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**Official Report  
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(Hansard)**

**Monday 7 December 2009**

**Journal  
des débats  
(Hansard)**

**Lundi 7 décembre 2009**

**Standing Committee on  
Finance and Economic Affairs**

Ontario Tax Plan for More Jobs  
and Growth Act, 2009

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

Loi de 2009 sur le plan fiscal  
de l'Ontario pour accroître  
l'emploi et la croissance

Chair: Pat Hoy  
Clerk: William Short

Président : Pat Hoy  
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Hansard Reporting and Interpretation Services  
Room 500, West Wing, Legislative Building  
111 Wellesley Street West, Queen's Park  
Toronto ON M7A 1A2  
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Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES**

Monday 7 December 2009

Lundi 7 décembre 2009

*The committee met at 0801 in room 151.*

**ONTARIO TAX PLAN FOR MORE JOBS  
AND GROWTH ACT, 2009**

**LOI DE 2009 SUR LE PLAN FISCAL  
DE L'ONTARIO POUR ACCROÎTRE  
L'EMPLOI ET LA CROISSANCE**

Consideration of Bill 218, An Act to implement 2009 Budget measures and to enact, amend or repeal various Acts / Projet de loi 218, Loi mettant en oeuvre certaines mesures énoncées dans le Budget de 2009 et édictant, modifiant ou abrogeant diverses lois.

**The Vice-Chair (Mrs. Laura Albanese):** Good morning, everyone. I call to order this meeting of the Standing Committee on Finance and Economic Affairs to continue public hearings on Bill 218, An Act to implement 2009 Budget measures and to enact, amend or repeal various Acts.

The committee held public hearings last Thursday, December 3, 2009, and will continue this morning. First of all, I would like to welcome all the members and presenters who are here. I would like to remind the presenters of the committee's protocol. All presenters will have 10 minutes in which to make their presentation. There will be five minutes of questioning following that. The first round of questioning will go to the official opposition, the second round will go to the third party, the third round will go to the government side, and we shall continue in that rotation.

**OLGA SHEWCHUN**

**The Vice-Chair (Mrs. Laura Albanese):** I would now like to welcome our first presenter, who is joining us by teleconference: Ms. Olga Shewchun. Hello.

**Ms. Olga Shewchun:** Hello. Thank you for introducing me.

**The Vice-Chair (Mrs. Laura Albanese):** Good morning.

**Ms. Olga Shewchun:** Good morning.

**The Vice-Chair (Mrs. Laura Albanese):** Please introduce yourself for the purposes of Hansard recording, and you now will have 10 minutes for your presentation.

**Ms. Olga Shewchun:** My name is Olga Shewchun, and I would like to address the committee in terms of the HST. I would appreciate it if you could help me

understand how the HST will benefit seniors who are on a fixed income.

The Liberal government proposes a tax reduction on the first \$36,800 of taxable income from 6.05% to 5.05%. Using the tax calculator, this yields an income tax reduction of \$251 on taxable pension income of \$50,000. The Liberal government will provide a one-time payment of \$300 when the GST is implemented.

When the tax saving is compared to the amount of money which would have to be paid for additional HST on new items, the discrepancy is staggering and scary. If the HST were in place for 2009, I would have an additional HST tax to pay of \$2,461.60. I would be paying 8% more on my electricity bill—which, by the way, went up 7% this year—home heating, gasoline, home maintenance, accountants, snow removal, furnace maintenance and repair, plumbing repair, veterinarian care, Internet access, shoes, postage stamps and train fare.

The HST would have been much higher could I afford to go to the theatre, or if I had bought a house, hired an electrician, had someone cut my grass, had clothes worthy of dry cleaning, taken a holiday and travelled by air, bought a bike, employed a lawyer, gone skiing, hired a moving van, used a courier service, gotten a manicure, had a financial adviser, bought an Energy Star appliance, taken a taxi, gone golfing, washed my car at the carwash, gotten a professional haircut, gone to the gym or prepaid my funeral.

Potentially, I could have had a tax increase of thousands more dollars. Where will this money come from? Will some generous business who will reap financial benefits from the HST take pity and provide the money? I think not. I fear that I will not be able to stay in my current home because of the implementation of this HST and its punishing taxation. The HST will not only negatively impact on all seniors but on all Ontarians who are not running a business.

Dalton McGuinty argues that most Ontarians will be winners because of the government providing tax relief to them. This tax relief doesn't even begin to cover the additional taxation due to the HST. For all Ontarians, but especially for the fixed-income senior, the HST is a punishing and unfair tax. It is a tax that will hurt the Ontario economy because it is taking billions of dollars in disposable income out of the economy.

The HST is not a tax which is going to just add \$40, \$50 or \$100 to the household budget. It is adding

thousands of dollars in additional tax to every household budget in Ontario. As a result, with 11.5 million people in Ontario, billions of dollars of disposable income is removed from the economy with the HST.

The Liberal government is dismissing this fact. Ontarians like myself have signed petitions saying no to the HST. The Liberal government ignores these petitions. Hard-working Ontarians phone Dalton McGuinty's office and express concern about the negative impact of the HST. These phone calls are ignored. Ontarians express concern in the comments section of newspapers or on radio talk stations. The Liberal government ignores these comments. Ontarians phone MPPs' offices to outline how harsh this harmonized sales tax will be, and the Liberal government ignores these phone calls.

Eliminating tax on coffee and newspapers isn't going to ease the taxation of HST, which takes thousands of dollars from each Ontario household and particularly punishes the elderly retiree who isn't capable of going out and getting a job to earn more money to pay for the HST. Is any business going to hire a retiree who is experiencing a host of medical problems? Probably not.

The impact of the HST on the fixed-income pensioner—and, for that matter, on every Ontario household—is profound. Before the implementation of the HST, the government should take steps which go far beyond a debate in the Legislature or even public hearings. The HST legislation should be put before Ontarians in a referendum. All Ontarians should have an opportunity to say whether the HST should be implemented in Ontario. The decision should not be made by a majority government which is not listening to the ordinary little guy Ontarian.

Members of provincial Parliament are elected to represent the constituents. They are elected to be the voice of what the majority of their constituents want. How many MPPs have taken the time to contact their constituents to find out if their constituents want the HST? I feel confident there are few MPPs, if any, who have taken a poll in their ridings. It would appear that democracy has taken a back seat to the powerful business interests and lobbyists. This, honourable members of Parliament, is not democracy.

Getting back to my first statement, can you help me understand how the HST will benefit seniors who are on a fixed income? Thank you.

0810

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for your presentation. I will now turn it over to the official opposition for questioning.

**Ms. Lisa MacLeod:** Thanks, Madam Chair. I'll be splitting my time with my colleague from Parry Sound–Muskoka.

Olga, thanks so much for coming on today as an ordinary and everyday Ontarian who is opposed not only to this tax grab but concerned about what its impacts are going to be on seniors and Ontario's middle-class families. We couldn't agree with you more, and I really appreciate the opportunity you have taken today to tell us

that this tax grab will cost you \$2,461.60 of your limited income. I'm just wondering where you're calling from today. I don't think that was indicated to us.

**Ms. Olga Shewchun:** I'm in Milton, Ontario.

**Ms. Lisa MacLeod:** And you know that the Progressive Conservative caucus was pushing for public hearings so that we could travel, so you wouldn't have had to call in today. I do regret that profoundly, but we were hoping we would be able to do that. Was there a Liberal MPP in your community to take questions and answers on the HST?

**Ms. Olga Shewchun:** Actually, we don't have a Liberal representative in our community.

**Ms. Lisa MacLeod:** Yes. You would have Garfield Dunlop, who has spoken out against this tax grab time and again in the Legislature.

**Ms. Olga Shewchun:** Right, as I feel it's such a profound tax, its impact not only on seniors but on every middle-class Ontarian household, that it has to be going beyond just a public hearing. There has to be a referendum. That's how profound this HST is. The financial situation for seniors and for middle-class Ontarians is profound. We're talking about thousands of dollars going into a tax, an additional tax to what we already pay.

**Ms. Lisa MacLeod:** My colleague?

**Mr. Norm Miller:** Yes. Thank you, Olga, for your presentation. Certainly I've heard from constituents in Parry Sound–Muskoka. In fact, I've read into the record comments similar to those that you've been making, worried about whether you'll be able to afford to stay in your home if the HST becomes law. We've been trying to do our part to slow down the process. As Lisa was just saying, we were trying to get public hearings broader than just the short day and a half that are happening here—on Thursday and today—but I certainly appreciate your coming before the committee today.

So basically what you're saying is that you figure you're going to have to pay \$2,461 more tax than you're currently paying, and the money that the government is offering, the sort of one-time rebates, is not going to come anywhere near to cover that \$2,461?

**Ms. Olga Shewchun:** That's accurate. The tax reduction that they propose is by \$50,000, and in my situation would be \$251. We did that calculation with the tax calculator. The one-time, for a senior, single, no spouse, \$300. Well, I just took my expenses for this year, then added 8% to the new items being taxed, and I came up with \$2,500, if we're going to round that. That's a brutal additional tax, in addition to the tax we're already paying. It's amazing. As I said, I didn't buy an appliance, and I'm due for a new refrigerator. And I'm getting to the age where washing the car and other things are physically challenging. So I'm going to have to go to the car wash or employ more people who will have to charge the 8% tax.

**The Vice-Chair (Mrs. Laura Albanese):** One minute left for questions.

**Ms. Olga Shewchun:** So there's an increase in this HST for me and I think for all seniors as we age.

**Mr. Norm Miller:** Thank you for making that point. I know your first question, how will it benefit seniors—we would argue as the opposition that it won't, and it will be, as you pointed out, a huge extra cost and burden for those people on fixed incomes.

**Ms. Olga Shewchun:** It certainly will.

**Mr. Norm Miller:** Thank you for making that point today.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for your intervention.

**Ms. Lisa MacLeod:** A quick point of order: On Thursday I had requested that the hearing transcripts from the 150 so-called hearings that the Liberal government did on the HST be made available to the committee. I'd like to ask the clerk if those documents have been received by the government.

**The Vice-Chair (Mrs. Laura Albanese):** The clerk will be checking with his office. As of right now, he doesn't think he has received those documents, but he will be checking.

**Ms. Lisa MacLeod:** Excellent. I have one further point of clarification. Spots to be speaking to this committee are extremely coveted. I know there are probably about 30 presenters that we could not accommodate, and we had asked for public hearings. I notice on today's agenda that Ian Howcroft is going to be speaking for the Smart Taxation Alliance. This gentleman also appeared on Thursday for the Canadian Manufacturers and Exporters. In the spirit of the committee and how we have been trying to make sure that everyday Ontarians and different organizations appear, I don't see how it's fair to have two spots taken up by the same presenter.

**The Vice-Chair (Mrs. Laura Albanese):** I see three people listed for the Smart Taxation Alliance, so I guess we'll deal with that when they come forward. Thank you for bringing that to our attention.

#### NATIONAL GOLF COURSE OWNERS ASSOCIATION CANADA

**The Vice-Chair (Mrs. Laura Albanese):** I will now quickly move to the second presenter, the National Golf Course Owners Association Canada. I would ask you to come forward. Please be seated. As I stated before, please state your names, and you may, respectfully, begin. Thank you.

**Mr. Vince Kishimoto:** Good morning. Thank you very much, Madam Vice-Chair and members of the committee. My name is Vince Kishimoto. I'm with an organization called the National Golf Course Owners Association of Canada. I'm joined today by a proprietor of the Tangle Creek Golf Club, Mr. Tom Fischer, who is on our chapter's board of directors.

I'll just start right into my presentation. What I'll read from is slightly different than what's in front of you, but you have a little bit more information in front of you than what I'm going to present.

The National Golf Course Owners Association Canada is a not-for-profit trade association, owned and governed

by its members, providing business support to Canadian golf course operators. The NGCOA Canada's membership includes over 1,350 golf facilities, of which 640 are located in Ontario. Unlike what the previous presenter said, not all businesses or industries are enjoying any benefit from the HST. The revenue minister told us that 80% of businesses will enjoy some kind of benefit, but golf, unfortunately, is not one of them.

The NGCOA Canada opposes the introduction of the Ontario harmonized sales tax, the OHST, if it results in taxation of previously PST-exempt products and services, and supports all efforts to stop the implementation of the OHST entirely.

Based on the 2009 economic impact study conducted by the Canadian golf industry, golf contributed \$11.3 billion to the national economy and \$4.3 billion to the Ontario economy. The addition of an 8% tax on green fees and golf memberships will significantly reduce the number of rounds played, therefore affecting the positive impact the Canadian golf industry has on the economy.

The OHST will have negative repercussions for golf courses, their employees, their members, their daily fee players and the overall growth of the game of golf. Golf is a sport for Canadians of all ages to play together to increase their daily physical activity and improve their overall health.

In August, the National Allied Golf Associations, comprised of the seven golf organizations listed in your document, published the study, Economic Impact of Golf for Canada. This study provides quantitative evidence of the economic significance of the sport to the Canadian economy. We have provided a link as well in your presentation.

Here are a few key findings from this study relating to the Ontario golf industry: The game of golf contributed an estimated \$4.3 billion towards Ontario's gross domestic product. This includes over 123,566 jobs; almost \$3 billion in household income; \$500 million in property and other indirect taxes; and almost \$700 million in income taxes.

#### 0820

Golf in Ontario generates \$11.5 billion in total gross production through direct, indirect and induced spending impacts. The total economic activity resulting from the Ontario golf industry is estimated at nearly \$5 billion. Of this total, the revenues generated directly by golf courses and their associated facilities are estimated at \$1.6 billion. The game of golf is played by an estimated 2.3 million resident golfers in Ontario.

As an industry, we are extremely concerned about the impact the OHST will have on the affordability of the game of golf in Ontario, especially for the juniors just starting out who are learning life lessons such as respect, integrity, patience and a love of the outdoors, as well as those seniors on fixed incomes whose daily physical activity takes place on the golf course. The giant wave of baby boomers beginning to turn 65 in 2010 constitutes one of our largest potential growth markets. The recent economic downturn that has seriously affected their

retirement incomes is a significant concern for the future health of our industry.

Dedicated golfers, the core of avid players who play and spend the most, who wish to join golf clubs throughout the province will now be required to pay this additional 8% tax on their initiation fees as part of their purchase commitment. From the avid golfer looking to purchase annual golf memberships to recreational golfers purchasing their daily green fees, all will be negatively affected by the introduction of the OHST. This will lead to less golf being played and result in a lower impact by the golf industry on Ontario's economy. This concerns us, and it should also concern the Ontario government.

Golf is one of the few sports that many generations can actively participate in and enjoy together while learning valuable life skills. With the increase of childhood obesity impacting our youth, golf should be embraced as a fun, healthy activity for families to improve their quality of life. Almost all golf facilities in the province are "home" to senior men and women who use golf not only as their daily fitness option but also as an important social network for continued involvement in their local community. The implementation of the OHST is contradictory to the Ministry of Health's commitment of delivering affordable, accessible and sustainable programs and services, as outlined in their Active 2010 strategy; we can review this impact at the end if you wish. An increase in taxes on daily green fees and golf memberships will make this game unaffordable for many Ontarians, young and old, and their families.

It is important to note that Ontario golf course operators have also been negatively impacted with many changes to their operational costs in recent years, making it very difficult for many facilities to stay in business. These costs include:

- Annual minimum wage increases, that in seven years have risen from \$6.85 to \$10.25 in the coming year. This is a 50% increase. Considering that this is a seasonal business where labour cost constitutes upwards of 70% of our operating expenses, the minimum wage increases, coupled with a reduction in revenues resulting from the 13% OHST, will lead to a direct reduction in labour and negatively impact our hiring practices for seasonal, youth and casual labour;

- A new integrated pest management regimen, IPM, for the rigorous, costly compliance requirements of Bill 64, an act to ban the cosmetic use of pesticides;

- An eight-year, unresolved, punitive increase of about 50% in property taxes resulting from arbitrary changes to the assessment methodology of golf courses by the Municipal Property Assessment Corp.;

- Uncontrolled increases in water usage costs, energy, insurance, etc.;

- Increased Ontario employee safety costs, including training, manuals, audits, etc.

In addition to this cost, this seasonal industry has been adversely affected by two poor-weather years in a row. Forecasts of our economic downturn have led to a significant reduction of corporate events, many of which

are associated with charitable objectives. The Economic impact study of golf for Canada indicated a reduction of play amounting to 10% in 2008.

A leading factor in the amount of golf played is in its cost. The shrinking disposable income for many Ontarians has also impacted on the tourism and hospitality industry. We echo their concerns that an additional 8% cost makes not only province travel unattractive—and golf travel within Ontario amounts to over \$250 million—but also diminishes the effectiveness of the Ministry of Tourism's expenditures to promote Ontario as a golf destination. American golfers, faced with a devalued dollar and border crossing restrictions along with untimely delays, may now have the final reason to avoid Ontario golf, with its 13% OHST.

What is most troubling is the way in which this tax has been presented to the people of Ontario. To the golf industry, this is not a harmonized tax, because if it were, we would be simply collecting the 5% GST portion as per the status quo. In reality, this is a convenient way for the Ontario government to grab an additional 8% provincial tax where no such tax previously applied.

