of people who own hunting camps or fishing camps or cottages on remote lakes, it is a secondary home. They're living there, in many cases, three, maybe five, weeks a year, and to charge them full municipal assessment for all municipal services in an unorganized territory, I think, is very unfair. Why should somebody who goes to a cottage three to five weeks a year pay municipal taxes on services they're not going to receive? They're going to have to pay the same taxes you would within a municipality for everything from water services to arenas to swimming pools to paved roads to garbage pickup—you name it. All of that is being charged as if you had those services, but in fact you've got your own well or you pump water from the lake; you build your own septic system at $15,000 or $20,000 a pop according to today's standards; most places don't even have a dump because the Minister of Natural Resources has closed most of the MNR dumps that exist out in those cottage areas, and most people have to put the garbage in a secured garage—if you don't, the bears are going to rip it out of the garbage pail pretty fast—put it in your truck and run it in to the municipal dump when you come back out on the weekend. There are really no services out in those remote areas.

So I just say it is not a good idea, and I hope the government would see their way through to backing off on this particular part of the bill, because I think it's a part that, quite frankly, doesn't serve us well.

The other thing I want to speak to is the whole issue of municipal assessment in regard to, I think, this growing feeling that a lot of people within the province have in regard to how fair the system is and how it's working for people who are paying municipal taxes, period.

I first came here in 1990, and I was here for the initial debates on the call for a change to the municipal assessment system. The argument basically was this: The system, as it existed in the early 1990s, was that people who had buildings in the city of Toronto or Timmins or wherever it might be were charged assessment based on what the values were sometime back. For example, I think that prior to the 1990s, municipal assessment for the city of Timmins was based on the 1970 values of homes. Somehow or other, governments decided that they wanted to change it to go to actual value or market value assessment so that the taxes you paid were based on what the actual value of your home was.

I just want to say this: The realty is that a municipality knows how much money it's got to levy from municipal taxes. The issue of the actual value of the residence is somewhat secondary to the amount of tax they need to collect. One would argue that, yes, market value assessment or actual value assessment is fairer in the sense of how we distribute those taxes. But by and large, if everybody's building is assessed at a 1970 value or a 1980 value, as long as everybody is working from the same value from the particular year the assessment was done, it's a bit of a moot point.

The municipality—for example, the city of Timmins—says, "We need $70 million to run the municipality"—I think their budget is somewhere around $72 million. They say, "We need $72 million to run our municipality. We get X amount of transfers from the province and the federal government for operating capital. That leaves us with X amount of dollars"—let's say $40 million—"that we've got to raise ourselves." Whether you're working on 1970 values or 2006 values, it's a bit of a moot point, because all you do is change your mill rate on the value of the property to determine the amount of taxes you want the collect.

2030

Since the 1990s, we've basically gone through seven or eight changes to this act in order to deal with how we actually do assessments on property. I would just make this observation: I think in many ways the system has gotten more unfair, because we end up in systems where the assessment system has changed drastically from what it was in the early 1990s. For example, prior to 1997 or 1998, we used to send the assessor to your home specifically to assess the value of your property. When the assessor went to the home, they would say, "You have a three-bedroom home, and according to what we see here from the last time we did an assessment, it's brick, it's finished upstairs, the basement is done and there's no garage. Therefore, based on the 1970 value, you pay X amount of taxes," and the municipality would apply a mill rate to get the money they wanted.

Back then, when we used to have assessors go to the door, the assessor would come and say, "You basically have the same house, but you built a garage. Therefore, based on the square footage of the garage and what a garage is worth in your municipality based on 1970 dollars, we are going to charge you X amount in assessment," and your taxes went up commensurately with the additions you did to your building or the garage, or whatever you did. The point was that it didn't matter if it was 1970 value or 2006 value; it was based on the actual assessment of what you had on your lot based on numbers that everybody else was gauged to. So if you go out and actually do an assessment on property and buildings and say everything is assessed based on 1970 values, the system was fair. Everybody paid a commensurate amount of taxes based on what they had on their property, because somebody actually went there and did the assessment.

Now we say we're not going to send the assessor to your door anymore. We're going to basically have a system that works on a computer that says that if you're in the town of Kapuskasing and you live in this particular area, and somebody has sold one house in the year, and it's the only house that's been sold, and the house has been sold at 30% over the actual value, then everybody gets a 30% increase in their assessment. That's how the system works now, because it's based on computer modeling; not sending out the assessor to the door but looking at the real estate transactions in that municipality and that neighbourhood to say, "Here's what the building was worth. What was it sold for?" If you're in a neighbourhood where somebody got lucky and sold their building for 30% more, for whatever reason, all of you are charged 30% additional on your actual value assessment when it comes to the end of the year. I think that's grossly unfair. In fact, in our community we've had to send the assessment office—or whatever they're called nowadays, because they've been changed—back into places like Schumacher. I know we've had to send them back into Kapuskasing. We had to send them back, I believe, to Moonbeam and a few other places, because the value of assessment that was charged against those buildings was way out of whack with what people were able to sell their building for.