In summary, our owner-operators have been reluctant to raise the price of golf because of the foregoing reasons, and anticipate a downturn in business.

On behalf of our association, our hundreds of Ontario golf course owner-operators, the thousands of Ontarians who work in the golf industry and the millions of golfers in Ontario, we respectfully request that you take a good, hard look at the serious negative consequences of implementing such an onerous new tax on our products and programs.

We thank you for your earnest consideration of our industry's position and anticipate that this standing committee will do the right thing and recommend reconsideration of this government's legislation of harmonizing taxes in the manner presented.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you, Mr. Kishimoto. I will now turn it to the NDP caucus for questioning.

**Mr. Michael Prue:** Thank you very much. I go to your last line, and I could only wish that that were true. You want this committee, which is Liberal-dominated, to recommend reconsideration. The finance minister has already said that he will do no such thing, as has the Premier, and I would doubt very much that any Liberal has the intestinal fortitude to go against them. So I just want to put that out front.

But what you've said is absolutely true. The costs—you didn't raise any of the costs to golf courses or to businesses, such things as auditors, lawyers, accountants, all of the business aspects on which you, as a golf course, are now going to have to pay 8%. How much is that for the average golf course? How much do they spend on lawyers' fees, auditors' fees, accountants' fees?

**Mr. Vince Kishimoto:** Well, presumably the golf course operators will get to deduct those as input tax credits. Unfortunately, with so much of our operating expense based on labour and things that are not taxable,

our input tax credits for our remittance of collecting this tax on behalf of the Ontario government are quite negligible.

**Mr. Michael Prue:** You also pointed out this is a brand new tax for golf, that it has never previously been taxed and is now subject to a brand new 8%. In terms of the numbers and the amount of money that is spent on golf, this is a huge increase in taxation across the board from this government. Would you not agree with that?

**Mr. Vince Kishimoto:** Absolutely. We say in there that we have direct sales input of about \$1.6 billion to our golf courses, so if we take, say, the majority of that being taxable, we could be looking at upwards of \$100 million, at 8%.

**Mr. Michael Prue:** You also stated that this is likely to cause some golf courses to close and other ones to cut back. Have you done any kind of estimate on the number of jobs that will be lost as a result of this 8% tax?

**Mr. Vince Kishimoto:** What we have said is that this, along with the problems the industry has been having, is making it more difficult the golf course operators to survive. I don't have an estimate of what the actual outcome will be. But from what we hear from our owner-operators—there are over 600 golf courses that are members of our association—the concern is palpable.

**Mr. Michael Prue:** You also stated that there is an eight-year unresolved punitive increase of about 50% in property taxes from changes by the Municipal Property Assessment Corp. How much is this, on average, costing the golf courses?

0830

**Mr. Vince Kishimoto:** I would say, if an average golf course paid \$30,000 a year in property taxes, 50% of that would be about \$15,000 per golf course.

**Mr. Michael Prue:** Per golf course. The number of golfers is huge. I cannot count myself amongst them; I do go out once or so a year for a charity golf game and hack the ball. How many people do you anticipate giving up the game or cutting back on the game if this happens?

**Mr. Vince Kishimoto:** Maybe Tom would like to take a stab at that.

**Mr. Tom Fischer:** I think the greatest impact is going to be felt at the two ends of the spectrum. The juniors, who have fixed incomes, and seniors, who make up a large percentage of affordable golf players, are going to be looking at this additional 8%, and whether it's on their daily fees or their annual dues, I'm certain there will be attrition.

**The Vice-Chair (Mrs. Laura Albanese):** You have 45 seconds left.

**Mr. Michael Prue:** Okay. In terms of the attrition, you've talked about—I forgot my question. I'll just let it go. Thank you.

**The Vice-Chair (Mrs. Laura Albanese):** Sorry about that.

Thank you very much for your presentation and for coming here this morning. We appreciate it.

**Ms. Lisa MacLeod:** Madam Chair, I just have something to file for the clerk. It's from golfnewsnow.ca:

“Teamwork With Other Provinces, Industries Help In Golf's HST Protest.” I thought that would be helpful for our committee hearings.

#### INVESTMENT INDUSTRY ASSOCIATION OF CANADA

**The Vice-Chair (Mrs. Laura Albanese):** Now I would call the next presenters to come to the table, the Investment Industry Association of Canada. Please come forward and be seated. Again, please introduce yourselves for the purposes of Hansard recording. I invite you to begin now.

**Mr. Ian Russell:** Thank you very much, Madam Chair. It's a pleasure to be here this morning with the committee. My name is Ian Russell. I am president and CEO of the Investment Industry Association of Canada, and we're pleased to participate in the hearings of the Standing Committee on Finance and Economic Affairs.

I am representing the Investment Industry Association of Canada. It's an association that represents the position of the Canadian securities industry on regulatory and public policy issues.

Our membership consists of 210 securities firms across the country, employing about 40,000 professionals and support people. Roughly half of that industry is located in the province of Ontario and most of our firms, indeed all of our very large firms, are headquartered in Toronto. It's about 130 firms and about 25,000 employees in Ontario.

Our membership carries out a very broad and divergent business in all regions of the country. We have nine full-service firms that carry out the full panoply of securities business: advising retail clients, underwriting, trading and corporate advice. We have about 121 firms that either specialize in retail wealth management services or in institutional business. The commonality of all of our firms is that they are members of the Canadian self-regulatory association, the Investment Industry Regulatory Organization of Canada. They require that registration to deal with the public in advising on investments, underwriting equities and distributing equity securities, and providing research and trading facilities to their clients.

Our industry has a vital interest in the GST sales tax harmonization and in particular the application of the provincial sales tax to financial services. In terms of the broad concept of harmonization, our industry has been a proponent of that, because we see it as a catalyst to promote investment. I don't think I have to talk too much to this committee to explain the reasons for that, but essentially it provides needed relief to companies in the manufacturing process by enabling them to pass through their GST on inputs and, in that way, broaden their margins and encourage them to provide investment growth and job creation to the Canadian economy.

Our industry is affected by the tax in two distinct ways. Our industry is unique in the sense that a number of our services are tax-exempt under the GST and some

of our other services are taxable under the GST. Depending on which, there will be an impact both ways in terms of how the harmonization will flow on those particular services.

In terms of taxable, the GST now is taxed on management fees, pooled funds, mutual funds, all discretionary managed portfolios, fees that would apply on RRSP accounts, securities transfers and other security services—those are all subject to GST, and now they will be subject to an additional 8% provincial sales tax, and much of that will flow through to the consumer of those services.

We also are exempt from the GST on brokerage commissions and on underwriting fees. In this case, the imposition of the 8% provincial sales tax on inputs that are used to produce those services will now apply. We will not have the ability to deduct those as credits against tax payable, since the services that we provide are tax-exempt, and that means that the additional tax burden will either be absorbed by the firms, narrowing their margins, or, again, be passed on to consumers.

We've advocated for an exemption from the provincial sales tax for financial services on possibly a transition process because of the way this tax is coming very quickly, or on a permanent basis. We have also put forward various cases for relief for firms.

We have also looked at some modest proposals to provide relief, recognizing that the taxes come at a very difficult time both for the capital markets, for investors, and of course for the government that's struggling with a very large deficit. One of the proposals that we have suggested is a modest exemption that could apply to the management fees on mutual funds that are held in retirement portfolios. Those securities tend to be the more typical kind of investment for low and middle-income Canadians. Providing some kind of relief from the HST on the management fees related to those portfolios would certainly help the low to middle-income Canadian.

The last point that I wanted to mention on this is that the provinces that have harmonized prior to Ontario have in fact provided relief from provincial sales tax on financial services. Quebec as a province has provided an exemption. We think there is even more of a reason to do so in Ontario.

Adversity often brings opportunity, and the adversity that we've been through and we have been talking about in terms of the recent financial crisis and its aftermath, with all Canadians struggling—savers, investors and workers—is the challenge, coupled with the fact that the province is dealing with a large deficit. But at the same time, the provincial, the federal and the municipal governments, as well as the financial industry, had financed a study by BCG recently, and that study is entitled Partnership and Action. It recognizes that Toronto has the opportunity to become one of the two financial clusters in North America and one of the 10 leading financial centres globally.

I think that's very important for all of you to be thinking about. As you think about this HST, you want to

think about it through the strategic lens of what makes sense for longer-term growth and prosperity in Ontario, and clearly promoting strong growth in the financial sector is a comparative advantage of the province. As I have travelled across the country, other provinces look quite enviously on the situation that Ontario finds itself in. I think the province should be looking at policies that can promote the growth and strength of the financial centre in Canada, especially now when Canada's profile is very high in global markets. We have seen significant examples of incipient growth and development in the financial services industry in Ontario. I think the imposition of this tax, again, comes at perhaps the wrong time and, if anything, will act to dampen financial activity in the province.

With that, I will close my remarks.

**0840**

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for that presentation. We'll turn to the government side for five minutes of questioning.

**Mr. Charles Sousa:** Thank you, Ian, for attending. I appreciated your presentation, and I also appreciated the fact that you recognize some of the merits behind the whole tax reform package.

You commented on how we need to do something to stimulate economic activity while trying to modernize our system such that we can reduce some of the burden that now exists in the system, the high taxes that we now pay, and revamp it such that we can lower the marginal tax rate for corporate business as well as reducing taxes to consumers so that they can also invest and, more importantly, try to generate that economic activity to generate jobs, to generate the ability for them to invest. I appreciated your comments relative to that.

I wanted to touch base on the net effect of the additional 8% as it relates to your services. Right now, let's assume there's a 2% charge on managing the portfolio, if we can just use that number. You're paying the additional 5% now on that 2%, which in effect is, what, 2.1%?

**Mr. Ian Russell:** Yes, some of the wrap accounts can go up to 3%, but a lot of the standard mutual funds would be in the 2% range.

**Mr. Charles Sousa:** As it stands now, you're paying 5% for those services?

**Mr. Ian Russell:** Right.

**Mr. Charles Sousa:** So this additional 8% would translate to about 2.19% or thereabouts, right?

I have a couple of questions, but let's elaborate on the GST component. You have some issues with the feds now relative to this over the last little while. How's that going?

**Mr. Ian Russell:** Well, first, on your point about the fee on discretionary management, you're right: That is a taxable service we provide. We're already coping with a 5% sales tax on it, so it would be an additional marginal increase on top of that. That's something that is going to flow through, in most cases, to the investors who are paying those fees.



As I said, for the majority of the middle-income and lower-income Canadians who are struggling to rebuild their retirement portfolios, by and large, most of their investment is managed by a professional, which it should be, on a discretionary basis, and the cheapest way to do it is through mutual funds.

The other point I was going to make to you, though, is that we also provide significant wealth management services through brokerage commissions and also charge underwriting fees to small businesses, and that 3% will flow through to those consumers.

**Mr. Charles Sousa:** So for current operations, the firm is paying some PST on those inputs, right, be it for the machineries or whatever it is that you're doing to try to manage your operations? That 8% that's now being paid by the brokerage firm or by your firm or by the mutual fund company, the marketing costs and so forth, those will be flowed through. Do you have any sense of how much savings that would be for you?

**Mr. Ian Russell:** Well, I think where the biggest savings could come from, frankly, is that one of the largest inputs in the services that we provide, both for brokerage and also for discretionary management, is financial services. What is critical increasingly in the industry is financial information and being on top of it. There's a whole range of financial services that our members pay, first of all, because things like Bloomberg terminals and computer terminals and those kinds of things—are financial services. But the other thing that you must bear in mind is that I have 123 firms out of the 200 that are on platforms. What that means is, they don't provide all of the back-office—securities, ticketing, custodial fees etc. Those services, which are very significant for smaller firms, many of them located in smaller regions and dealing in smaller communities in Ontario—they're going to be hit with a whole 8% on the way through, so that's going to be a pretty significant impact.

**Mr. Charles Sousa:** They'll get their group rebates as well for the costs they incur to do that 8%, right? Because they'll do it at the tail end.

**Mr. Ian Russell:** On brokerage services, they won't get the tax credit.

**The Vice-Chair (Mrs. Laura Albanese):** Twenty seconds left.

**Mr. Charles Sousa:** The notion, though—and I just wanted to reaffirm that there are a number of tax cuts throughout the system—roughly \$10 billion for consumers and \$4.5 billion for businesses. Some argue that there's a tax grab of around \$3 billion, but we have all of these other—

**The Vice-Chair (Mrs. Laura Albanese):** I'm sorry, but the time has expired, and I have to end the conversation here. Thank you very much for your presentation.

#### SMART TAXATION ALLIANCE

**The Vice-Chair (Mrs. Laura Albanese):** Our 8:45 and our 9 a.m. presenters are not here; however, our 9:15 is here. Do we have unanimous for them to present?

Also, Ms. MacLeod, in regard to your point of order that you made earlier, I've been advised that presenters have been selected by organization and not by individual, and that one person may represent more than one organization. My understanding is that it has happened in the past, with individuals representing points of view from all different parties.

**Ms. Lisa MacLeod:** Thank you, Madam Chair. I think my grave concern is, in a process by which many Ontarians feel that they have been left out of the discussion, it doesn't look very good that the government would choose to have one individual representing a favourable point of view, from their perspective, speak to this committee more than once. When you look at the three dozen or so groups and individuals from across Ontario who were denied the opportunity to speak at these hearings, I think it is the wrong message to send that one individual would have multiple opportunities to spread the government's viewpoint.

**The Vice-Chair (Mrs. Laura Albanese):** I understand your point, but the individual we are talking about is not present. It's a different person presenting, so I think that that solves the—

**Ms. Lisa MacLeod:** So I guess there's an error there.

**The Vice-Chair (Mrs. Laura Albanese):** Yes. Thank you very much.

**Mr. Wayne Arthurs:** On a point of order, Madam Vice-Chair: Just for clarification, the government did not choose. Just for clarity, those deputants who are here applied to be here—

**The Vice-Chair (Mrs. Laura Albanese):** It's on a first-come, first-served basis.

**Mr. Wayne Arthurs:** —and the government didn't make the choices.

**Ms. Lisa MacLeod:** I thought it was just of the four groups that we were able to choose, that we had the opportunity to choose, and they weren't on the list to choose from previously.

**Mr. Wayne Arthurs:** The government did not make choices about individuals who would appear for—

**Ms. Lisa MacLeod:** But you did choose the Smart Taxation Alliance.

**Mr. Wayne Arthurs:** There were lots of lists, but we certainly didn't choose individuals.

**The Vice-Chair (Mrs. Laura Albanese):** It was on a first-come, first-served basis. I would suggest that we move forward. Thank you for being here this morning.

**Ms. Lisa MacLeod:** It certainly tarnishes the whole process, from my point of view.

**The Vice-Chair (Mrs. Laura Albanese):** I believe that there was no choosing and that it was on a first-come, first-served basis, as confirmed by the clerk.

Good morning.

**Mr. Robert Hattin:** Good morning.

**The Vice-Chair (Mrs. Laura Albanese):** We have the Smart Taxation Alliance here to present. You have 10 minutes for your presentation. You may begin.

**Mr. Robert Hattin:** First of all, I'd like to clarify that I'm doing this as a matter of courtesy because I'm not

accompanied by my two other people—not for the other people, your other delegations, who may come forward to speak. So I'm kind of winging this from that standpoint, but doing it on the basis of trying to get a broad discussion.

My name is Robert Hattin. I'm the president of Edson Packaging Machinery in Hamilton, Ontario. We're an engineering and manufacturing company of about 68 people. I'm also the chairman of the Ontario manufacturers and exporters association, and I've been asked to speak on behalf of the Smart Taxation Alliance. I indicate all three of those things because I represent a small company, a small to medium-sized firm, but I also am involved in the advocacy of manufacturing in Ontario.

**0850**

The Smart Taxation Alliance really represents the employers of approximately 2.5 million Ontarians. We do this on the basis of wishing to grow our economy and grow our companies, not make it a diminutive form of taxation.

The idea behind us supporting this idea of a value-added tax is a fair and transparent tax. We wish to speak on the basis of it being the most progressive type of taxation, and it will lead to greater efficiencies, both within government as well as within businesses.

There are many other spinoffs that people may not be considering. They say this might actually make the underground economy bigger. It actually will do the reverse, because anyone who wishes to participate in the underground economy, as an example, will have to buy goods and services from their link in the value chain further upstream. The only part they may be missing is that little incremental part that they may be doing. So if they go to Walmart or Home Depot to buy drywall or whatever, they will be paying their HST on that.

That's an aside, but as I said, there are many different elements. We understand that this is a change, but one which we think is good for the economy.

We see, as you've heard from other people and read in other documentation, that jobs should grow by half a million over the next 10 years.

One of the things that the Smart Taxation Alliance is asking for also, in consideration of that, is point-of-purchase redemption of the tax. We see that probably not happening because of the fact that the GST is not redeemable at point of purchase. But those make for different efficiencies.

Really, I want to keep my delegation short because I'd rather have you ask questions, and answer them, than probably reiterate the many things that you've heard, and why we believe that this is the appropriate thing to do.

So, again, on behalf of the companies that support Smart Taxation, some of which are old manufacturing companies like ourselves, as well as some of the new, innovative ones like RIM who have come on board, as well as the support of the economists, and really, the fact that we wish to grow employment and grow opportunity in Ontario, and have the documentation and data to support it. This is why we are in support of the HST.

Again, I'd rather encourage questions than ramble on on things you've probably heard before.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much. We'll move it to the official opposition. Ms. MacLeod.

**Ms. Lisa MacLeod:** Thanks, Madam Chair. I appreciate the opportunity to question.

Smart Taxation Alliance—a bit of an oxymoron, right? Smart taxes?

**Mr. Robert Hattin:** You invented taxes, not me.

**Ms. Lisa MacLeod:** Yeah, I know.

*Laughter.*

**Ms. Lisa MacLeod:** I'll take no credit for the taxes in this government.

Just quickly, Mr. Holten—

**Mr. Robert Hattin:** Hattin.

**Ms. Lisa MacLeod:** —you're the president of Canadian Manufacturing—

**Mr. Robert Hattin:** No, I'm chairman of the Ontario board of Canadian Manufacturers and Exporters.

**Ms. Lisa MacLeod:** Okay. Who had the opportunity last Thursday to present before this committee?

**Mr. Robert Hattin:** From the CME?

**Ms. Lisa MacLeod:** Yes.

**Mr. Robert Hattin:** I have no notice of that.

**Ms. Lisa MacLeod:** They appeared before committee last week. In their deputation, they spoke about their membership in the Smart Taxation Alliance. Meaning no disrespect to you, but I think it's very difficult for us to have an umbrella group and then one of its individual members appear before committee to talk to this committee, given the fact that we've been denied public hearings across the province and it has been difficult for those who don't have the big budgets to travel to Toronto to talk about their grievances with the HST.

Despite the fact that you and your organization claim that there are going to be massive job increases here in Ontario, we've heard from three organizations to date—in housing, in recreation and in sport—who have told us that they are going to face job losses as a result of this tax. So would it be fair to say that any job increases will come on the backs of job losses in other industries?

**Mr. Robert Hattin:** I don't believe that's going to be so. There may be adjustments. We haven't looked at that side of it, in terms of recreation and so forth. But really, at the end of the day, it's going to be the wealth-creating segments of society that will be able to afford the other aspects, whether it's going to be recreation or housing and so forth. So we're really talking about redistribution of the economy and how taxes are collected.

We have to recognize that we are now a consuming economy or a consumer-based economy and not a manufacturing-based economy. We've seen what taxation and hidden taxes do to manufacturing. That's one of the reasons manufacturing has been on the decline. So if we wish to continue to put businesses which create jobs and also afford things like housing through taxes or recreation through your municipal taxes at a loss, I would hesitate to say that it's a spiralling circle. You'll see further pressure on those support programs anyway.

**Ms. Lisa MacLeod:** I guess the question, then, is, when you're talking about—you mention the word "wealth," and you're just changing where the wealth goes. I would argue that the wealth is being taken away from Ontario families whom we would want to send into recreational programs, who we want to make sure have the jobs.

Given the last few years and what the job numbers have looked like and the projections by the McGuinty government, I think that there's not a lot of credibility there with any of the job projections that Mr. McGuinty has made. He has not met any of them in the past.

I just want to shift gears a little bit.

**Mr. Robert Hattin:** By the way, I can't speak for Mr. McGuinty's projections. Our projections are based upon economists' projections from other non-biased or non-politically aligned affiliations.

**Ms. Lisa MacLeod:** Yes, and I guess I just look at the facts. The projections in the budget have never yet been met by this government.

I just have a quick question. You're in business. We see that with this bill there's a \$4.3-billion giveaway, a bonanza that goes to people in the form of—I guess you would call them bribes. I'm wondering, do you think that—

**Mr. Robert Hattin:** I think that's an unfair comment, ma'am.

**Ms. Lisa MacLeod:** Okay.

**The Vice-Chair (Ms. Sophia Aggelonitis):** One minute left.

**Ms. Lisa MacLeod:** We in the official opposition would consider that it's a—

**Mr. Robert Hattin:** And inappropriate as well.

**Ms. Lisa MacLeod:** Do you know what? I've been elected by about 120,000 people who consider it to be bribes, especially because this cheque is going to come right before the next election.

Given the fact that this is a business organization which is supposed to be non-partisan, how do you feel about cheques being just sort of thrown out to the mail? As the Canadian Taxpayers Federation did suggest last week, even Paul Bernardo is probably going to get one of these cheques. Wouldn't it be better spent if we were to either reduce the rate or let those people in the economy have more money in their pocket based on the reduced rate—

**Mr. Robert Hattin:** I'd love to respond to your question. I don't want this to be pejorative and a cat fight, but I think it's inappropriate to call things like that "bribes" and so forth. First of all, our company has never received a bribe or a cheque, so I kind of take umbrage with that.

**Ms. Lisa MacLeod:** Oh, sorry. I'm talking about the cheques that are going out—

**The Vice-Chair (Mrs. Laura Albanese):** The time is up.

**Ms. Lisa MacLeod:** —as a result of the \$4.3 billion.

**The Vice-Chair (Ms. Sophia Aggelonitis):** Sorry, Ms. MacLeod. The time has expired. I would also like to

invite you to "Let's keep our language as parliamentary as possible from here on."

Thank you very much for your presentation and for coming here.

Our 8:45 presenter is still not here. However, our 9 a.m. is.

## 25 IN 5 NETWORK FOR POVERTY REDUCTION

**The Vice-Chair (Mrs. Laura Albanese):** I would invite 25 in 5 Network for Poverty Reduction to come forward and be seated. Please introduce yourselves for the purposes of Hansard recording, and you may begin any time. Thank you.

**Mr. Greg deGroot Maggetti:** Good morning, Madam Chair and members. Thank you for giving us this opportunity to present. My name is Greg deGroot Maggetti. I work with Mennonite Central Committee Ontario, and I am a co-chair of the 25 in 5 Network for Poverty Reduction. I'll be presenting this morning with my fellow co-chair, Michael Creek, from Voices from the Street.

The 25 in 5 Network for Poverty Reduction is a multi-sectoral organization comprised of more than 450 provincial and Toronto-based organizations and over 1,000 individuals working on the elimination of poverty in Ontario.

We believe that making good on the province's commitment to reduce child and family poverty by 25% in the next five years is key to addressing the challenges facing Ontario today and into the future.

It is critical that Ontario apply a poverty lens to any new initiative that it's bringing forward. Be it fiscal, economic or social policy, new proposals must be subject to questions about how they will contribute to or undermine Ontario's poverty reduction strategy.

(1) Poverty reduction must be top of mind because more and more people are hurting. Action on poverty reduction is crucial to support hard-hit Ontarians right now so that we can ensure that we can all get back on our feet as soon as possible. Now more than ever, inaction is not an option.

Second, a focus on poverty reduction is key to Ontario's economic recovery strategy. Policies to tackle poverty lay the foundation for a stronger, well-equipped workforce where all hands are on deck ready to take on the challenges of a 21st-century global economy.

(3) Social investments will continue to stimulate the economy and help to prevent a longer recession. Investments in economic stimulus targeting the poor are helping to stave off the worst of the recession and create jobs.

### 0900

The 25 in 5 Network has identified five key areas that must be addressed to ensure that the HST contributes to the objectives of poverty reduction in Ontario:

(1) Introduction of mitigating measures, such as indexed tax credits for low-income families and the exclusion of key household items from any tax increases.

(2) Regular payments of credits to ensure that low-income households have access to regular cash flow. These credits should be staggered with the GST credits to ensure a more even distribution of income throughout the year.

(3) Outreach efforts in partnership with communities, including First Nations communities, are needed to ensure take-up by low-income Ontarians of the refundable sales tax and property tax credits.

(4) Monitoring of the impact of the HST and related mitigating measures on low- and modest-income households, including annual reporting in the budget, and a commitment to further action if it is found that there are negative impacts on low- and modest-income households.

(5) Careful consideration of the cost of the proposed personal and corporate income tax cuts proposed in Bill 218.

**Mr. Michael Creek:** We note that Bill 218 proposes a refundable sales tax credit of up to \$260 per adult and child per year for low and modest-income individuals and families. In addition, Ontario is also committing to \$270 million in annual property tax relief for low to middle-income homeowners and tenants.

We recommend that the government move ahead with these measures, monitor their impact on low and modest-income households and commit to further action if it is found that there are negative impacts on low and modest-income households. Bill 218 also sets out to exclude key household items, including diapers, feminine hygiene products and low-cost meals from the provincial portion of the HST.

We recommend that the government move ahead with these measures, monitor their impact on low and modest-income households and commit to further action if it is found that there are negative impacts on low and modest-income households. We also recommend that the government consider increasing the refundable sales and property tax credits as a way to improve income security for low and modest-income households and thus contribute to the goal of poverty reduction in Ontario.

We note that Bill 218 proposes to provide HST credits quarterly, starting in August 2010, to be staggered with federal GST credits to ensure a more even cash flow to help lower-income families.

We recommend that the government move ahead with this measure, monitor its impact on low and modest-income households and commit to further action if it is found that there are negative impacts on low and modest-income households.

In order to benefit from the HST credits, households must complete annual income tax returns. Many low-income people do not file tax returns for a variety of reasons, yet will be required to pay HST on many items daily. We recommend that the government of Ontario work with community partners and First Nations communities to implement strategies that will ensure maximum uptake of the refundable sales and property tax credits by low and modest-income households. For

example, providing funding for annual tax filing clinics would ensure uptake and support the work of these partners in their local communities.

Advanced planning is critical to ensure that the HST aligns with poverty reduction objectives. Such attention must be sustained throughout the rollout of these new initiatives to ensure that the proposals are having their intended impact.

We recommend regular monitoring of the impact of the HST and related mitigating measures on low and modest-income households, including annual reporting in the budget. We also recommend that the government commit to further action if it is found that there are negative impacts on low- and modest-income households.

**Mr. Greg deGroot Maggetti:** In addition to the sales tax credit and the property tax credit, Bill 218 proposes reductions to personal income tax and corporate tax rates. We understand that the aim of these tax cuts is to make the introduction of the harmonized sales tax revenue-neutral for the government, to ensure that the HST includes mitigation measures for all households across the income scale and to create low corporate tax rates.

The 25 in 5 Network feels it is important to emphasize that taxes are the way we all—individuals and businesses—contribute to the public services and public programs that set a foundation for a prosperous and inclusive society.

As we look toward the recovery from the current recession, for example, we need to be sure that people have the education, skills and training to take up the jobs that will be created. Businesses will need to be able to find people with the skills to do the jobs they have available. And businesses benefit substantially from the public investments that are put into everything from early learning and child care to primary school, high school, colleges and university, as well as training programs. Corporate income taxes contribute to having a well-educated and highly skilled workforce. The lost tax revenue due to corporate tax cuts depletes the resources needed to ensure businesses can find the people they need with the skills they need.

In a similar way, as individuals and households, we benefit from public education, public health care, public transit and public income security programs. Many of the jobs that were created in the last two recoveries did not provide extended health insurance to cover dental care, prescription drugs and vision care. The few dollars in personal income tax cuts that individuals and households will receive will not be enough to meet those expenses. That's why it is so important to develop public dental, prescription drug and vision care for those who do not have private coverage. Public revenue from personal and corporate income taxes would make it possible to do that.

We recommend that the government and Ontarians carefully consider the cost of the proposed personal and corporate income tax cuts for the public infrastructure and services that provide the foundation for a productive, prosperous and equitable society.

Aside from the benefit to individuals and families of our recommendations, we want to emphasize that invest-

ing in poverty reduction benefits everyone and needs to be an integral part of Ontario's economic recovery. Every dollar provided through the Ontario child benefit and through new HST credits ends up with local retailers and grocery stores. These dollars will help prevent a longer and deeper recession and get Ontario into recovery mode faster. Investments in public programs and services help ensure that all Ontarians can be a part of that recovery.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for your presentation.

Mr. Prue, I believe it would be the NDP caucus's turn to ask questions.

**Mr. Michael Prue:** Thank you for your deputation. It appears from your deputation that you have all but accepted that the dreaded HST will become law, and you just have some mitigating measures here to try to get over the worst of it for the poor. Would that be a correct analysis?

**Mr. Greg deGroot-Maggetti:** Yes, our main concern is what impact this would have on low and modest-income households and to make sure that those households are not made worse off, but actually can be made better off.

**Mr. Michael Prue:** This bill proposes to cut corporate taxes, costing the treasury \$2 billion a year. That's \$2 billion less for social programs like health care, education and support for low-income families. Do you support the corporate tax cut, which is part of this bill?

**Mr. Greg deGroot-Maggetti:** We've raised concerns about the corporate tax cut, and we named several of the reasons why. When the 25 in 5 Network did extensive consultations a year and a half ago with people, one of the things that came through clearly to us was that so many people were living in poverty and working, and they weren't able to get things like prescription drug care and dental care, as well as accessing training programs that they wanted to be able to advance in their careers. So we think it's really important that we have enough public revenue to be able to fund those programs and make sure people can participate. So those are our concerns around the corporate tax cuts.

**Mr. Michael Prue:** You talked about introduction of mitigating measures such as the exclusion of key household items from many tax increases. Would that include heating and electricity, because this is probably the hugest tax grab—people have to stay warm, people have to turn on the lights.

**Mr. Greg deGroot-Maggetti:** I can't speak specifically to the things that need to be excluded, but part of the reason we recommended that the government monitor the impact is so that if it's found that there are some negative impacts on households, adjustments be made to make sure that people are not made worse off.

**Mr. Michael Prue:** The 8% tax on gas and home heating and the HST will, in the end, leave the treasury with less money for public services. Isn't that the real problem, especially when the Premier is talking about cuts to important social services?

**0910**

**Mr. Greg deGroot-Maggetti:** Well, we believe it's important that the government be able to raise enough revenue to fund the social programs that we need.

**Mr. Michael Prue:** You've talked here about outreach efforts in partnership with communities. Now, the First Nations communities are seeing the largest tax grab in the province. They're literally going from being tax-free for purchases off-reserve to tax-included on almost everything they buy. They are amongst our poorest communities. They are going to be impacted the most, and they're not going to be getting any more money than the average person is going to get. How fair do you think this is to the First Nations and to poverty there?

**Mr. Greg deGroot-Maggetti:** Part of the reason that we recommend that the government be proactive in developing strategies with communities, including First Nations, to make sure that all low and modest-income households benefit from the tax credits, is to offset any additional costs that there would be to low and modest-income households. We would recommend that the government needs to work with First Nations communities to address those issues.

**Mr. Michael Prue:** If you've ever travelled to fly-in communities in northern Ontario, you've seen the horrendous cost of everything they buy, from a bag of oranges costing \$25, to a bag of milk costing about the same, right down to hooks to go fishing. So many of those things, perhaps not the oranges and the milk—but the horrendous cost of everything there is now going to be taxed. How do you think that these communities will sustain themselves?

**Mr. Greg deGroot-Maggetti:** I have visited fly-in communities, and I know of some of the conditions. In addition to the cost of things, there's a lack of housing, there's inadequate public education—schools there, family services are underfunded.

Some of these issues, obviously, are intergovernmental; there are issues that the federal government has to deal with and issues that the provincial government has to deal with. Both levels of government need to be working with First Nations communities to address the real issues that they're dealing with.

Again, this is why we recommend in our deputation that the government work with First Nations communities to address those concerns, monitor the impact and make whatever changes are necessary.

**The Vice-Chair (Mrs. Laura Albanese):** You have 30 seconds left.

**Mr. Michael Prue:** How are First Nations communities going to benefit from the HST?

**Mr. Greg deGroot-Maggetti:** As we said, the government needs to work on these issues with First Nations communities, and particularly to make sure that people can access the credits, monitor the impact and make additional changes, if that needs to happen.

**Mr. Michael Prue:** Thank you.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much.

We are now moving forward with the next presenter. Now our 8:45 presenter is here, and I would ask for unanimous consent to move him down further instead of—

**Mr. Wayne Arthurs:** I'd rather stay with the schedule that we have and have the deputant who was a little late arriving present now, please.

JIM McHUGH

**The Vice-Chair (Mrs. Laura Albanese):** Then I would ask Mr. Jim McHugh to please come forward and be seated. Thank you for coming, Mr. McHugh.

**Mr. Frank Klees:** The only reason I had requested that is that Mr. McHugh was tied up in traffic, and we would have had the opportunity to question him. He is a constituent, and we thought it would have been appropriate to have his member ask him questions, but I hear the parliamentary assistant, who isn't prepared to be cooperative with us. I thank him anyway.

**The Vice-Chair (Mrs. Laura Albanese):** Mr. McHugh, you have up to 10 minutes for your presentation, and after that, there will be five minutes of questioning. Please state your name for the record. You may begin any time.

**Mr. Jim McHugh:** Thank you. First of all, I want to apologize for being tardy, a.k.a. late. I didn't figure it would take two hours to get down here from home base. All right, here we go.