An example: I live in a neighbourhood. I put a house up for sale, and somebody really wants to live in that neighbourhood; it's the only house available. Basically, somebody is prepared to pay whatever the price is, so they pay 20%, 30% more than it's actually worth. Everybody's taxes go up. I think that's unfair. We need to have a system where we have the assessors go out on the street and do the actual assessment so we're able to take a look at what is different about this house from the time we originally did the assessment. Have there been improvements—siding, anything that's done—in order to increase the value of the house? If so, you do an adjustment on the assessment, based on the actual value of what the assessment brought in. If you base that on 1970 dollars, 1996 dollars or 2006 dollars, it's somewhat irrelevant, because at the end of the day the municipality will adjust the mill rate to get the amount of money they need, based on what their needs are. So if the town of Kapuskasing needs X millions of dollars to operate and the value of the assessment is based on 1970 values, it really has no bearing on how much money they're going to get in the end, because all they do is increase the mill rate. As far as everybody else is concerned, the assessment is equally the same.

The problem we have now is that the assessment is based on the sale value, and what you can sell your house for and what I can sell my house for are two totally different things. I think that's one of the weaknesses of the system. One of the things that we need to do is go back to actual assessments on properties so that we're actually comparing apples to apples and not apples to oranges. That's the problem we've brought into the system.

In the closing couple of minutes I have in this debate, I would only say a couple of things to the government, and I concentrate on those two things. Number one, I really believe we need to go back to a real assessment where the assessors are out doing the actual inspection of the property to determine what the value is, rather than trying to model it on a computer model of who sold the building and how much it sold for, because those can sometimes be quite erroneous.

A good example is, I'm out at the Kamiskotia Lake where our cottage is, and a couple of years ago, values of properties were pretty darned low because people weren't buying cottages. There was not a lot of work out there. Mining in my community has been fairly well-to-do over the last three or four years, and as a result there's a bigger demand for property, so of course the property value goes up; it throws up the value. But there's no guarantee, at the end of the day, that I'll be able to sell the property for what I paid, because it's based on what the market conditions are. All I'm saying is that I'd rather have everybody assessed based on a certain value that is comparable to everybody else, rather than doing it on computer modeling.

The other thing I would say, and would really strongly suggest to the government, is that this whole idea of charging actual value assessment on properties that are in unorganized territories is blatantly unfair. It's a bit of a different thing if the government was to come to me and say, "This is the person's sole home." Then there's a bit of an argument to do it, but not to the degree you charge in a municipality, because if I choose to build my house on Wandering Lake in No-Name Township with no municipal services, where I have to put in my own well, I have to put in my own septic system, I have to plough my own road—a lot of times I have to build my own road—I don't have electricity and have to bring hydro in at my cost, it is not fair to charge those people the same amount of taxes you charge somebody living in a municipality who is able to receive the full services a municipality has. To treat unorganized territories the same as a municipality is wrong, and we should rethink that particular approach, because at the end of the day it's blatantly unfair. The government needs to rethink that.

With that, Mr. Speaker, I want to thank you. It's been a pleasure to be able to bring these issues forward, and I look forward to comments by members.

The Acting Speaker: Questions and comments?

Mr. Mario Sergio (York West): I have enjoyed the discussion from both sides of the House on Bill 151, which is nothing more than the Budget Measures Act. If we look at the last three years, I think the bill presents a good case, not only for what we have done and what we have accomplished, but also for what our leader Premier McGuinty and the Ontario Liberal Party have put on the table to accomplish on behalf of the people of Ontario.

We have initiated many things, especially with the municipalities of Ontario and the city of Toronto: not only issues that were mentioned during the election campaign, but also, various ministers have been very busy making sure that what was important to various municipalities indeed took place.

2040

I have to commend the Minister of Municipal Affairs and Housing. There were two very important bills which were put forth. They were debated, we had public hearings, they went to the House and indeed were approved. One was the City of Toronto Act and the other one, with the blessing of AMO, the Association of Municipalities of Ontario, was with respect to the various changes to the Municipal Act. There were some things that were very long overdue, and I think we have taken a very blunt attitude and said, "We have to do it. It's got to be done." We had considerable debate on that. Finally, we brought it to the House and it went through.

Those are just some of the things we did on behalf of the various municipalities and the city, and I'm very pleased that we did that.

Mrs. Munro: I'm pleased to be able to offer a couple of comments on the speech given by the member from Timmins–James Bay. The question of the government making the decision with the unorganized territories is certainly one that requires a great deal of discussion and debate. This would be schedule Z.2.

He made some reference to the fact that the previous government had looked at the issue of the unorganized territories. I think it's important to note that, at the time, this was also in the context of organizing and providing a level of service in regard to public health delivery and issues around that.

I also recall that there is a problem in the sense that sometimes when people move into these areas, they may initially have the sense that this is a frontier and they're going to be able to manage on their own, but there is also a danger of attracting more people to come and take up a part-time lifestyle that sometimes spreads over into a full-time lifestyle.

More important in this bill is the fact that the money the government is contemplating will in fact come to Queen's Park. It will not be directly available to the community at large in the immediate vicinity.

Mr. Hudak: I'm pleased to commend my colleague from Timmins–James Bay on his remarks on the proposed Bill 151. He made a significant contribution with respect to schedules Z.3 and Z.2, which would be the Provincial Land Tax Act and of course the consequential repeal.