Proposed harmonizing of Ontario's retail sales tax with federal GST: This is the worst time, economically speaking, to make this kind of change. Any person with an ounce of intelligence or integrity, particularly one in a position of power and political responsibility, should realize this.

I would like to know, in detail, the exact reasons why this travesty is being imposed on the people of the province of Ontario. Is there some sort of agreement between our current Premier and the current federal government, which is paying the way for Ontario taxpayers to lose upwards of \$3 billion—with a "b"—in tax money? This from a Premier who swore an oath not to raise taxes. If so, then this is the biggest rip-off con job ever foisted upon a province's taxpayers in the history of my country.

Mr. Premier, if you want to be remembered in the history of Ontario, you push this through, and you will be remembered in the same way Louis Riel is remembered in Manitoba.

It has come to my attention that the opposition parties asked the current ruling party to hold province-wide public hearings on this proposed farce, to allow the citizens, taxpayers and voters of Ontario to voice their concerns on this. Somewhere in your borderline wisdom, you have allowed a whole two days of public hearings at Queen's Park. Several questions come to mind as a result of this decision.

First of all, what about the residents, taxpayers and voters residing in or near Windsor, Sudbury, Thunder Bay, Kingston and Ottawa? Don't they deserve an

opportunity to have their voices heard on this topic? Note: I can't see you in any way offending the city of Ottawa, considering the gift you are about to bestow on the federal government.

Secondly, why would you be so shallow and vain as to only provide less than a week for something that will cost your province's people such a large amount of their hard-earned tax dollars? Several possible reasons come to mind. You and the MPPs in your party believe that since you were elected to this office, you have the total power to make what ever hare-brained decisions you wish, and to hell with your constituents?

If this is even a part of your decision-making process, may I remind you of a Marshall McLuhan speech which stated, "Power corrupts, and absolute power corrupts absolutely." May I also remind you that there is a provincial election coming up, and I am sure that if any of the voters in your province develop a sudden loss of memory, someone will remind them of how disrespectful you were to the people and taxpayers of this province, myself included. Basically, what comes around goes around, and performance or, in this case, lack of performance is a direct indicator of attitude.

Thirdly, you believe that as Premier of this fine province, you don't have to concern yourself with the feelings or opinions of the people of Ontario until election time, or to put it in plain English, you don't give a damn for the people of your province except for the ones who follow your every step. It reminds me of Germany 1938.

To the rest of the MPPs in the House, is this the kind of individual you want leading your province? Think about it.

I recall this harmonization crap being tossed around in the late 1990s. I believe it had its roots in the federal government trying to convince Ontario to sign on at that time. I was asked at that time what I thought of the idea of harmonizing my province's retail sales tax with the federal GST. I responded by saying that there are some politicians in this country who are on some very bad medication. When asked to elaborate, I indicated that there was a news story recently that indicated that Ontario's retail sales tax had just climbed up to second place over the federal GST and was now the second-largest government-based revenue-generating branch in the country, behind income tax.

Now the question comes up: If we harmonize, how does Ontario get its share of the tax revenue? Through transfer payments, of course.

**Question:** What is Queen's Park's biggest complaint with the feds over the last 50 years?

**Answer:** They keep screwing us on our transfer payments.

It's true, folks. Look it up. I take it for granted that you are all intelligent human beings. If you are in possession of the second-largest government-based revenue-generating branch in the country, are you going to trade it away for a bag of broken hockey sticks? I don't damn well think so. It appears our current provincial leaders aren't quite that smart.

There have been reports that our current revenue/finance minister is preaching doom and gloom for my province and indicating a larger-than-expected deficit. Mr. Minister, if you and our Premier hadn't just made arrangements to deal away Ontario's largest revenue-generating branch, maybe—just maybe—you and I wouldn't have that problem. Please refer to my opening statement.

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Ladies and gentlemen, it isn't too late. You can, for the good of our province—and it's interesting that these hearings are being held in the provincial Legislature building—repeal this. It takes a lot more courage, integrity, chutzpah and character to admit that you are wrong and made a mistake in judgement and correct it than it does to bully blindly forth, believing that yours is the only right decision, and damn the consequences.

Finally, a challenge to Premier McGuinty, his party members and any other MPP who believes that this perversion will benefit the people of Ontario at this time: For two weeks for each trial, you will live as—not with—a senior on a fixed income which was set before this item was imposed, a single parent and a person on welfare—two weeks each. If, after those six weeks, you still believe that this travesty is the right way to go and that the most vulnerable citizens of your province will not be unjustly damaged by your bullying forth with this, then one of us has a severe problem with truth, justice, logic, integrity and reality. Just to let you know, the person with the severe problem is not the writer.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you for your presentation.

*Interruption.*

**The Vice-Chair (Mrs. Laura Albanese):** Order please. I will now move to the government side for questioning.

**Mr. Wayne Arthurs:** Mr. McHugh, thank you for attending this morning. I understand you were a little delayed in your effort to get here. Traffic is like that, and/or public transit. We all have to kind of try to arrange around it as best we can. We, in our wisdom, adjusted our schedule a little bit to help accommodate you. I hope you appreciate that.

**Mr. Jim McHugh:** I appreciate it.

**Mr. Wayne Arthurs:** And I appreciate the question from Mr. Klees, being your member, in wanting to have the opportunity to question you at this point in time. Just so you know, we do have a procedure and a process that we have agreed upon here, as a subcommittee and then as a committee, in which we rotate our questioning among the three parties. You may have seen that in the bit of time you were here. Mr. Prue was doing the questioning and commenting on the last deputant. We are doing it at this point in time. This will move us back into our regular kind of rotation.

I really don't have a lot in the form of questions. Let me just say that we do have a free and democratic society through this legislative structure. This was, is and has been your opportunity to formally put your thoughts on

the table, in Hansard, so they are recorded for posterity and for the members and for the public to take under consideration and pass judgment in their own way.

We don't necessarily agree. You made it quite clear that your position on a harmonized tax has been consistent since the early 1990s when you spoke to the issue of the GST, and questions about harmonization at that point in time when other provinces were moving in that direction. Your position hasn't changed; that's quite clear. And that's fine. That's a legitimate position to have. It's not one that I agree with. I personally stood in the Legislature and said that I think this is—and I believe this is—the right decision. I've felt for some time, through deputations we've had over a number of years when I've sat here during budget hearings, that a single value-added tax in Ontario is the right way to go. I'm pleased that we've moved at this time in that direction. We'll just have to agree to disagree. Thank you.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you for coming this morning and for putting up with the traffic. We appreciate that.

**Mr. Jim McHugh:** No problem.

#### CANADIAN RESORT DEVELOPMENT ASSOCIATION

**The Vice-Chair (Mrs. Laura Albanese):** We'll move on now to our next presenter, a representative of the Canadian Resort Development Association. Please come forward and be seated. Just to remind everyone of the protocol, you have about 10 minutes for your presentation. That will be followed by five minutes of questioning in rotation. The next five minutes will be with the opposition party. Please state your name.

**Mr. Ross Perlmutter:** Thank you, Madam Chair and members of the committee. My name is Ross Perlmutter. I'm the president and CEO of the Canadian Resort Development Association. I want to thank you very much for inviting me and allowing me to speak here today on this very important issue.

As I said, I'm the president of the Canadian Resort Development Association. We're the non-profit industry association entrusted with overseeing the shared-ownership industry in Canada, including timesharing, fractional ownership, condo hotels, points-based systems and any other leisure programs that have a subdivided interest in recreational real estate. We were founded in 1983, and the goals of our association are to encourage and maintain a high standard of ethical conduct throughout the industry and to assist in the education of Canadian industry members toward an enhanced standard of professionalism. In Canada, we have successfully consulted with governments at all levels—federal, provincial and municipal—and we've been extremely instrumental in working with them to ensure the drafting of fair and equitable operational, taxation and protection policies that govern both our members and their consumers.

I'm here today to speak on behalf of Canada's shared ownership sector, to express our concerns about the har-

monized sales tax and to provide some background regarding the potential economic consequences should this bill be allowed to pass without amendment or consideration of our sector. Although I haven't read the entire act, I believe the sections that pertain to our products and programs are covered under lifetime memberships or, in the cases where deed and title or fee simple ownership is conveyed to the purchaser, the sales of newly constructed or pre-sale recreational real estate.

Although the shared ownership sector was once regularly maligned—quite frankly, often for good reason—the global travel and tourism industry now recognizes that shared ownership is truly the economic engine that keeps on giving. In the past decade, North American sales have grown to over \$10 billion each year, and virtually every major hospitality brand in the world has embraced shared ownership as part of their product mix because they recognize that shared ownership provides them with a guaranteed, residual base of visitors for decades to come. Marriott, Hilton, Hyatt, Disney, Sheraton, Fairmont, Wyndham, Starwood, Westin and Omni have all incorporated some form of resort-sharing ownership programs into their new resort projects.

Why? First of all, the economic benefits to both the hospitality providers and their resorts' local economies are substantial. Very simply, by virtue of prepaying for their accommodations, the purchasers of these products have made a personal financial commitment to visit these resorts and resort areas for decades to come. With such a commitment in place, the hospitality providers are effectively guaranteed 100% year-round occupancy, and they are subsequently able to commit to building a substantial recreational infrastructure because they know that there will always be consumers in place for the golf courses, the spas, the restaurants and other recreational amenities.

While a guaranteed, residual base of year-round tourists and the development of a self-funded recreational infrastructure would certainly appear to be benefit enough, the most powerful impact of shared ownership can be felt throughout the entire economy, all the way from the local resort communities and regions up to the provincial and federal levels.

First, let's take a quick look at the economic impacts of our industry. Although we haven't conducted a state-of-the-industry study for several years, a comprehensive 2002 study conducted by NorthCourse, commissioned by CRDA, provides a compelling overview of the substantial economic benefits delivered by shared ownership's developers and consumers, especially when compared and contrasted to traditional tourists. The NorthCourse study clearly shows that shared owners are affluent, they spend more time in the resort area than transient visitors, and they spend substantially more money while they're in the area on purchases such as restaurant, golf/ski and spa services than other visitors. By virtue of their ongoing commitment to support the project via the contribution of annual maintenance fees, they provide guaranteed year-round employment for service, main-

tenance and support personnel. They also contribute substantially to the local, provincial and federal tax bases.

Here's a quick snapshot of the typical shared ownership consumer and, more importantly, why you should care about them.

Eighty-six per cent of shared owners in Canada are married couples, 94% are homeowners, and 52% hold at least a bachelor's degree. The average age of an owner is 54 years old, and the median household income of owners is approximately \$86,000 per year. Very simply, shared ownership consumers are educated, affluent and mature, and they can afford to spend generously while on vacation.

Shared owners also tend to spend more nights in resort areas than traditional tourists. Comparing the five-year periods before and after they purchased, owners went from spending 11.1 nights in the resort area to 28.8 nights, an increase of 159%.

Since their ownerships tend to be in luxury villas, condos and vacation homes, the travel parties tend to be larger, often four to six people per stay.

Because they've prepaid the accommodation portion of their vacations, shared owners tend to spend substantially more than other tourists while on vacation: an average of over \$200 per day per visitor party. The money is spent on local area golf, skiing, spa services, dining and amenities.

As a result of the exchange component of the shared ownership product, 61% of all visitors to the areas are brand new visitors who have exchanged into the property or have rented accommodations from the owners.

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Many of these are consumers who likely would not have opted to vacation in our province, had they not been able to exchange their own accommodations for similar accommodations here. In short, shared ownership is a marketing machine that continuously attracts new, affluent tourism into its resort areas.

Year-round occupancy of shared ownership projects is approximately 91%, compared to an average of 60% to 70% at traditional inns and resorts.

The shared ownership projects are fully supported by the collection of annual maintenance fees, and these are collected whether these intervals are occupied or not. These fees are a potentially important stabilizing influence on the economies of traditional seasonal resort areas, and they represent an important distinction from hotel guests and other transient visitors, who contribute nothing to the local economy if they don't visit the resort area.

Most importantly, these fees are used to pay local and non-local employees to operate and maintain the project; to pay for improvements and refurbishments; to purchase goods and services, locally and elsewhere; and to pay for utilities and to pay local, provincial and federal taxes. These expenditures are substantial and occur on a year-round basis. The total amount of owner-supported maintenance fees collected from all shared ownership



projects in Canada in 2008 is estimated to be in excess of \$175 million.

It's important to note that even if the owner elects to exchange their interval for another, regardless of the destination, his or her maintenance fees are paid to, and managed by, his or her home resort. Regardless of where the owner chooses to vacation, the majority of the maintenance fees collected by his or her resort generally stay within the local resort area and are spent within the local and regional communities. For example, if a person purchases a time-share in Collingwood and elects to exchange their week for similar accommodations in Europe, the maintenance fees they paid stay in Collingwood.

Consumers spend over \$350 million annually to purchase shared ownership products and programs in BC and Ontario. For every \$10,000 spent on shared ownership, approximately \$3,500 is spent on advertising and other hard marketing costs in the local area. Based on 2008 national sales estimates of \$500 million, the shared ownership sector represents approximately \$175 million in media and other purchases each year.

Here are our concerns about the HST. As an industry, we're extremely concerned about the impact of the HST on the affordability of shared ownership programs in Ontario and BC, because in addition to onerous increases in the owners' ongoing maintenance fees, purchasers will be required to pay this substantial tax upfront as part of their purchase commitment. On an \$85,000 fractional ownership purchase, this would add more than \$11,000 to the overall purchase price. This concerns us for several reasons, and it should cause you serious concern as well.

First, it's important to realize that shared ownership is truly a global product, and as I've mentioned, owners of fractional interests in one area generally have the option to exchange their ownership for equivalent accommodations in another. This was cited in our study as one of the main reasons people choose to purchase shared ownership.

With this in mind, there's absolutely no incentive whatsoever for consumers to pay 13% more for a product in Ontario or BC than they would pay to acquire a similar product in Palm Springs, California, or Orlando, Florida. If those purchasers elect to flee our province and purchase shared ownership elsewhere—and faced with the spectre of paying thousands of dollars in additional taxes, there's every indication that they will—decades of passive residual tourism, local employment, infrastructure, taxes, wages, supplies, upgrades, food and beverage sales, and tertiary spending in the community go with them.

It's inconceivable to us that any government—

**The Vice-Chair (Mrs. Laura Albanese):** You have one minute left.

**Mr. Ross Perlmutter:** —would impose such a barrier to the development and support of a dynamic and robust economic engine, especially given this province's reliance on tourism revenue.

It's equally important to note that our developers and their owners are truly doing the work of the various

regional, provincial, and federal tourism boards, because they're the ones incurring 100% of the substantial marketing costs, not the province. These developers attract people to their projects entirely at their own expense and they pay for all of the sales and marketing costs. In turn, the resort areas, the provinces and Canada are guaranteed a lifetime of passive residual visitors. They've incurred all of the costs of converting seasonal resorts to year-round resorts, and now they're paying substantially more in wages, taxes, utilities, infrastructure etc. than the seasonal resort operators, and they'll continue to do so for decades.

The fact is that areas that were once veritable ghost towns for eight months of the year are now welcoming year-round visitors, and this has happened without a single dime in marketing or development support from provincial or federal governments.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you, but the time has expired for the presentation.

**Mr. Ross Perlmutter:** Okay.

**The Vice-Chair (Mrs. Laura Albanese):** Therefore I'll turn it over to Mr. Miller. Thank you.

**Mr. Norm Miller:** Thank you very much, Ross, for your presentation. The area I represent is Parry Sound–Muskoka. Certainly, I'm seeing first-hand the benefits to the area, especially the redevelopment of old resort properties that in many cases were “tired,” which is the best way I can describe them, or not meeting consumers' current expectations. We've seen tremendous investment of capital in many different resort properties around Parry Sound–Muskoka through fractional ownership, through time-shares etc. I gather what you're saying is that this tax is going to make your products more expensive, because if it's a fractional ownership, you'd have to pay the 8% on the full upfront value.

**Mr. Ross Perlmutter:** Absolutely, and the ongoing costs. One of the parts of my submission, and I encourage you to read it when you get a chance, is a letter of support from the American Resort Development Association. It's kind of a backhanded letter of support because it basically says, “We'd love it if you imposed an 8% tax in Ontario.” You're going to drive all the Canadian consumers down to the States. We have a strong dollar right now. Their developers would love it if we did that.

**Mr. Norm Miller:** So I guess your point is that we're competing worldwide, and we're making our jurisdiction more expensive. So if somebody has the option of buying a time-share in Florida or wherever, we're competing against them. So we're just making it more expensive here in the province of Ontario.

**Mr. Ross Perlmutter:** Absolutely.

**Mr. Norm Miller:** There are other aspects of this bill: It also increases, on transient accommodation, the rate from 5% to 8% annually and the possibility of another 3%—I guess it's a DMO fee. I would assume that would negatively affect your organizations or your properties because they also rent out accommodation on a transient basis.

**Mr. Ross Perlmutter:** We're not really affected so much on the rental side as on the purchase and the ongoing maintenance side. It would apply to us in much the same way that it would apply to a residential condo, I think, in the ongoing fees.

**Mr. Norm Miller:** And the government's saying that there are going to be lots of jobs created. I would assume this is going to be a negative effect on your industry. Any idea of how many jobs you would lose in your sector as a result of this?

**Mr. Ross Perlmutter:** We haven't been able to quantify it, but I would just remind you of something I recall learning in grade three, which is that 8% of nothing is nothing. If you kill the industry, this isn't going to benefit the province. I'm reminded of the auto industry and the auto sector. They come to the province and the feds on bended knee and say, "We're in trouble," and they gave them money. They didn't corner the market on economic misery, and it doesn't make sense. You didn't go to the auto industry and say, "Here's the solution: Let's charge 8% more for cars"—if you're not selling any. This hasn't been a great year for our sector and it hasn't been a great year for a lot of sectors, and we're deeply concerned that putting an 8% increase at this time is just absolutely the wrong way to go.

**Mr. Norm Miller:** And it's a relatively new industry in our area, anyway. I've seen, especially in the last 10 years, many different properties, as I said, be reborn and have tremendous investment and be first-quality, first-class accommodations replacing older, more tired resort properties in many cases. So I really see the positive benefit.

**Mr. Ross Perlmutter:** Thanks for—

**Mr. Norm Miller:** I note—I just want to get it on the record—that you do have a letter of support from the American Resort Development Association, a letter of support from a resort development organization in Europe, a letter of support from Wyndham Worldwide, and from a couple of other organizations that you've filed as well.

One other issue that I've raised in the Legislature connected with tax is the land transfer tax being applied retroactively on fractional ownerships. Do you want to speak about that at all?

**Mr. Ross Perlmutter:** That's a huge issue for us and it's something we're looking at right now. Without veering too far off course, my understanding was that it was retroactively applied going back seven or eight years. We firmly believe, and it's more the structure of the fractional ownership model in Ontario, that such a tax shouldn't apply. There is no land actually being transferred. It's been transferred once already to an entity that owns it. But it is, again, a good example of one more way to damage this industry. I want to say that, as an industry, we are more than open to discuss ways that we can contribute to this industry, and we have models from all over the world that we can look at in terms of tax generation. Our industry is a very good provider of tax revenue.

We just don't believe it. If you call it a harmonized sales tax, then let's harmonize the 5% with the zero and that's the rate. This is a stealth tax. This is an all-of-a sudden, 8% tax that's come out of nowhere that's been tacked on, and that's what I resent more than anything else: the way it's been put forth, in that way. We have no objection whatsoever to a harmonized sales tax, and the business argument as you've put forth is absolutely accurate. It makes sense.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much. Thank you for your time.

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ONTARIO AUTOMOBILE DEALER  
ASSOCIATION  
TORONTO AUTOMOBILE DEALERS  
ASSOCIATION

**The Vice-Chair (Mrs. Laura Albanese):** The next presenter is the Ontario Automobile Dealer Association/Toronto Automobile Dealers Association. Please come forward and be seated. Welcome.

**Mr. Ian Bacque:** Thank you very much, Madam Vice-Chair.

**The Vice-Chair (Mrs. Laura Albanese):** You may state your name, and after that you can begin.

**Mr. Ian Bacque:** My name is Ian Bacque. I'm the director of government relations for both the Ontario Automobile Dealer Association and the Toronto Automobile Dealers Association. In past lives I have worked at the Ministry of Finance on sales tax policy and as a federal tax court crown attorney representing Her Majesty.

Turning to the second page of my presentation, just a little about our association. The Ontario Automobile Dealer Association represents about 530 new automobile dealers in all regions of the province. It provides government relations advocacy, member services, continuing education, and is involved in setting industry standards. The Toronto Automobile Dealers Association similarly represents, since 1908, 340 new automobile dealers in the GTA. It's not just the city of Toronto, 416, but the broader GTA. They are entrepreneurs, but they're also committed corporate citizens making major charitable donations and also setting industry standards. Some of you, just as an aside, may have heard about a \$2-million charitable donation to the Ronald McDonald House that the TADA made earlier this year.

We are members of the Smart Taxation Alliance. My presentation may differ a little bit. We are absolutely supportive of the bill and of the government's decision to implement the harmonized sales tax for a variety of reasons that I'll talk about in a minute. I understand that you will probably hear from some groups who are opposed, or at least opposed in their own case. I have to say that we are somewhat magnanimous in this. We just support the tax; it's the right thing to do. It's the best thing for business. It'll lower prices and help to create

jobs over the long term. It's so much simpler for business people.

We just recently joined the Smart Taxation Alliance and adopt the presentation made by—I guess I have a copy here—Rob Hattin of Edson Packaging, just so you know that we have been working with that alliance.

A few words on slide 5 about the automobile market in 2009: It certainly has been in the news. My friend who spoke just a minute ago said that the sector requested bailouts. That, of course, is absolutely not true. Certain companies within the automobile sector found themselves in deep structural situations and required re-financing. That was done in both the United States and Canada on a bi- or multi-partisan basis, if you will.

It's a very competitive marketplace, if you think about your own communities in the GTA. Obviously, if you choose to buy a certain vehicle, you've decided on the brand and the model and the manufacturer. The manufacturers have competed one with the other to get you to buy whatever that motor vehicle is or to make that decision. Then, in the marketplace it's highly competitive. You can go to any number of dealerships to purchase that motor vehicle.

Year to date, Canadian light vehicle sales are down about 12.5%, but the individual corporate results, and the source of this—I apologize to Dennis DesRosiers; I have not given him credit in writing, but we worked closely with him. These numbers are from DesRosiers Automotive Consultants. The individual corporate results range from an increase of almost 30% year after year to down by 50.7%. So some of our members will actually say that they're having quite strong years. Some of them will say that August and September were their best in 30 years.

We're also preparing for a new regulatory world on January 1. The long-awaited Motor Vehicle Dealers Act, 2002, will be implemented on January 1, 2010. We've been working closely with our friends at OMVIC, the Ontario Motor Vehicle Industry Council, to prepare our members. It will implement a code of ethics for dealers and salespeople, and far from resisting it, we embrace it and have worked closely with the policy-makers and the regulators to bring us to that new regulatory regime.

Specifically, why do we support the bill and the harmonized sales tax? Simplicity of administration. It's very helpful for small and medium-sized businesses. When you think of a certain car company, you might think of it as being a very large business, and they are. But some of our members are quite small business people, and so the simplicity of dealing with one tax administration, one tax authority and one code and a tax applied to the same things in the same tax base is obviously appealing. Frankly, it just makes sense.

As I mentioned, in a past life I worked with the Retail Tax Act. I don't know if anyone here has a copy of it with you, but it's as thick as a phonebook. It starts by saying, "All transfers of TPP are taxable"—tangible personal property—"things." Then, in about 1,000 pages it tells you what is an exemption, what's a sub-exemption,

what doesn't apply, what does apply, and then the services that are taxable. It is a very complex piece of legislation. The regulations are huge. They're very difficult to work with and very difficult to comply with.

The HST, being a valued-added tax, is a much more fair tax as well. In our case, a very important issue that it deals with—and we applaud the Minister of Finance and the Minister of Consumer Services for dealing with this—is what's called curbsiding. If you think you're buying a used vehicle from a private vendor, quite often you're not. Unfortunately, often the criminal element is involved. They're selling motor vehicles and they look, feel and sound like a private vendor, but they're not. It's a business. Long ago, I actually had a personal experience when I was articling doing a lien search. The guy had said, "It's clean," but it had a \$6,000 lien on it. He said, "How did you find out?" The only reaction was, "How did you figure it out?" It wasn't, "Oh, gee; sorry."

What we have currently is a tax-based incentive to buy from one of these people as opposed to a registered and regulated automobile dealer. It's a 13% tax right now on a used vehicle if you buy from a member of our association, and only 8% if you buy from a curbsider or privately. Not all private sales are curbsiders, but that is a glaring oddity of the tax system currently. The value will be up and down and the dollars of the tax bill will depend upon the value of the goods being transferred, but for the rate to be 13% here and 8% there doesn't make sense, especially if you want to level the playing field and raise consumer protection.

We actually strongly applaud the government for listening to us and for not just moving towards the HST but making a proactive decision that was in the hands of the government of Ontario, not the federal government—it was left to the province—to apply the full 13% tax regardless of where the vehicle is purchased. It's the right thing to do. It builds consumer protection and avoids confusion in the marketplace.

I hope that was as clear as possible. Those would conclude my formal remarks for the committee. I'll be pleased to answer any question.

**The Acting Chair (Mr. Charles Sousa):** Thank you, Mr. Bacque. We now have five minutes of questions and answers. This round goes to Mr. Prue.

**Mr. Michael Prue:** Thank you very much. Just to set the record straight, the Smart Taxation Alliance has done a good job in getting all of their members out to this. In fact, you are virtually the only ones speaking in favour of this. A poll in the Toronto Star last week showed that 78% of the people of Ontario oppose it; 83% say it's going to cost them a lot of money; and 70-some per cent say that their opinion of the government has gone way south as a result.

But you're here. Can you tell me: How much additional profit you think is going to flow into your membership as a result of this bill, if it's passed?

**Mr. Ian Bacque:** None.

**Mr. Michael Prue:** So you're not going to make any money at all?

**Mr. Ian Bacque:** My guess is, none. You can turn the argument about polling on its head and say that it took a lot of courage to implement something that, in the short term, is going to be a tough sell. I assure you, I'm not here to speak as a politician or to sell the tax writ large or broadly, but I think you see a government in Ottawa that is of a different political stripe than the government here—in fact, many of them used to be here—and they agree, federally and provincially, that it's the right thing to do. It will boost the economy. It will be a lot fairer and simpler.

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I'm certainly not here for the motion picture folks, but I have long held the belief that 8% should be 8%. We just want to tax movies at 10%. The RSTA is a mess, and this brings clarity to it.

If there are increases in the short term, it may or may not be in government revenue, depending on the base.

We're talking about a situation in our case where there's a glaring unfairness—not to us, necessarily. It doesn't help us on the used vehicle sales but it certainly doesn't help the consumer either. So this is a very positive move, actually, despite what the polls may or may not say. But again, I'm not really here to speak to that aspect.

**Mr. Michael Prue:** There appears to me to be a lot of consumer resistance. The many people who have spoken to us have talked about huge increases that they're going to end up paying as a result of the HST, particularly on gas and electricity, I think, since some of the cars will now be using more electricity for power.

There seems to be a huge resistance, and consumers are telling us they'll no longer be able to buy what they consider luxury items, like cars, because they'll be taxed to death. I think I got pretty close to 1,000 e-mails given to me by the clerk, almost all of them on that point.

What makes you think that people will have the money to purchase cars when they're paying for everything from gasoline to electricity to lawyers to accountants—they'll be taxed on their savings—they'll be taxed on all these things?

**Mr. Ian Bacque:** In terms of overall consumers, where we're coming from is that this is actually not just good tax policy; it's a consumer protection initiative, as I've described the curbsiding issue. So it actually helps consumers.

Your concern for overall motor vehicle sales is something that we appreciate, but our members are here to support the tax. It obviously will not impede the sale of new motor vehicles or used motor vehicles from dealerships in the future.

In fact, I think the evidence is there. You may have people like Mr. Drummond and others, who are infinitely more capable to speak to this issue than am I, but they, as I've read and heard over the years, will say that it is to bring such efficiencies in administration and such clarity on the tax base issue that instead of taxing goods along the way—one, two, three, four, five—in the process, they just apply it at the end, and it helps the economy and

lowers prices. Consumers might see 8% more on certain items than have been listed all over the papers and everywhere in the short term, but in the long term, prices come down. My understanding is that the evidence is there to support that.

In terms of electricity, if I could just take one second to comment on that, we are working with the ministries of transportation, revenue and environment on a strategy around the sector and electric vehicles. It's a bit of the stretch to say that it will cost consumers more if they use an electric vehicle because there would now be 8% tax on it, because their overall energy consumption to move that vehicle is going to fall off the side of a cliff.

**The Acting Chair (Mr. Charles Sousa):** Mr. Bacque, we've run out of time. Thank you very much for attending today.

**Mr. Ian Bacque:** Thank you all very much. I appreciate it.

#### ASSANTE WEALTH MANAGEMENT

**The Acting Chair (Mr. Charles Sousa):** If I could call up the next presenter, please. I believe it's Assante Wealth Management. If you could, once you're settled, please state your name. You have up to 10 minutes for your presentation.

**Mr. Steven Donald:** Thank you, Mr. Chair, and thank you, members of the committee, for the opportunity to appear before you and participate in your public consultations regarding the implementation of a harmonized sales tax in Ontario. I am Steve Donald, president and CEO of Assante Wealth Management.

Assante Wealth Management represents over 800 registered financial advisers, who in turn assist over 400,000 Canadians from coast to coast in managing their financial affairs, investing for their futures and planning for their retirement.

I'm going to provide perspective on how this policy will impact not only Ontarians but Canadians across the country who are currently saving or have saved for their retirement. I will touch on the sheer quantum of this incremental tax on savings and then review how this policy leads to taxpayer inequity.

While the fundamental principles of a value-added tax have merit, we have some deep concerns as it relates to the implementation of this plan in Ontario with respect to investments and savings for retirement. According to the Ipsos Reid Financial Monitor, investment funds, which include mutual funds and segregated funds, are the largest category of financial assets held by Canadians, at 38%. In general, Canada is unusually punitive in its taxation of investment funds by subjecting them to GST, and now HST, while exempting or having limited impact on other investment products.

Investment funds are a cost-effective way for Canadians of all income levels to gain access to the capital markets and benefit from the scale of pooled investments that lead to better diversification and lower transaction costs. Their benefits have been recognized in other juris-

dictions that have value-added taxes similar to the GST, including the UK, France, Australia and New Zealand by the provision of rebates or exemptions for investment management services. The value of investment services to provincial economies has also been recognized by other Canadian provinces with value-added tax policies, being Quebec, New Brunswick, Nova Scotia and Newfoundland, through zero-rating or exempting the supplies. Extending the faulty policy structure of the federal GST to the provincial level would be a further drain on the savings of Canadians, which will be detrimental in this environment of underfunded retirement plans.

The Investment Funds Institute of Canada has found that the GST costs Canadians an incremental \$450 million a year that is drawn from their mutual fund investments versus other non-taxable investments. Sixty-one per cent of mutual fund assets are held by residents of Ontario and BC, which means that the combined burden on the savings of Canadians will be almost double the GST burden, or almost \$900 million each and every year that will be drawn from the savings of Canadians. The current proposed HST penalizes responsible Canadians who are saving for their retirement at a time when there are widespread concerns that the retirement savings levels are below those necessary to provide for a good standard of living in retirement. The Ontario government is of course well aware of this issue, having struck an Advisory Council on Pensions and Retirement Income earlier this year.

One might suggest that this incremental tax on savings is offset by the personal tax reductions and increased tax credits for sales taxes as well as the transitional measures included in Ontario's Tax Plan for Jobs and Growth. A reference is made in Ontario's Tax Plan for Jobs and Growth to "a fair and balanced package of tax cuts for both people and businesses." The issue, however, that the plan does not address is the equitable distribution of the tax reductions versus the inequitable application of the sales tax. Unfortunately, the implementation of the HST as currently contemplated does not extend this principle of fairness, but rather is unfair and prejudicial to certain groups of Ontarians in the impact it will have on their savings.

Let me touch on who gets hurt by this proposed tax on savings. The implementation of the HST as proposed is discriminatory against those Canadians who are responsible for saving for their own retirements versus those who participate in a company or government-sponsored pension plan. According to Statistics Canada, 59% of retirement savings in Canada are held in government- or company-sponsored plans. These plans either pay no sales tax or benefit from reduced tax burdens. By contrast, 41% of all retirement savings in Canada are held in individual retirement savings plans such as RRSPs or RRIFs.

According to data from the Investment Funds Institute of Canada and Ipsos Reid, approximately 75% of the \$739 billion held in individual retirement savings plans are held in mutual funds. This number goes higher if you

include other pooled investment products that will be subject to the HST. In addition, within that group of investing Canadians who are saving for their own retirement, this policy is also prejudicial against low and middle-income investors. Again, according to Ipsos Reid, 62% of Canadians who own mutual funds earn less than \$100,000 a year. For these investors, pooled investment funds are a very effective way of gaining access to the potential returns in the capital markets using equities or income securities. By pooling assets together, these investors benefit from broader diversification and lower transaction costs that would not be available to them if they were investing directly.

The government is now proposing a tax policy that imposes a tax on these investors, whereas investors with larger amounts of capital to invest can elect to invest directly in assets that will not be subject to the HST without significantly impacting their risk/return profile. This policy is, in part, reversing the equity that pooled investment funds introduced to all Canadian investors.

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While most Ontarians will benefit from one or more of the tax reductions, sales tax rebates and transitional relief measures, the inequity arises due to the fact that many Ontarians will use these rebates and relief measures to offset the HST they will incur for such things as haircuts and other services that were not previously taxed. But it is only a specific group, those saving for their own retirement, who will be assessed this incremental tax on their investment funds. This tax policy will result in inequitable treatment of Ontarians.