The member from Timmins–James Bay would know of what he speaks. He represents a considerable area that would fall into the definition of "unorganized territory." In fact, he would probably have the second-largest riding in Ontario, which would rival the size of many countries. I know Mr. Hampton says Kenora–Rainy River is the size of France, and you would be the size of Spain?

Mr. Bisson: I'm the size of France and he's bigger.

Mr. Hudak: In that large geographic area, M. Bisson represents a number of municipalities, a significant number of First Nations communities, a heck of a lot of crown land and a lot of unorganized area. Of course, the definition of "unorganized" means that they don't have what we in southern Ontario have in terms of the traditional municipal structure. We would drive from one municipality to another and all would have all their elected mayors and councils and such, but in large parts of M. Bisson's riding, that's not the case.

He spoke quite well about the lack of services that exist in these areas to support members' homes or their cottages or some businesses that exist in unorganized areas. He made a strong case of concern with the section of the act that would effectively bring in municipal taxation in that area. I know we share many of the concerns about where this money is actually going to go to. So you increase their taxes substantially, it's all going to come down to the provincial treasury, and how do we know it will actually go back to benefit people in northern Ontario?

Mr. O'Toole: I'm pleased to respond to the member from Timmins–James Bay. He always brings everything relevant to the area he represents, as mentioned by the member from Erie–Lincoln. I think that's important, that members keep that in focus. He talked to some great extent about mining and the importance of how robust that's been over the last three to four years. It could be said that the member from Erie–Lincoln played a role in making sure that there were the right kinds of rules in place to make that industry and that resource sector so valuable and so important to the north and to the economy of the north, and indeed to the economy of Ontario.

I'm looking forward to speaking myself on this bill, and I have some comments with respect to some of the schedules under Bill 151. That's really the essence here, making sure of the right tax policies for the economy. There's a time to eliminate the red tape and look at tax thresholds, because without the economy, many of the other questions are rather rudimentary. If you don't have the economy, a lot of the other things become quite at risk and very fragile. I think the member spoke very well for his riding and for his party, recognizing that the economy in any government is so important. As our member from Erie–Lincoln pointed out, there are some signs on the horizon, but this may be an indication that the fundamental tax policies of the McGuinty-Sorbara government may be at some risk, looking forward. Many of the media reporters on the economy are somewhat suspect. As Minister Flaherty said today in Ottawa, we've got to keep an eye on the timekeeper, the taxman.

I look forward to making a few comments on this, but I always appreciate the member from Timmins–James Bay. He always works very hard for his riding and for his party.

The Acting Speaker: That concludes the time for questions and comments. I'll return to the member for Timmins–James Bay, who has two minutes to reply.

Mr. Bisson: I want to thank the honourable members for their comments. I am not quite sure what the government members were getting at. I wasn't complimenting the minister in his work as Minister of Municipal Affairs on this issue. Quite frankly, I was saying quite the opposite. So I'm not sure what that was all about. To my good friends in the Conservative Party, I want to thank them for their comments.

In the last couple of minutes I've got left, I really need to say this: What drives people absolutely over the deep end is having—people understand that they've got to pay taxes for service. They reluctantly pay that, and we all accept that. I live in the city of Timmins and I've got to pay my $2,800 or $2,600, which is pretty cheap compared to most other places when it comes to municipal taxes. My wife and I scratch the cheque out a couple of times a year, because it's done every six months or every four months or whatever it is. We do it. Like everybody else, we understand, but we understand also that we get services. There are bus services, paved streets, water, sewers, arenas, all kind of services that our family can enjoy. But when you're living in No-Name Lake in Wandering Township and you've built a camp and you're basically deciding to live in that particular camp, you've made a lifestyle choice that's very different. In fact, you know you're not going to get municipal services. That's why you chose to go there. To say to somebody living on No-Name Lake in Wandering Township that they've got to pay taxes for municipal transit, water and sewers, dump services, paved roads, arenas and everything else, the reality is they don't get that, and people are going to go absolutely ballistic if they've got to pay taxes for services they're not taking.

I'm just saying to the government members on the other side, you should rethink this. This is a bad idea. It's one that previous governments have looked at, one that previous governments have turned their backs on, and for very good reason, because it's taxation without representation.

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The Acting Speaker: Further debate?

Mr. Berardinetti: It's a privilege to have an opportunity to speak to Bill 151, An Act to enact various 2006 Budget measures and to enact, amend or repeal various Acts.

I'll start off by saying that one of the most important things I've realized is that—

Mr. O'Toole: How's your wife's campaign going?

Mr. Berardinetti: The member for Durham asks me how my wife's campaign is going. It's going very, very well. I will talk about that later. There are a number of issues in her campaign that touch on this budget, actually, because the city of Toronto is, of course, heavily, heavily attached in many ways to the province of Ontario. Michelle, my wife, is doing quite well. Hopefully, when she gets sworn in on December 1, the member from Durham can attend the swearing-in and be there, if all things go well.

Mr. O'Toole: That's a conflict of interest. You're going to be downloading—

Mr. Berardinetti: The province has been uploading, by the way, and that's something that previous governments didn't do; they downloaded. But the uploading has been something good.