I would like to highlight further the impact of this tax policy, resulting from its discriminatory treatment of various savings and investment products. Take, for example, two largely equivalent savings products: a high-interest savings bank account and a high-interest savings money market mutual fund. The sponsor of a bank account, typically a Canadian chartered bank, earns its revenue through its interest rate spread, or the difference between the rate at which it lends its customers money through loans or mortgages, as examples, and the rate at which it borrows money through savings accounts or GICs, as examples. This interest rate spread, or revenue, is not subject to HST, or GST for that matter. Contrast that with the high-interest money market mutual fund, where the revenue is earned not in the form of an interest rate spread but rather in the form of management fees. These fees are taxable.

Like the GST, the HST in its current form is discriminatory against, and unfairly penalizes, Canadians who are saving through the use of mutual funds rather than using a bank account. Further damage will be done to the savings of Canadians if this policy results in product arbitrage, where investors migrate to non-taxable investments such as bank accounts, GICs or direct investments in bonds and stocks. This is due to the fact that most Canadians require the higher return potential of equities to be part of their retirement investment strategy. For these Canadians who migrate their portfolios to non-

taxable savings accounts or GICs, they will likely end up with a shortfall in their savings for retirement. As for investing directly in bonds or stocks to avoid the HST, this typically introduces a higher degree of risk in one's portfolio.

You likely noticed that I have been making reference to Canadians throughout the course of my remarks. This is to highlight the fact that imposing this incremental tax on savings by taxing services provided to pooled investment products—a product used by the majority of people saving for their retirement—impacts not only the citizens of Ontario, but Canadians in every province, due to the structure of investment funds whereby every participant in the fund shares equally in the costs, including the taxes imposed.

Mr. Chair and members of the committee, let me summarize by saying that this tax on savings will result in Canadians drawing hundreds of millions of dollars from their savings each and every year, and this amount grows as savings requirements of an aging population grow. In addition, the Canadians who will be hurt the most by an increased tax on investment funds will fall in the middle- and lower-income categories.

We recognize that harmonization of the provincial sales tax with the GST may reduce the administrative burden for Ontario businesses and stimulate investment spending in the province. However, such harmonization should be conditional on providing relief for savings vehicles now subject to the federal GST in order to provide equity to all Ontarians saving for their retirement.

Thank you for your time today, and I certainly hope that our perspective on behalf of Canadian investors can be taken into account in your deliberations.

**The Acting Speaker (Mr. Yasir Naqvi):** Thank you very much, Mr. Donald, for your deposition. I think this segment now goes to the government side. Mr. Sousa.

**Mr. Charles Sousa:** Thank you, Mr. Donald, for your presentation. We do appreciate your insight, and we recognize how important it is to ensure that we have a stimulated economy so that more people can invest and so that they do, in fact, provide for their savings and retirement.

There were a couple of points made. I appreciate your concurrence that the overall tax reform is the right step in order to ensure that we move forward with that increased economic activity.

Recognizing some of the concerns you have, as it stands now, with the GST on some of the services you provide, let me make sure we have it clear: It's the service component of managing those funds that you can incur a tax on? So right now, let's assume it's a 2% charge that you do for managing a wrap account or so forth: You then have to charge an additional 5% on that 2%, which equates to about 2.1% or whatever. With this additional 8% that's going on—and it is, right? Seventy per cent of things we buy are exempt, so now this is one of those services that are going to incur—it'll come out to about 2.19% or so, in terms of your fee.

I've heard also, oftentimes, that this is a \$3-billion grab of tax, but it's only on that additional component of

services, as you've mentioned. Yet we still have—and you talked about the big tax cuts we're doing for consumers, about \$10 billion, and another \$4.5 billion in tax cuts for businesses, all of which incur some of that spending. You've also talked about capital tax—maybe you didn't. But in some of your funds, capital tax is now removed and that's going to be an added component.

Our indications show that we're going to be short about \$3.4 billion. Even after the feds give us the \$4.3 billion that we're using towards the consumer, we're still going to be shy \$4.3 billion over the next four years.

Recognizing some of that, recognizing that your companies also incur 8% on the things you buy—those input costs, marketing costs—how much would you be saving in some of your operations while you're servicing the client?

**Mr. Steven Donald:** Please don't misunderstand: My remarks were not intended to reflect the mutual fund industry. At Assante Wealth Management, we have access to a wide array of investment solutions, so we're really speaking on behalf of investors.

It's the inequitable treatment of our clients—investors in Ontario and across the country—that we're really speaking to here.

**Mr. Charles Sousa:** Yes.

**Mr. Steven Donald:** As advisers representing Canadians across the country, we can have access to both taxable or non-taxable services. The point we're trying to make today is that for typical Canadians, particularly those in the low or middle-income categories, the utilization of pooled investment products has been—in effect, it has democratized the ability of investors to gain access to equity markets.

By imposing a tax on these investors versus not imposing a tax on those investors, say, for example, who participate in a government-sponsored pension plan that receives the same level of services that are provided by the suppliers in terms of asset allocation and the like, this policy as it currently stands is introducing an inequity between two Ontarians, one who is paying an incremental 8% tax on those services and another who's receiving those services on a tax-exempt basis through participation in, as an example, a government- or company-sponsored pension plan.

**Mr. Charles Sousa:** And your company would then also be able to receive back those grants—I mean that 8%. You may pay 8% on your marketing costs or on your equipment purchases. I don't know. I mean, I'm just trying to determine—

**Mr. Steven Donald:** But again, it's really the inequity of one investor versus another. Ontarians are being treated distinctly based on how they've saved for their retirement. There is an advantage to those who participate right now, the 59% I think I referred to, in company- or government-sponsored funds—

**The Vice-Chair (Mrs. Laura Albanese):** One minute left.

**Mr. Steven Donald:** —versus the 41% that participate in saving for their own retirement. Those people are

being treated prejudicially with the application of the HST as it is currently being considered.

**Mr. Charles Sousa:** Thank you for your time.

**Mr. Steven Donald:** Thank you.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much.

#### ONTARIO MASSAGE THERAPIST ASSOCIATION

**The Vice-Chair (Mrs. Laura Albanese):** Up next we have the Ontario Massage Therapist Association. I would ask you to come forward and take your seat. Please state your name for the purposes of Hansard recording. You will have up to 10 minutes for your presentation. You may now begin.

**Mr. David Melanson:** Thank you very much. My name is David Melanson. I am a registered massage therapist. Thank you for hearing our submission this morning.

I've been a regulated health professional in Ontario since 1983. I provide rehabilitation treatments in a clinical setting, co-treating with physiotherapists. I receive most of my patient referrals from medical doctors or physiotherapists. I must abide by standards of practice, a code of ethics and all other legislative requirements by the Regulated Health Professions Act and governed by the College of Massage Therapists of Ontario.

Massage therapists in Ontario have a fundamental concern about equality and fairness when it comes to the proposed HST legislation. We should be exempted from this legislation. We are regulated health professionals providing medical treatments to our patients. Why is this legislation proposing to require us to charge HST on medical treatments provided by regulated health professionals? The situation is already unfair for massage therapists because we currently charge GST on treatments administered.

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For me the answer to this issue is, simply, that two wrongs don't make a right. The federal legislation, when it was enacted, required five provinces to regulate the medical profession before the profession was exempted from collecting the GST. But health care is a provincial matter. Massage therapists in Ontario have been regulated here since 1919. The GST legislation should provide for medical professions that are regulated by the provinces to be exempted.

This is an issue of equality. Under the current proposed HST legislation, I will be required to collect the HST, and my physiotherapy colleague in the office next to me will be exempted. Medical doctors may ask me, "Why do you have to collect HST?" The physios who I work directly with will ask me, "Why do you have to collect HST?" And my patients certainly will ask me, "David, why do you have to collect the HST?" I've thought a long time about this question, and I don't have a logical answer. We do the same treatments as chiro-

practors, physios and other hands-on professionals in this province.

So I'm asking the committee, can you help me with an answer? Because I don't have one. What am I going to say to my colleagues and patients when they ask me why I must collect HST on my treatments? Thank you.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for that. Are you going to continue?

**Mr. Andrew Lewarne:** I am as well. My name is Andrew Lewarne. I am a board member with the Ontario Massage Therapist Association.

There are over 9,000 registered massage therapists in Ontario. The Ontario Massage Therapist Association is a not-for-profit member-based organization that provides leadership for, and advocates on behalf of, the profession.

Like many other health professionals, most registered massage therapists are self-employed. Unlike most of the other health professionals, RMTs tend to not have a single clinic or practice location, but rather they tend to work in two, three or, in some cases, four different practice locations. What this tells the OMTA is that registered massage therapists are not big business. They will not benefit from many of the incoming tax credits anticipated for business. Their overhead is, generally speaking, relatively low. Nonetheless, with incomes in the ranges that we have seen from the earnings survey, most RMTs will be significantly impacted by the decision to harmonize the sales tax.

We understand that the HST is a complex, multi-faceted issue of great importance to the future of Ontario. We are hopeful the Ontario government will take our concerns into account before finalizing the HST legislation. We have several concerns.

First, the government of Ontario has stated that there will be no change in taxable/exempt status for consumers for most health care services. To date, there has been no clarification concerning what the government means by "most health care services." No definition of health care is provided for in the act implementing harmonization. In the absence of a clear definition, it is believed that the Ontario government will be using the federal definition of health services, giving up this provincial decision-making authority, and therefore, massage therapy will be taxable at the 13% rate.

The OMTA would suggest that there is a better, more consistent definition for "health care services" within the province of Ontario. The Regulated Health Professions Act already defines which groups are considered regulated health professions within Ontario, and by defining health care services within the framework of the RHPA, the government would have a fair, logical and Ontario-specific definition and could prevent the two classes of health care services now in practice under the GST rules. Doing so also leaves health services within the provincial jurisdiction and not a shared jurisdiction with the federal government.

The OMTA's second concern is focused on HST input tax credits. The Ontario government will be implementing HST input credits, much the same as those

available now under GST rules. The new HST input credits should allow businesses to recoup HST costs incurred during production or procurement. These savings would then be passed along to consumers.

As a profession that is heavily service-oriented, massage therapists do not have many consistent input costs. The average therapist would not realize significant input credits to pass along the savings to their clientele. This would translate into a significant increase in the cost per visit to a massage therapist.

In the absence of available input tax credits, registered massage therapists will not be in a position to reduce prices as anticipated by the legislation. As a result, fees charged by RMTs to consumers will increase by a minimum of 8% as RMTs begin to collect this new tax on a previously exempt service. Consumers who are not accustomed to paying 13% tax on health services will be facing increased costs in an environment where consumer spending is at a minimum.

With an increase in costs, the OMTA anticipates that most massage therapists will experience a decline in demand for their services. This will be true whether the consumer is paying for massage therapy on their own or through extended health benefit programs that will not include coverage for HST. Most insurers are GST exempt, and it is presumed that they will remain HST exempt as well.

However, if RMTs decide to absorb the 8% increase due to fear of losing a significant percentage of their client base, then the implementation of the HST actually represents a 7.4% tax increase after the first year of implementation. Those numbers have been made available to you with the handout package. We have a second set of numbers for a slightly higher income bracket.

The OMTA continues to work towards a future exemption from GST/HST through our efforts with other provincial massage therapy associations to attain regulation in other provinces. Recently, we worked with the Massage Therapist Association of Alberta in their efforts towards regulation and have done some preliminary work with the Massage Therapists' Association of Nova Scotia. Notwithstanding this effort, regulation in the additional two provinces required under the rules established by the Canada Revenue Agency is many years away.

Studies have shown that Ontario stands to gain substantial business savings and job creation with the implementation of the HST. The OMTA hopes that the government of Ontario will consider its concerns and take the necessary steps to ensure that registered massage therapists and those that rely on their health care knowledge are not left out of the benefit of the HST.

In closing, the Ontario Massage Therapist Association has not taken the position that it opposes harmonization. It is our view that efforts can and should be made to protect health care and health services in this province. We believe that harmonization makes good sense for big business but not for the average self-employed health care professional, and absolutely not for registered massage therapists.

We implore the Ontario government to consider carefully how it might amend its proposed legislation in order to ensure that Ontarians will benefit from the services of a registered massage therapist for many years to come.

Thank you very much for your time.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you for your presentation. I will turn it over to Ms. MacLeod for five minutes of questioning.

**Ms. Lisa MacLeod:** Thank you very much for attending committee today. I really appreciate it. I just have a couple of questions. My colleague from Parry Sound–Muskoka has questions as well.

I appreciate your concern about the jurisdictional issues that were allowing the federal government to make some decisions with respect to health care. Also, one of the things that I've been concerned about is giving up our direct taxation powers that we do have under the Constitution. I just wanted to point that out. I think it's very valid. Given the time constraints we've had with respect to this legislation, we should have focused a lot more on where our jurisdictional issues lie with respect to that. And you're not the first ones to bring it up. Actually, Grand Chief Angus Toulouse came in from the aboriginal community to point out that in the haste for the McGuinty government to put this through, there are some constitutional challenges.

With respect to your numbers, I don't think this was handed out to anyone else other than members of the committee. You're looking at proposed savings from the government at about \$1,660 a year, but you're expecting that because of the HST, it's going to cost you about \$229.20 a month, and at the 7.2-month mark, the cost to massage therapists matches the savings rebate from the government. The remaining 4.8 months at \$229.20 per month means that you are going to have a net loss of \$1,100 a year. Is that correct?

**Mr. Andrew Lewarne:** Twenty-seven hundred and fifty dollars per year.

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**Ms. Lisa MacLeod:** Oh, that's right; \$2,750 per year, it's going to cost you.

I just want to talk a little bit about your clientele, because I've been to a massage therapist. I'm sure that you see a lot of people who are either off from work because of injuries, or you see a lot of seniors who are on a fixed income to help them with different issues. From your business perspective and your health care perspective, it's difficult. But also, from your consumer perspective, is it going to cost jobs for massage therapists in the province because there might be less of a demand based on the fact that there's going to be an inability to pay?

**Mr. Andrew Lewarne:** At a certain point you need to be able to make a living, and if you start looking at \$2,750 a year on top of what's already being paid—and that's based on the mean income of the massage therapist in Ontario. It's a bit skewed because there's a great number within the first five-year mark, but the mean survey is



about \$37,000—so if you look at taking \$2,750 away from that, you're looking at the potential of new massage therapists saying, "This is not worth my time," and they will leave. If they do, those people we see will then begin to access not the other regulated health professions other than doctors—most of my people come to me having seen the physiotherapist, the chiropractor, the naturopath, the osteopath and it hasn't worked for them. So the way that I conduct my work happens to work for them. If they're not going to see me, they're going to go to the public system, at which point it begins to cost the public money.

**Ms. Lisa MacLeod:** Absolutely. I'm just curious: With respect to your numbers, do you also include in there any medical supplies you need, your heating and your medical journals?

**Mr. Andrew Lewarne:** No. I've included none of that. I've just taken the base gross, the potential savings that we have in the first year, and then what it would mean in the further years.

**Ms. Lisa MacLeod:** So your burden will actually be a lot higher than that, is the point I want to get at. You're going to be hit with everything else as well. I imagine many members of your organization do need medical journals and supplies—

**Mr. Andrew Lewarne:** I will, and I can actually give you a very good example of that. I have a client who is WSIB. WSIB is tax-exempt, but the time that she needs for the treatment is over what they will pay. So, up front we have what the WSIB is paying, which is tax-exempt, and then she's paying on top of that in order to get the proper time for the kind of treatment that she needs, and it will cost her a further 8%.

**Ms. Lisa MacLeod:** Or she'll be forced out and she will not get proper treatment—

**Mr. Andrew Lewarne:** Or she'll be forced out; she won't be able to afford it.

**Ms. Lisa MacLeod:** My colleague has a question. Thank you.

**Mr. Norm Miller:** I think I get about 10 seconds to ask this question.

**Ms. Lisa MacLeod:** Sorry.

**The Vice-Chair (Mrs. Laura Albanese):** We only have 30 seconds left, so I just want to let you know.

**Mr. Norm Miller:** One point I think I should make is the question of fairness, because a physiotherapist will not pay the tax but you will pay the taxes on massage therapists.

**Mr. David Melanson:** Physios, chiros—we're all roughly in the same boat, yes. They're not collecting any tax.

**Mr. Norm Miller:** And you really won't get many input tax credits. So pretty much the whole 8% is going to be passed on to the consumer, which will result in less demand for your services.

**The Vice-Chair (Mrs. Laura Albanese):** I'm sorry, Mr. Miller, but the time is up.

Thank you very much.

## ONTARIO ATHLETIC THERAPIST ASSOCIATION

**The Vice-Chair (Mrs. Laura Albanese):** We'll call our next presenters: the Ontario Athletic Therapist Association. Please come forward and have a seat. Please state your name before you begin. You will have up to 10 minutes for your presentation.

**Ms. Andrea Prieur:** Thank you. My name is Andrea Prieur, from the Ontario Athletic Therapist Association. I'd like to thank the Chair and thank you for the opportunity to appear before the committee.