I'll get to what I want to say tonight. Bill 151 contains a number of provisions that are designed to help create a healthier, more productive business climate in Ontario. The legislation inside here proposes to create a new, enhanced dividend tax credit to encourage investment in Ontario corporations, enhance the interactive digital media tax credit, and introduce a number of other measures that, alone or in combination with other initiatives, will help sustain a more vibrant and prosperous economy.

Building and sustaining a prosperous economy is the goal of every government in the land. Anywhere you look in the world, countries want to have a strong economy. When they have a strong economy, they have a happy population, and that population is able to do things that they would otherwise not be able to do. That cuts across the board.

I want to point out that our government has taken a somewhat broader approach, an approach that many others—academics, economists and experts alike—would support. In addition to using the policy levers available to this government on taxation, on the economy, on the fiscal side of the ledger, we are also making a series of historic investments that are essential to a strong economy.

In our first budget—I remember it quite well—the focus was on health care. In our second, we tackled post-secondary education and training. In our third, infrastructure was the centrepiece. In each of these budgets there were other measures implemented as well. However, it's important to recognize, and I can assure you that this government does recognize, that these investments do more than simply create new spaces and new opportunities. Just as important as the bricks and mortar are to these investments, these changes that we are making help to advance Ontario's competitive edge.

Allow me, if you will, to take a moment and cite the successes of the province and you'll see all these different areas that we've tackled in the past three years.

In our first priority, which was health care, when we came into office Ontario's health care system was on life support. Our government is building new opportunities for Ontarians to achieve better health. We have made major investments—and I've seen it in my own riding and throughout Toronto and other parts of Ontario—in keeping Ontarians healthy, in improving access, in shortening waiting times for key services, in modernizing our health infrastructure and in focusing on efficiency and accountability. I've heard from countless individuals who have said, "You know, in the past it would have taken me so long to get a hip operation or so long to get cataract surgery done, but now these things are being done a lot quicker." A lot of people, especially seniors, are happy with this.

Another priority is education and training. We're increasing grants for student needs, the money that school boards use directly to fund their operations. Once again, I remind the members of the results we've seen: more teachers, smaller class sizes, higher test scores and improved school buildings. We're not all the way there, but we're slowly and surely moving towards improving the education system. I can think of improvements that have been made in my riding, but I can think of improvements that still need to be done in my riding on some of the schools. St. Agatha's is one in particular. I know those who are watching are waiting for those changes to occur.

Reaching Higher: We put in $6.2 billion as an investment in post-secondary education and training, and it's benefiting our students and our society. Here again, we're seeing real results.

We've announced a jobs and renewal strategy, which was enhanced in our fall economic statement, to build opportunity for laid-off workers through effective and relevant skills training and employment services. We have focused on literacy, skills training and apprenticeship to ensure that our workforce continues to have what it needs for success. The fact alone that we've allowed for more loans and more grants than ever before, I think, is a tremendous help to students, and I've talked to so many young people who have gone back to school, who are pursuing post-secondary education, and don't have to be burdened with large student loans. Speaking of my wife just for a second, back in her day, when she went to university in 1995, in the years of Mike Harris, she accumulated tremendous debt from student loans. We're still paying them off to this day. So we all have our concerns. The member earlier spoke about the cottage issue and the property taxes on cottages, but what about the student loans that were sort of imposed on just one group or one class of students who happened to be going through school at the time when Mike Harris was really ratcheting up the tuition fees, allowing less or no student grants and very high interest on the loans? Because the loans are quite high in interest.

Another priority that I am very proud of is our infrastructure. This year, the McGuinty government announced Move Ontario, a $1.2-billion investment in the province's infrastructure. This major historic initiative will support transit across Ontario and especially in the greater Toronto area, and it will improve municipal roads and bridges throughout the province to complement ReNew Ontario. We have a very aging infrastructure throughout Ontario—old bridges, old roads—and here in Toronto I can think of countless examples. One need only look at the news the past few days where a water main broke and affected a great part of northern Scarborough. So we need to continue to invest in our infrastructure.

I'm proud of what our government has accomplished so far. We've invested in our people and in our communities. As I said before, we are seeing the results, and I personally am seeing those results. Our economy has performed well. It has created more than a quarter of a million jobs since October 2003.

In conclusion, this budget bill builds on the strengths of its predecessors and on the strengths of the people of Ontario. I remember our Minister of Finance saying back when he introduced his first budget that this was only part one of what would be a four-part plan, and sure enough, he's kept true to his promise and has gone through each successive stage year by year, building on the parts of the economy that are the most important.

The bill we have here, Bill 151, seeks to create a modern tax and regulatory structure for businesses to help free them up to do what they do best; that is, to create jobs and a strong economy. I mentioned earlier, when I spoke in one of my two-minute comments, the fact that we're giving money to work on brownfield projects and special tax dividend credits to businesses to get them moving so that they work more and are more likely to stay in Ontario, because a business can simply pick up and move to another province or can pick up and move to the United States. We've seen it happen before. We want those businesses here so that the jobs are here and the investments are here, and all of the resulting help that comes from that and the resulting spinoffs are here in Ontario. It is a bill that advances our commitment to a healthier, more prosperous and more vibrant province.

I urge members to give consideration to this bill. I believe when it goes to committee it will have a healthy debate at committee and will come back for final reading here. I think it's a supportable bill and one that modernizes and brings us into the 21st century with all of the great changes that are happening so swiftly in our economy. So I support Bill 151, and I am happy to stand here today and have a few moments to make these remarks about the bill.

The Acting Speaker: Questions and comments?

Mr. Hudak: I am pleased to respond to the comments from my colleague for Scarborough Southwest. Of course we wish him and his wife all the best in her municipal campaign. There's no doubt that tax assessments and property assessments are a big issue in Scarborough, which has seen skyrocketing assessments under the McGuinty government. I'm sure she's hearing about it at the doors, the assessment file.

I will again highlight the problem with the approach the government has taken. I think it is a bit disingenuous to go around and say there is an assessment freeze. That may be true for the tax year 2007, but there will be a time bomb, as I've characterized it, of three years of assessment increases, three evaluation increases, all at once hitting taxpayers, conveniently after the next election, of course, in the tax year 2009. I just don't believe that is sustainable, and I fully expect them to adjust the act and hopefully take some of the qualities of the Homestead Act and import them into schedule A.

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The other comment I'd make is just in reference to the current dispute between the federal and provincial governments. It seems like every time Dalton McGuinty is confronted with any kind of challenge in the province of Ontario, he points at somebody else, usually the federal government, maybe sometimes George Bush, previous governments, whether us or—you do recognize, though, that he never uses Bob Rae anymore, right? They never point at the Bob Rae government. It was the NDP government or what have you; it's not the Bob Rae government anymore. But you wonder why the guy wanted to be elected Premier of the province of Ontario if he doesn't have the backbone to take on some of the real and pressing issues. To see him blaming the debacle he's created in Caledonia on the federal government defies comprehension. I do wish that the Premier now, as we approach day 250 of the crisis of Caledonia, would show some modicum of leadership.

Mr. Bisson: I was kind of looking forward to making some comments on your presentation. From what I'm seeing in my own constituency—and I'm sure it's the same in everybody else's constituency—the whole issue of assessment in the tax system as it applies to property owners in our municipalities is getting to be a pretty difficult one. In the municipal elections in the constituency I represent, this is becoming a bigger and bigger issue. Seniors are feeling they're in a crunch. They don't have the income they used to have to maintain their homes. Pensions are not what we would like them to be. Most people who work nowadays don't have a pension. It's not like it was before, where somebody worked at Chrysler or GM or Falconbridge or Pamour—and at Pamour the pension wasn't even big—for 30, 35 years and ended up with a decent pension. You don't see that. As seniors are in their golden years after retirement, they're finding it more difficult to maintain their homes. One of the reasons for that is skyrocketing utility costs—electricity, natural gas—and municipal taxes. A number of those issues are within the purview of the provincial government. On the assessment issue, we really need to start to think about how we're going to deal with making sure that seniors can afford to hold on to their homes in their retirement years on municipal assessments that are going through the roof.

I couldn't believe it. I was talking to some people up in Moonbeam who are paying municipal assessments on—voyons—Remi Lake. It's funny how you forget names all of a sudden. But that's a whole other debate; it happens when you get a little bit older, trust me. Anyway, at Remi Lake they're paying assessments of $4,000 and $5,000 and $6,000. What do you do if you're retired and you're living on an income of $30,000 a year and a quarter of your income is to pay your municipal taxes? It gets to be pretty difficult.

Mr. Jim Brownell (Stormont–Dundas–Charlottenburgh): I am certainly pleased to have a few moments this evening to make comments on the presentation made by my seatmate, the member from Scarborough Southwest. A comment was made here this evening about Michelle Berardinetti running as a councillor. Knowing the stellar performance of this gentleman in his service to his community, I think there are great opportunities for Michelle to be that representative, and I wish her well. She has certainly seen a government.

The member talked about funding and supports to students, students who may not have the resources to get to college, to get to university. I think it's wonderful that we as a government have taken it upon ourselves to renew those grant opportunities. As an example, I know I would never have made it to teachers' college in 1968 if it hadn't been for a grant. Growing up in a family of 12 kids, we just didn't have the money. There were supports there to help out, and then later on, for that opportunity to go to university as I was teaching.

The member from Scarborough Southwest also made a comment about health care. It was just last week that I met a constituent in my riding who made a comment about wait times. He was telling me that he had carpal tunnel done, from diagnosis of a problem to completion of the operation, in one week. He said this wasn't a hip or a knee replacement, but it was an operation; it was work in health care. He said, "If this is what is happening as a result of what your government is doing, good for you. Keep doing that." I think that's what this is all about. That's what the member from Scarborough Southwest talked about, and that's what I'm happy to support.

Mr. O'Toole: I heard a different message from the member from Scarborough Southwest. The reason I say that is that the implication of the story about he and his wife was some sort of disagreement about a prior member of council who got a Liberal appointment. It got a little bit dicey; he took exception to that, and Mr. Berardinetti had a verbal altercation with someone at a public meeting. That is emblematic or symptomatic, after a short time here, of their entitlement approach to things. I think the member from Stormont–Dundas–Charlottenburgh was basically trying to cover up a bit of the dust there, and I understand that.