Currently I'm an owner of an athletic therapy clinic in Caledon, and I also work at the University of Toronto in the David Macintosh Sport Medicine Clinic. I'm here today representing the Ontario Athletic Therapist Association and our 1,414 members across Ontario.

We fear that the introduction of HST next July will be the beginning of the end for the athletic therapy profession in Ontario. Listening to some of the reasons why just earlier, they're similar reasons.

Athletic therapists are not yet statutorily regulated in any province of Canada. We have our own national self-governing body that certifies athletic therapists, accredits athletic therapy programs in university, enforces a code of conduct and administers a complaints and disciplinary process that mirrors statutory regulation, but we don't yet have statutory regulation in place. In Quebec, work has begun to have athletic therapy regulated as part of the physiotherapy profession, and in Ontario, discussions are under way for athletic therapy to be regulated under the RHPA.

Because we're not yet regulated, the services that athletic therapists provide and the clinics we operate are not GST-exempt and therefore will pay the full freight for the combined PST and GST when the HST is implemented in Ontario. The PST is not payable on the services that we provide today.

Why do we think the HST is the death knell for our profession in Ontario? Quite simply, it puts us at a major disadvantage in terms of the prices we charge for our services relative to those other health care professions in the exact same manner of massage therapy. So physiotherapy, chiropractic and soon-to-be kinesiology, which will be exempt—that's who we typically compete with. Sustaining the cost differential created by the GST is bad enough. The additional cost differential created by the HST will be a killer.

We're deeply concerned that the clinics and the other organizations and individuals who employ athletic therapists as independent contractors or sole proprietors will look for the lower-cost alternatives presented by members of other professions that are GST-exempt.

We're deeply concerned that clients of athletic therapy will be incentivized to go to physiotherapy or chiropractic clinics down the road that won't add HST to their bills or will eat it within. Despite the fact that the services we provide are at least comparable to the services by other professions that are exempt, we believe the cost

differential created by the HST will be enough to tip our patients towards the GST-exempt professions. This is particularly the case given the very price-sensitive and intensely competitive environment we currently face and expect to face for the foreseeable future because of the economic situation.

Whatever other fiscal or economic benefits the HST might generate, I am in no position to comment on them or whether in fact they exist. My association believes that as a basic principle it is fundamentally wrong for tax policy to distort the marketplace and to interfere with the competition this way. Decisions relating to a person's health care should not be tax-driven or even tax-influenced.

In response to the HST, athletic therapists will have some options, none of which are particularly attractive. One option is to reduce our charges to patients in order to remain competitive. This means that our clinics or individual athletic therapists who work as independent consultants will be less profitable or will lose their business viability.

Another option for individual athletic therapists is to obtain registration with one of the RHPA colleges whose members are or will be HST-exempt, such as the college of physiotherapy and/or the college of kinesiologists. This would mean that our profession loses its identity, control and basically loses the control over destiny and viability.

We have done some basic financial modelling on the impact of HST and the athletic therapy practice compared to other likewise health care practices that are HST-exempt. In our written submission, you will see the negative differential that HST creates for our practices.

As I said earlier, we are confronted with a brutal Hobson's choice: Risk going out of business by eating the net cost of the HST after the input tax credits so we remain competitive, or risk going out of business because our clients will turn to lower-price alternatives. I'm afraid that our choices are stark.

Another option for individual athletic therapists is to become employees, but this option is realistic only for a very few because of the current economic environment.

The OATA is pursuing regulation under the RHPA, but even under the best-case scenario this objective won't be reached for several years. While waiting for regulation, our profession could easily wither and die.

Chair and members of the committee, thank you for your attention and consideration in having me here this morning. I'm open to any questions.

**The Vice-Chair (Ms. Sophia Aggelonitis):** Thank you. I will now turn it to the NDP caucus for questioning. Mr. Prue.

**Mr. Michael Prue:** Thank you very much. I was listening intently to what you said, but I was also glancing on the last page, which is, I guess, the bottom line for you in this whole thing. I note that if the HST is implemented and if you are required to eat it, then you're going to be running at a loss.

**Ms. Andrea Prieur:** Yes.

**Mr. Michael Prue:** First of all, I don't know how any business can continue to run at a loss.

**Ms. Andrea Prieur:** It is a little bit different because the majority of our members are consultants who work for private practices. So, in that essence, they don't have input tax credits to put against as an expense to their overall business. The clinic itself that may be owned by a private person, a chiropractor or a physician—they're the ones who are using the costs and paying for those GST costs overall.

**1030**

Right now we would be at a loss, and those independent consultants who are working for clinics are in fact going to have to change to other professions to maintain a living. They will not be able to work.

**Mr. Michael Prue:** You may have said this but I didn't catch it: How many athletic therapists are there in the province?

**Ms. Andrea Prieur:** Certified, there are 414 in Ontario. And we're the largest province with membership across Canada.

**Mr. Michael Prue:** When you said you'd have to look into other professions, would that mean going into those professions that don't pay HST—

**Ms. Andrea Prieur:** Possibly, but that's—

**Mr. Michael Prue:** —and how would you do that, other than I guess applying and taking other accredited courses to move—

**Ms. Andrea Prieur:** They'd have to go back to school. Some of ours look at the option of going into teaching. They're so totally discouraged about the business practice that they move away from the therapy side, and we're losing excellent therapists in Ontario that deal with orthopaedic and neuromuscular injury.

**Mr. Michael Prue:** Before today, have you had an opportunity especially to speak to government members or to the finance ministry or anybody else about this potential problem?

**Ms. Andrea Prieur:** Yes. We've had two meetings so far with both sides of the government, and they have been open to listening to what we have to say. This opportunity came up, so we're using it as yet another venue to discuss our dislike.

**Mr. Michael Prue:** And did they offer any kind of hope? The reason I'm asking that is that both the finance minister and the Premier in question period have stated categorically that there are going to be no further changes made and that they're looking at creating all these jobs, which are mythical. They just seem bound and determined to go, no matter who gets hurt.

**Ms. Andrea Prieur:** That's basically what we've been told. They have been open to the suggestion of us trying to get in with another group, through the RHPA, which would cause that automatic exemption. But currently we're being flipped back and forth from each government, from the implementation to the process aspect. So we've been given no direct answers.

**Mr. Michael Prue:** Okay, so the government recognizes this is a difficulty, but they're suggesting that you, I guess, give up your accreditation—

**Ms. Andrea Prieur:** Yes.

**Mr. Michael Prue:** —your association, and join someone else.

**Ms. Andrea Prieur:** Right now that's the only answer.

**Mr. Michael Prue:** Thank you very much.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you for your presentation.

PROVINCIAL BUILDING  
AND CONSTRUCTION TRADES COUNCIL  
OF ONTARIO

**The Vice-Chair (Mrs. Laura Albanese):** I'm advised that our 11:15 presenters are already here in the room, and I believe that the 11 o'clock one is not. So I would then ask the Provincial Building and Construction Trades Council of Ontario to please come forward. Good morning and welcome to our committee. Please state your name before you begin your presentation.

**Mr. Michael Prue:** Vice-Chair, the to-be-confirmed—

**The Clerk pro tem (Mr. William Short):** That's an empty spot.

**Mr. Michael Prue:** A cancellation?

**The Vice-Chair (Mrs. Laura Albanese):** Yes, that was—

**Mr. Michael Prue:** Okay.

**The Vice-Chair (Mrs. Laura Albanese):** It is an empty spot.

So, again, you may begin your presentation at any time. Thank you.

**Mr. Patrick Dillon:** Good morning. I'm Patrick Dillon, a business manager of the Provincial Building and Construction Trades Council of Ontario. With me is John O'Grady, from Prism Economics and Analysis.

Our council has 13 international unions affiliated. We have 65 training centres throughout the province. The Ontario Construction Secretariat estimates the training system investment to be \$191 million, and we do thousands and thousands of hours of training of apprentices and journeymen at those training centres.

The purpose of the submission today: First, we want to convey the general support of the Provincial Building and Construction Trades Council of Ontario for the introduction of the harmonized sales tax and to set out our reasons for that position. Second, we want to remind the committee of the need to take account of the negative distributional effects of the HST. While these should not be exaggerated, they are real and they require consideration. Third, we want to address a serious weakness in the proposed implementation of the HST with respect to residential construction.

The building trades are strong supporters of our public sector and the services and support that it provides to both working people and to those who are in need of our support. We believe in high-quality, accessible and universal health care. We believe in high-quality public education and in high-quality and accessible post-secondary

education. We believe in providing support to those who are in need. We believe in the importance of renewing and strengthening our province's physical infrastructure. Lastly, and this point is critical, we believe in the central importance of governments having a fiscal strategy that properly funds our public sector and the work that it does.

We do not want to go down the American path where governments are in chronic deficit, the public debt and the costs of serving that debt mount, and the public sector, as a consequence, is starved of resources. We understand how they do things in the United States and we don't really want to be part of it. We want to see a strong and vital public sector, and that means a public sector that is properly and soundly financed.

We understand that the HST will not be revenue neutral. We understand that the HST is not simply a replacement for the retail sales tax. The HST will increase the revenues of the provincial government. The HST will also structure those revenues so that they increase in line with overall economic growth.

We believe that the projected deficit of \$24.7 billion is manageable, but only if steps are taken to strengthen the revenue side of the fiscal equation. Servicing the provincial debt currently takes about 9.2% of provincial revenues. Under any plausible scenario, deficits will be with us for the next few years, and therefore the provincial debt will increase. Consequently, there is a very real risk that the share of revenues that must be devoted to debt servicing will also increase. If the costs of debt servicing were to increase significantly, then the province's capacity to support its public sector commitments would be jeopardized. That would mean cuts in health care, education, social programs and infrastructure renewal.

The members of the Provincial Building and Construction Trades Council of Ontario believe that it is essential to protect the public sector. Consequently, we believe it is important for the revenue side of the government to be in sync with its commitments to improved health care, public sector education, sustainable social programs and significant infrastructure renewal.

When our council looks at the structure of the provincial government's revenues, we do not see a realistic alternative to the HST. A modern, progressive welfare state or social democratic state needs to be financed by a diverse range of tax instruments. It cannot rely on a narrow range of tax instruments. The current retail sales tax applies only to goods and to a handful of services. And of course it does not apply to food. For many years now, the economic trend has been to increase the service share of the economy and to reduce the goods share. It is time for the sales tax to catch up with that change.

For the vast majority of citizens, probably about 60% to 65%, there is no substantive difference between an income tax and a sales tax in terms of the distributional consequences. For the bottom 20% to 30%, however, there is a difference. Without offsets, the bottom 20% to 30% could pay more as a result of the harmonized sales

tax than if the same revenues were to have been raised through the income tax system. The offset rebates are therefore very critical.

We believe it is important that this committee look at the distributional effects of the harmonized sales tax with a view to ensuring that the tax credits that are delivered through the income tax system neutralize the adverse distributional effects.

In addition to strengthening the revenue position of the provincial government, the harmonized sales tax is also good tax policy when compared with the current retail sales tax. The retail sales tax is embedded into the cost of commercial and industrial structures and capital equipment. The harmonized sales tax is not. Changing from the retail sales tax to the harmonized sales tax reduces the cost of investing in commercial and industrial structures and in capital equipment. That is an important consideration. Committee members are no doubt aware of the economic study done by Jack Mintz which documents the job-creating impact of this change.

**1040**

I also wish to put on the record the strong opposition of the Provincial Building and Construction Trades Council of Ontario to the slash-and-burn alternative that may be attractive to some members of this committee. There is, of course, an alternative way to get control of the physical situation—an approach that does not require strengthening the revenue position of the provincial government—and that is to push through wholesale cuts in the public sector, probably accompanied by legislated controls on public sector wages and salaries. We absolutely reject that alternative.

I now want to comment on the HST and the residential construction sector. The current economic context is important. The residential construction industry has been very severely affected in this recession. In the greater Toronto area, for example, housing starts on a year-to-date basis are down by 42.2%, according to CMHC. We are counting on a turn-around in residential construction to give momentum to Ontario's so far quite feeble economic recovery.

The rule of thumb for residential construction is that building materials account for about 25% of construction costs. The transitional measures for the proposed HST include a rebate structure that effectively keeps the tax rate the same for properties costing \$400,000. The problem is that in the greater Toronto area, according to CMHC, the average selling price of a newly constructed single-detached house is significantly more than \$400,000. According to CMHC, the average newly constructed single-detached house sold for \$608,496 as of October this year. The embedded retail sales tax portion of that cost was around \$12,000; however, the HST that would be payable would be \$24,680. This is an increase of \$12,510. On top of this, the new house purchaser will also have to pay HST on legal services, inspection services, mortgage insurance and, of course, on many of the other purchases that normally accompany investing in a new home.

In our view, the residential construction sector is too weak at this time to sustain tax increases of this order of magnitude. We recognize that the intent of the transitional measures is to reduce the impact of the HST on new residential construction. However, those transitional measures do not go far enough. We urge this committee to recommend to the government that it double the threshold for rebates from \$400,000 to \$800,000. This would ensure that the effective tax rate will not increase for any newly constructed housing unit under \$800,000. As the economy improves and the residential construction industry strengthens, this threshold could be reduced. At this time, the last thing that residential construction needs is a major tax increase.

Conclusion: First, the Provincial Building and Construction Trades Council of Ontario supports the introduction of the HST as a necessary means of strengthening provincial revenues, protecting the public sector and creating some much-needed jobs.

Second, the Provincial Building and Construction Trades Council of Ontario urges the committee to pay close attention to the distributional effects of the HST and to ensure that necessary offsets are in place to protect the bottom 20% to 30% of our province.

Third, the Provincial Building and Construction Trades Council of Ontario is deeply troubled that, as currently designed, the HST will have a serious impact on the residential construction industry, and that this impact could further weaken Ontario's already weak recovery. We urge this committee to double the threshold in the transitional measures, such that new housing units under \$800,000—

**The Vice-Chair (Mrs. Laura Albanese):** I'm sorry. The time has expired. I'm going to have to interrupt you.

**Mr. Patrick Dillon:** All right.

**The Vice-Chair (Mrs. Laura Albanese):** Sorry about that. I will now turn it over to the government side for five minutes of questioning. Mr. Hoskins.

**Mr. Eric Hoskins:** Thank you, Mr. Dillon, for your presentation today. I think it's very much appreciated by all parties here that you and your colleague have taken the time to appear before this committee on this very important issue. I want to add that your industry in particular is not only an important one, but it will be vital in the months and years ahead in helping this province emerge from the current recession and its impact on the economy and the citizens and families of Ontario, and it will be extremely important in helping us further strengthen the economy as we emerge.

I also want to express the government's appreciation for your clear indication of your industry's general support for the HST and the other tax measures that are being put in place. Perhaps I should also use this opportunity to say—I've sort of been taking notes—that you're the 12th presenter so far this morning, and of the 12, I would say a clear majority have expressed their general support for the HST and the tax reform measures. Certainly some have indicated—

**Ms. Lisa MacLeod:** Point of order: That is completely inaccurate.

**The Vice-Chair (Mrs. Laura Albanese):** It's not a valid point of order. Please continue.

**Mr. Eric Hoskins:** Certainly, some have expressed concerns about how elements of the HST and the tax reform will be applied to their specific profession or industry, but the general support has been clear.

You spent some time talking about the distributional effects of the HST, and I think you were very appropriately expressing your concern and that of your associates for the most vulnerable members of society here in Ontario. You remind the government—I think you reminded all of us—that it's important, as we move forward with these economic measures, that we take steps to ensure we protect the most vulnerable, but you don't go into specifics about some of those protective measures.

I think you refer to tax credits, and by tax credits, I assume you're referring to such items as the permanent decrease in income tax that 93% of Ontario families will be paying beginning January 1 of next year; the increase in the property tax credit that will be made available, which again affects those on low or fixed incomes most; the new sales tax credit, which will benefit those who are most vulnerable; and the increase in the child tax benefit. Along with other tax measures, am I correct that those are the sorts of measures you are looking to make sure this government puts in place?

**Mr. Patrick Dillon:** I'll turn to Mr. O'Grady to comment on that.

**Mr. John O'Grady:** Those would certainly be the broad types of measures we're focused on with respect to offsetting the negative distributional effects of the harmonized sales tax, and we have to recognize that there are some negative distributional effects that are implicit in that kind of tax instrument. Probably the most effective mechanisms for offsetting those negative distributional effects are tax credits that are directly associated with income.

**Mr. Eric Hoskins:** My other question would be that Jack Mintz has suggested that approximately 600,000 new jobs will be created in Ontario in the next 10 years as a result of these tax measures that we're talking about. Do you believe that that change and that increase in new jobs would be beneficial to your industry?

**Mr. Patrick Dillon:** We would have to say yes. We think that the numbers might be optimistic, but we hope they're accurate. It would have a very positive impact on the construction industry and, I think, on the whole economy of the province of Ontario if those numbers are anywhere accurate at all.

**Mr. Eric Hoskins:** Thank you very much for your time today.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you for your presentation and for coming down this morning.