What he should have talked about, quite frankly, was the municipal property tax assessment. People in modest areas of Toronto or Durham region or Erie–Lincoln or York region, wherever it be, are all suffering. If someone were to look at the benefits of the member from Erie–Lincoln's Homestead Act, they would soon realize that all parties, including the NDP, are seized with this issue. Let's own up to it. What the Liberals have done is that they've locked it into a little box and punted the box beyond the next election so no one is going to talk about it. All of a sudden, a time bomb is going to open up right after the next provincial election in 2007. Your 2008 assessment and the resultant tax implications are going to hit like a time bomb. That's what the member should have been talking about. That's what his wife should be talking about. If she's on the David Miller team, you can expect to pay more and get less. I am waiting for his two-minute response to cover the tracks of his remarks in the public meeting and to explain where he's going.

The Acting Speaker: The member for Scarborough Southwest has two minutes to respond.

Mr. Berardinetti: I want to thank the members from Erie–Lincoln, Stormont–Dundas–Charlottenburgh, Timmins–James Bay and Durham.

This budget in front of us today, Bill 151, is a continuous process in the plan that was laid out by the Minister of Finance several years ago. I'm proud to be part of it. Yes, there are problems with taxation, and I can say that in my own household. We've seen property tax increases of 3% in each of the last three years, which goes up to 9%. That is too high.

By the way, just as an aside, my wife is definitely not part of the Miller team; she's running on her own. So we've clarified that. In terms of any passionate comments at any public meeting, what we're trying to do is make sure that facts are facts. When people stand up and start calling someone names, then you need to stand up. If anyone in this House was called a name, they would have the right to respond to that.

But the more important thing in front of us today is this bill. Bill 151 is something that brings us into the 21st century, brings those tax incentives and tax initiatives that will help the businesses. When you get the businesses going, you get employment. Look at what has happened with Toyota and even with Honda expanding their operations in Ontario. They want to be here in Ontario, not in the United States and not elsewhere, because the ground is fertile here and they know they can do well in this area. We continue to attract new high-tech business into Ontario, and with that we bring in skilled workers and other benefits, because with that comes new houses that have to be built and new infrastructure and a whole new Ontario that is better for all of us.

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The Acting Speaker: Further debate?

Mr. O'Toole: It's late in the evening, and I know there'll be some liberty extended to my comments with respect to Bill 151. I'm going to start off quite succinctly by recognizing the birthday of our member and our critic from Erie–Lincoln. He's certainly under 50 and certainly over 30. He's a very brilliant and dedicated critic. I just know that come 2007, we'll hear great things from him in more than the theatrical sense. He'll provide a lot of entertainment but a lot of comment. In fact, as members of the John Tory caucus, we've been extensively briefed—and cautioned, I might add—on Bill 151. Most of what I'm going to say tonight is a tribute, not in any way flattering the member from Erie–Lincoln, but recognizing the summation he gave us of a very extensive bill.

This bill is really what I would call, by any measure, an omnibus bill.

Mr. Hudak: Ominous.

Mr. O'Toole: Ominous as well. Here's the deal: The briefing notes I've got—and I have to admit that to the viewing public tonight, those who aren't sleeping. This bill has 35 schedules, according to our critic's analysis, and I mean thorough—he's been briefed by Ministry of Finance officials.

Mr. Gerry Martiniuk (Cambridge): Read them out.

Mr. O'Toole: Well, I intend to. I have very limited time, so I'm a little opposed to the interruptions here.

The schedules go all the way from A to Z, Z.9. So this bill is riddled full of surprises, and I'm going to briefly read the roughly two-page briefing note that was provided by the member from Erie–Lincoln. I'm going to read it almost word for word. So you have to be patient with me.

"Consequent changes include the re-establishment of an annual assessment after"—listen to this—"after the next provincial election," which is covered in schedule

A, and I'll deal with that. Imagine that. See, all of these announcements they're making are all post-dated cheques, "The cheque's in the mail" kind of stuff. The Minister of Education did a billion-dollar announcement on new capital. You should know that announcement is post-dated. All of the school boards are entitled to borrow money, develop a plan for their growth and finance it—and we'll get back to you on how we're going to pay for it.

There's a new audit/oversight mechanism called the Canadian Public Accountability Board, schedule D, and a reassessment scheme for land in unorganized territories, as the member from Timmins–James Bay was alluding to. All governments, I should tell you, over the 25 years I've had the privilege of serving, be it municipal, school board or the provincial level—all governments of all stripes for over 20 years have tried to define the problem of how to generate revenue at the municipal level to pay for what services. I have a report on my desk. I'm very interested in this whole issue of assessment and municipal services. We are certainly not without fault. As a member of the Harris-Eves governments, I would say we tried relentlessly to deal with finding the right tools for assessment and property classes, as well as regulating the standards for service level at the municipal level. Some people called it by different names, but we were trying to find the municipal balance. There were cities in Ontario under that time of the Municipal Act that were spending more for services and providing more services, whether in social programs or public transit, whatever, than areas of northern and rural Ontario were able to provide because they had a very weak and fragile assessment base.

The NDP had a plan, and I think it was called the disentanglement report or the Fair Tax Commission. We had one called the Who Does What commission. I challenge the government to admit to the people—our leader, John Tory, brought it up as an opposition day motion—to be honest with the people of Ontario and say, "Look, this is a complex problem of what services are provided and what revenue sources pay for those services," while at the same time the province is dictating so many firemen per 1,000 people and so many police etc. They're providing these requirements of service levels. But I digress.

In addition to the Budget Measures Act, as I'm discussing, other legislation resulting from the 2006 budget include Bill 82, the Supply Act, which has already received royal assent—another large and complex bill.

But in the very few seconds that are left, I am going to read out just some of the schedules, all of which are interesting to me.

Schedule A—Assessment Act—is establishing an assessment freeze until after the election. I won't go into it any more than that; that's another surprise waiting for you.

Schedule B—Auditor General Act—redefines "crown controlled corporation"; includes a corporation's members of the board; an additional $20 million to pay these board members, basically patronage appointments.

Schedule C—Business Regulation Reform Act—is allowing for the sharing of business identifiers and other business information with the government of Canada. I'd probably support that act.

Schedule D—Canadian Public Accountability Board Act (Ontario), which is involved with the trading of securities. I support that bill.

Schedule E—Capital Investment Plan Act—removes the Ontario Institute for Studies in Education. That's a taxable issue, and probably a housekeeping kind of issue.

Schedule F—Community Small Business Investment Funds Act—permits eligible investments to be made until 2010. We actually started that under the LSIF, labour sponsored investment funds, and community investment funds. There's nothing new here. They are extending it by one year—no surprise.

Schedule G—Corporations Tax Act: This is important. I want to pause for a second. This causes me concern, and the people of Ontario should be concerned. If you read this one, it replaces reference to Canadian investment income and foreign investment income with a reference to an aggregate investment income. But in that same schedule—surprise, surprise—the term of office of municipal politicians and school board trustees is extended from three to four years. Why would they put it in that section? Why would they be so obfuscating in terms of trying to not be completely transparent, as they said they would, and shove it into this schedule G? It causes me to be suspicious from here on.

Schedule H—Development Charges Act: Here is another one. It not only exempts any provincial stuff from development charges—and this particularly deals with the Toronto-York subway extension; it exempts it from the 10% requirement of contributing to the development charges, even though they're taking land that would have otherwise been developed and paid development charges. They're taking revenue from the municipalities.

Schedule I—Employer Health Tax Act: It is extended. The employer health tax, which was deemed in one budget to be phased out, is now being extended.

Schedule J—Financial Administration Act—permits the Treasury Board to authorize and direct ministers to pay interest after March 31, 2007, upon late payments. I support that section.

Here's another one: Schedule K—Fuel Tax Act—imposes penalties on exporters not registered under the act. I would support that. Everyone should pay their fair share.

Schedule L—Gasoline Tax Act: Here is another one. It's actually a tax grab, that one.

Schedule M—Highway Traffic Act: This is interesting too. It provides that fees for renewal or validation of permits or the renewal of licences may include a portion for the recovery costs related to highway infrastructure. Signal here: Listen up, viewers. In schedule M, you're going to pay more tax for your licences and other privileges of driving. And they said they were going to roll back the toll on Highway 407. The toll has actually gone up, not down.

This government here in these schedules, all the way down to schedule Z.9—this needs to be examined, and I would encourage people to call their MPPs and have them explain it in detail, because when I see a Liberal budget I see taxes going up and service going down. I don't care if it's social housing, social programs, health care, education, you name it. This government has raised the benefit for patronage appointments by $20 million. They've expanded the board for LCBO. These are not transparent transactions. These are the very things that the federal government lost power for. I think the Dalton McGuinty government, after three years, already shows signs of that kind of tainted delivery of service and the insatiable appetite for more tax revenue out of your pocket.

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The Acting Speaker: Questions and comments?

Hon. Mr. Caplan: Quite clearly, the member hasn't read the bill. I think we'd have to print it in crayon to help him have an understanding—clearly a limited understanding of financial matters.

Interjection: Resign.

Hon. Mr. Caplan: He should resign. In fact, the member admits how his government screwed up the property tax assessment system in this province. Seven bills; not one, not two, not three, not four, not five, not six but seven attempts to try to fix one mistake after another. The member admits it in his comments, and here we are today having a complete review of the system. It's funny, the member says in his comments that they made some different financial arrangements with municipalities. He tried to dress it up in some language. He called it "disentanglement" and "who does what." Hooey. It's downloading. You downloaded all of these things onto municipalities, on to local ratepayers.

The member is completely unrepentant for the hardship that he has caused seniors, that he has caused the people of Durham. I would like to hear this member apologize to the people of Durham for downloading public transit onto the hard-working taxpayers, the ratepayers of Durham. I'd like to hear him apologize for downloading those social services onto those hard-working ratepayers in Durham.

I'd like to hear even a modicum of a plan. Now, of course, he references the very capable member from Erie–Lincoln. I have great affection for him. He wrote him a note. I'm sure he had to write it in very big type so that the member from Durham would be able to read it, understand it, digest it. The member said, "Call your MPP." People of Durham, don't call the member for Durham, because he hasn't read the bill.

Mr. Martiniuk: It's my pleasure to comment on the remarks of my friend and colleague the member for Durham. It's quite an exciting night. My colleague the member for Erie–Lincoln is having his birthday. I also got to hear, although admittedly it was too short, my friend from Durham speaking once again. I think he must hold the record for speaking in this House since 1995, or one of the records.

His comments should be a concern to everyone in Ontario. As was mentioned by him and my friend from Erie–Lincoln, everyone always thought that Mr. McGuinty, Premier McGuinty, was the education Premier. That's what he keeps boasting about. And of course health care, he said, was always his priority. How is it that if we take everything except health care and education, the priority seems to be—they're going to increase that budget by 21%, according to this budget bill. What happens to education and health care spending? They both go down. We can talk about words all we want, but we just have to look at the results. When we have emergency services closing in the region of Waterloo, a community of half a million people with the lowest unemployment rate in Canada and we don't have adequate emergency care, we can see where this government's priorities lie.

Mr. Bisson: I am mortified. The government members across the way are trying to say that my good friend the member from Durham didn't read the bill. I know he read the bill. I know the member from Durham. I was sitting next to him. I looked at—give me your bill. I've got to say—look at this. I look at this bill; it is full of pencil marks. There are drawings; there are notes; there are annotations. This guy read the bill. For you across the way to all of a sudden say that the honourable member from Durham didn't read the bill is preposterous, because I know that in fact he did read the bill. If I had my glasses, I'd be able to tell you—where did my glasses go? I'm in trouble. Look at this. There are notes, handwritten notes. And look at this. There are all kinds of—I have to call them squiggles because I can't see a thing. Well, look at this here, in all the various schedules of the bill. He's got notes in regard to what is in the bill. He's got writings, he's got words, and he's got numbers. He's got all kinds of things that say that this member read the bill.

So I say to the members across the way, you should be very careful about accusing the honourable member from Durham of not having read the bill because I've got the evidence, ladies and gentlemen of the jury, that the member from Durham read the bill. He understands the bill, he's written about the bill, and what he spoke to was in great knowledge about the bill, and that is that people are feeling that this government broke their promise, during the last election, when Dalton McGuinty said to the cameras, "Read my lips. I won't raise your taxes." Well, that wasn't the case. Mr. McGuinty got elected and he did raise taxes. This bill basically does that.

I say to the member from Durham, if I had my glasses, I would read all your notes on this bill, probably a two-hour speech.

Mr. Delaney: I read the bill too, and I kept looking through the bill. I've known the member for Durham for some time, and I thought, have we been reading the same document? Apparently we haven't.

But I'd still like to bring this bill back home to the things that really matter for the people that I represent in Mississauga West. As I said in my remarks earlier tonight, there is not one or two, but three new schools in western Mississauga that stand as a testimonial to spending money the way it should be spent on education. Following a government that put a moratorium on building schools, we're building schools, we're opening schools. In a few weeks, Minister Cansfield and I are going to be breaking ground on something that I promised to the people of western Mississauga, and that's a new GO train station. We're going to be opening the Lisgar GO train station on time and on budget. And we're going to be opening phase 2 of the Credit Valley Hospital on time and on budget, exactly as promised to the people of western Mississauga.

You can talk all you want about what's abstract and what you believe, but the reality is that we're doing what we said we'd do, and we're getting it done on time and on budget, and running Ontario properly. That's what's going to take this government and re-elect it.

The Acting Speaker: The member for Durham has two minutes to reply if he chooses to do so.

Mr. O'Toole: I'm pleased that some members recognize that when you have a bill that's presented by the Liberal government, often if you read even the preamble, you'll know that what it signifies are tax increases. But the member from Timmins–James Bay—I would acknowledge that he had had glasses earlier but he doesn't now—would have been able to comment on some of the remarks I made. The member from Cambridge is quite frank, in that I do take this quite seriously, and the member from Mississauga West is surprised that perhaps he hasn't read the bill as well.

But I would only say in conclusion that with all of the schedules, with 35 different schedules, and as well, extending it into numerous other statutes that will cause the people of Ontario to be nervous when they look forward, if you look at the indications on the economy and the horizon now after three short years, there is trouble on the horizon: Every hospital is in deficit, every school board has spent their reserves, and if the economy shrinks by one point of the GDP, you're down a billion dollars, $600 million on the revenue side and about $400 million on the expenditure side.

I was fortunate to spend some time in the Ministry of Finance for a couple of years as parliamentary assistant. So I can see that the government is a little nervous. In fact, they're somewhat arrogant in some of their remarks or responses to the things I said, which reaffirms for me that they are worried.

This budget is a deliberate attempt, by even some of the schedules I mention, to hide from the people of Ontario that the real intention of this large, complex bill is to raise taxes and reduce services. Bill 43 is also a bill downloading responsibilities to municipalities for water.

The Acting Speaker: Thank you very much. It being 9:30 of the clock, this House stands adjourned until tomorrow at 10 a.m.

The House adjourned at 2130.

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