KATHERINE WEBSTER

**The Vice-Chair (Mrs. Laura Albanese):** I would now call Katherine Webster.

**Mr. Wayne Arthurs:** Would it be reasonable, given that we are about 10 or 15 minutes ahead of our scheduled time, to take a short recess and reconvene at 11?

**Mr. Michael Prue:** I would think that if the next one wasn't here, that would be appropriate.

**Mr. Wayne Arthurs:** Fine. I was just suggesting that if we have a bit of a window, maybe a 10-minute break, but I'm happy to hear the deputation.

**The Vice-Chair (Mrs. Laura Albanese):** We'll hear this deputation, and then we'll see.

I would ask Ms. Katherine Webster from the Tim Hortons franchise to come forward. Could you restate your name for the purposes of Hansard? You will have up to 10 minutes for your presentation.

1050

**Ms. Katherine Webster:** Thank you. My name is Katherine Webster, and I'm a Tim Hortons franchisee. Madam Chair, members of the committee, thank you very much for allowing me the time today to see you.

My husband and I have been franchisee operators in Vaughan for just under 10 years. This is the second time I've appeared before a government committee to speak on the subject of harmonization of the provincial and federal sales taxes. When I was here in May, I brought another Tim Hortons franchisee with me, and we spoke about the impact that an 8% increase on meals under \$4 would have on our customers and on our business.

Since the announcement of the government's plans to harmonize the taxes, Tim Hortons, restaurant trade associations and other quick-service restaurant companies have worked together with the government to find a way to keep the exemption on low-cost meals. Recently, the Minister of Finance announced the exemption would continue, and I'm here to speak in support of that decision and explain why it is important to consumers and franchisees like myself in Ontario.

As long as I've been in business, Ontario has recognized that low-cost meals and restaurants should be treated the same as food purchased in grocery stores for taxation purposes. The era of the stay-at-home mom making breakfast each morning, preparing lunches, having a meal on the table at 6 p.m. ended a long time ago for most families in Ontario. With less than a quarter of Canadian families eating a home-cooked, made-from-scratch meal each day, Ontario families are now on the move, and we are including grab-and-go meals in our daily routine.

In recognition of the changing lifestyle, my business changed as well. We've responded by providing good-quality meals at affordable prices, and we've increased our nutritional options for families and for customers in general. So it's not just about offering that quick snack like we used to do on the way to and from a destination. We're providing meals at all times of the day, morning through night.

If you take the example of our morning customers, they're not just your average commuters getting breakfast and a coffee. They're mothers and fathers taking their

kids to school. As a former schoolteacher, I know the importance of having a child ready to learn, and that's a big breakfast, that's a full breakfast. Sometimes that's not possible. Having them ready and out the door is sometimes all you can manage. So grabbing that carton of milk and a wholegrain bagel or a yogurt is the best substitute that we can offer.

I can tell you with absolute certainty that the prospect of that 8% increase on people's morning coffees, their child's meal, that quick dinner on the way home from work or on the way to their kid's hockey game posed a great deal of concern for our customers, and in some cases, anger.

As Tim Hortons operators, my husband and I are very hands-on in our stores. We're there every day. We know our customers, we get to know them very well, and we watch them. They are counting their nickels and dimes. This exemption is very important to them. The average bill in my store is between \$2.75 and \$3.50, and so maintaining that meal exemption means that my customers are going to keep that 25 cents in their pocket that they would otherwise have spent per visit. For people watching their pennies every day, the prospect of a quarter on every meal was not going over very well, specifically for people on low and fixed incomes.

About two blocks away, I actually have two seniors' homes. I also have two high schools and two public schools. The seniors, in particular, are customers on a regular basis. I'm sure you are well aware that sometimes the destination is what matters to the senior community. They need to get out, they need to get some exercise, and our store is a destination where they meet with their friends. To have them talk with us and express to us a concern that the exemption was going to go—because that quarter matters; they watch those pennies. So, on the whole, our customers understand that it's them, it's consumers, not corporations, who pay that tax, and they were faced with an increase at a time when they could least afford it.

Harmonization, if it proceeded as originally planned, would have had a significant impact on my business as well. I anticipated a loss, and I could only base that on what my fellow franchisees told me about the drop in sales in 1991 with the introduction of the GST. So we could reasonably anticipate that sort of a response if there was no \$4 exemption.

But those losses would not have been recuperated by business people in my community, or in my business, because most of my costs are food and labour, which are not covered by PST. I might have saved some money on cleaning supplies or on office supplies, but really not very much. So continuing the exemption means that that drop in sales is less likely, and, in turn, it's going to help me maintain the current employment standards that I have in my store. This is obviously very important to the people we employ, as well as to young people and students who often get their start in the workforce in my industry.

The decision to continue the \$4 exemption—the under \$4 meals—is going to maintain the status quo we've had

between low-cost restaurants and grocery stores, and more expensive restaurants. It's not giving any kind of specific advantage to small, independent restaurants or quick-service chains like mine. It's ensuring that customers have access to healthy, nutritional food at lower cost; it means that seniors who already come to our store can continue to do so; and it means that our community, our students and our new Canadians can continue to be assured of employment. The decision to maintain the historic \$4 exemption is the right thing to do for our customers and for our business.

On behalf of Tim Hortons customers in Vaughan, and on behalf of my fellow franchisees, I thank you very much for listening to me, and I thank the government for continuing this 50-year tradition of exemption.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for your presentation. I will now turn to Ms. MacLeod for questioning.

**Ms. Lisa MacLeod:** Welcome to Queen's Park; I appreciate your coming. I'm very happy that you received an exemption. One of the concerns the official opposition had was meals under \$4, and we were able to fight that and ultimately win on those grounds.

While you're here, I have a good relationship with my local Tim Hortons: Bill Houldsworth and his wife are great community leaders.

I think I'm going to speak more to the Tim Hortons brand than maybe to the meals under \$4. Regardless of what community you live in, in this nation, Tim Hortons is known for a couple of things. Of course we all know the morning double-double for many people, or for me, my double chai, but you're also known for promoting kids' hockey, Timbits hockey. You're also known—probably best known in philanthropy—for your kids' camps. Each year, I get to do the celebrity pouring, and I mess up every double-double coming my way—it's really not a double-double; it's a quadruple-quadruple.

You need to realize one thing: As much as meals under \$4 are going to be exempt, kids' sports are going to increase, and that means ice hockey fees are going to go up—I was able to be with some Timbits yesterday through the Nepean Raiders while we were doing a photo op with the local city councillor.

Kids' camps: We've already heard from the Ontario Camps Association, who said that camp enrolment will likely go down because it's going to become more unaffordable because of the registration, and there may be jobs lost as a result of that.

I'm wondering if you've given any thought at all, as a franchise owner, to what impact the HST will have on organizations you support. Will you, for example, be increasing the amount of money your store gives to these various sports and camp organizations?

**Ms. Katherine Webster:** I have to say that we've got a great group of people behind us who organize this, and I trust them implicitly. My focus through all this was my customers. It was seeing what they were concerned about and bringing that message here. For them, at the store level, it was \$4—it was that. As much as those are very

valid issues, they're not issues I have spent any time on recently. I have to defer to my corporate office and to the camp offices to make those decisions.

**Ms. Lisa MacLeod:** So there's been no sort of impact analysis?

**Ms. Katherine Webster:** Not that I know of.

**Ms. Lisa MacLeod:** Okay. My colleague from Parry Sound–Muskoka also has some quick questions.

**Mr. Norm Miller:** I too am a regular user of Tim Hortons.

**Ms. Katherine Webster:** User?

**Mr. Norm Miller:** Yes, I admit. Where do I sign up for treatment?

I guess one of the concerns I have is that you mentioned that people are counting their nickels and dimes and that this is also a shift to consumers in terms of taxing more things, and you're happy about getting the \$4 exemption. I guess my question would be: Are you concerned that people won't have any money left because they're going to be paying the 8% on so many things, like heating oil, electricity and gas for their cars? They may save it on under-\$4 meals, but they may have used the money on all the other things that are taxed by the law.

**Ms. Katherine Webster:** Again, you're talking to someone who has had some pretty strong tunnel vision in the last few months focusing on this issue. The broader issues are aspects that I just can't speak to in my capacity as a franchisee. I can only really focus on this aspect, on the \$4-meal exemption and supporting our customers in that particular way.

**Mr. Norm Miller:** My other question would be: So the meals under \$4 are fine, but what percentage of your sales would be more than \$4, so the tax would apply?

**Ms. Katherine Webster:** I haven't done those numbers. With the average ticket being below \$4, I know that the vast majority of our customers would have been affected if we'd lost that exemption. Over that amount—I can't tell you. That amount is pretty much chain-wide or at least certainly in Ontario. It's across the board at that level.

**Mr. Norm Miller:** Okay, thank you.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for your presentation.

We'll be recessing until 11:25. Thank you.

*The committee recessed from 1100 to 1125.*

#### YMCA ONTARIO

**The Vice-Chair (Mrs. Laura Albanese):** Our recess is over and we'll move forward right away to hear our next presenter, from YMCA Ontario. Please come forward and take a seat. I'll go through the protocol again. You'll have 10 minutes for your presentation. After that, we will have five minutes of questioning. The parties are going in rotation; therefore, the next one will be the NDP. You may state your name, please, for the purposes of recording Hansard, and you may start.

**Mr. Rob Armstrong:** It's Rob Armstrong.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. You may start now.

**Mr. Rob Armstrong:** First, I'd like to thank the committee here for inviting us and having an opportunity to speak on this topic. As I said earlier, my name is Rob Armstrong, and I'm the senior vice-president of YMCA Ontario.

When this particular topic came up, we in the area of recreation had a lot of interest in it, and we actually formed a bit of a coalition. So I am here not only representing the YMCA, but the information that we're going to be sharing with you is supported through Parks and Recreation Ontario, the Ontario Recreation Facilities Association, Sport4Ontario and the Sport Alliance of Ontario.

Getting active is an integral part of the daily life of Ontarians and is a major contributor to Ontario's economy. An estimated \$4 billion is spent annually on goods and services related to sport, recreation and physical activity. There are 7,500 incorporated sport and recreation organizations in Ontario and many more grassroots, unincorporated groups. More than 2.3 million Ontarians participate in sport and recreation activities, which are supported by over one million volunteers.

There are many reasons for modernizing our tax system, and we understand the enormity of this task. We also acknowledge that the government has stated there will be no more exemptions from the HST. However, the YMCAs of Ontario urge you to reconsider, as we could miss a unique opportunity, in our minds, to lay the groundwork for a healthier Ontario. The government has a chance to make decisions that will have a lasting effect on the health of our society, and we should not let that pass.

Before I go into that, I'd just like to give you a little bit more of a profile about the YMCAs in Ontario. There are 24 legally incorporated bodies in Ontario. We represent and work in over 125 communities, and we work with over 1.2 million people in Ontario. Some 550,000 of those are members in the area of health, fitness and recreation, and 187,000 are teens or young adults.

I think we all know that it takes more than physical activity to be healthy. It depends on a variety of determinants of health, including where you live, the food you can afford to buy, the strength of your social support networks and your employment status. But we also know that participating in sport and recreation goes a long way in positively affecting those very same things. Simply put, the economic, health and social impact of participation in sport and recreation is too big to ignore.

#### 1130

It is estimated that physical inactivity costs the Canadian health care system \$5.3 billion a year—about 5% of your total health care budget. The Ontario government's own plan for healthy eating and active living argues that obesity alone costs Ontario about \$1.6 billion. Just last week, the Fraser Institute released a study claiming that Ontario's health care expenditures are growing at a faster pace than revenues and that by 2014 Ontario will be spending half of all available revenue on health care.

There is another option, one that I think you have already identified, and that is prevention. We believe your Ministry of Health Promotion actually works in that particular area, and we're very proud to be working with them. Your own Ontario plan for healthy eating and active living argues that a healthier population could save billions of dollars every year in health care costs. The strategy cites research findings that 90% of type 2 diabetes and 80% of coronary heart disease could all be avoided if we were just a little bit healthier. The ministry also promotes the statistic that physical activity, diet and maintenance of appropriate body weight can prevent between 30% and 40% of all cases of cancer.

So if the government could noticeably reduce health care costs by encouraging Ontarians to get active, why include recreation fees in the HST? Under the new HST rules, teen and adult recreation memberships and program fees will become subject to the full HST. Currently, these fees are charged at 5% GST. When we go to the HST, we actually will be increasing those fees by another 8%.

The benefits of recreation are well-defined. Dr. Gina Browne did some research in the Hamilton-Burlington area with the YMCA and came up with two very impressive findings: The use of social assistance decreased with the use of child care and recreation services by 15%—15% of people actually exited social assistance within a year—and the use of recreation services paid for itself through reduced costs of probation, child psychiatry, child psychology and social work.

In 2008, the YMCAs and YMCA-YWCAs saw almost 550,000 Ontarians participate in health, fitness and recreation; 187,000 of them, as I said before, are between the ages of 14 and 29—the demographic most certainly to be affected by this increase in tax. In 2008, 31,266 of these teens and young adults were actually financially supported by the YMCA, because they could not afford the cost of memberships. Certainly that group is going to be affected by this particular tax, and we feel that we will have to be supporting even more people with the increased cost of 8%.

The YMCAs in Ontario note the government's proposed income tax reductions and the new and enhanced tax credits to soften the impact of the HST, but the reality is that these rebates aren't going to be top of mind for most people as they look at their monthly budget. If faced with a choice between life's essentials, must-haves or most likely to like, we know that people are not going to be choosing recreation, particularly when they have to pay that cost upfront in the form of a tax.

Our first recommendation would be an exemption from HST for sport and recreation programs and memberships in order to ensure that all Ontarians receive the health and social benefits of participation.

I'd like to move on into the area of the age exemption with the children's tax. In the charitable sector, the current age exemption for GST/HST for sport and recreation programs is 14 years and under. The coalition that we are members of proposes that the age exemption

be aligned with the federal children's fitness tax credit, which is applicable for children aged 15 years and younger. While this one year may seem insignificant, research shows that this is a crucial time for keeping teens engaged as participation rates continue to drop. We know that time frame between about 12 to 18 years of age is critical, and we feel that change in age, moving it from 14 to 15, would be very positive in continuing to keep that age group encouraged and involved.

**The Vice-Chair (Mrs. Laura Albanese):** I would just like to remind you that we have about two minutes left for the presentation.

**Mr. Rob Armstrong:** Thank you very much.

The third recommendation we have is in the area of injury prevention. Your current injury prevention strategy was implemented in 2007. The current proposal around HST really is talking about applying full HST to all of the safety- and health-related equipment. Our recommendation there would be to allow an exemption on the HST on all safety equipment for sports and recreation to ensure that children and youth have better access to safety gear and have a decreased risk of preventable injury.

Our fourth and last recommendation is around over-night summer camps. Currently, we pay tax on what would be called the overnight portion of camping—so the food and the accommodation. That translates to about a \$40-a-week difference if we want to charge the HST on everything. Camping, if you've ever been involved in camping, is among the most profound peace that kids can enjoy—and impactful. We would like to recommend that you do not add the HST—that it not be applied to the accommodation portion of overnight summer camps—so that youth can have a safe, fun and developmentally appropriate experience.

Those are four recommendations that we bring forward. They're all centred around what we believe is an alignment between the current health policy here in Ontario and your tax policy. We believe that it's almost counterintuitive to want to tax particularly children when we're trying to encourage them, on the other hand, to be active.

I'm open for questions.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for your presentation. I will turn it to Mr. Prue of the NDP caucus for five minutes of questioning.

**Mr. Michael Prue:** Thank you very much. You've made a good presentation here.

In terms of sports and recreation programs, what do you anticipate would be the dropout rate by adding an extra 8% onto these programs?

**Mr. Rob Armstrong:** That's a very good question. We know that access to recreation is the biggest barrier we have, and that access translates in a lot of different ways. It can be physical access. It can be the inability to get there. But price is the number one reason why people cannot be involved. I don't have a number on the actual percentage that it would go up. But as I said, in camps, or in our world, in membership, you're looking at about a



\$70-a-year increase. But I don't really know the answer in terms of what kind of drop-off we'd have.

**Mr. Michael Prue:** It certainly won't increase the rate if we add 8%.

**Mr. Rob Armstrong:** No, I don't think that—that would be a fair answer. It will not increase the rates.

**Mr. Michael Prue:** Now, I'm worried about the campgrounds and camping. We had the Ontario Camping Association—I think that was their name—here yesterday. They talked about the number of camps that would be forced to close and, if not close, how the number of primarily students who get summer jobs there will decrease because the price point will not be competitive with camps in other jurisdictions, be that Quebec, Manitoba or the United States. Do you anticipate that the number of kids going to camp will decline—I mean, I think you've said as much—and if so, by how much?

**Mr. Rob Armstrong:** We do believe that it will decline. In our world, I guess I'd say what would really happen is that the request for subsidization would go up. We would try and make sure that all the kids get to go to camp, but we'd have to come up with the money to try and subsidize them. That, again, would put a lot of stress on our system.

In our world, I don't believe that we in the Y believe that we would end up closing any camps, but we anticipate probably about a 10% difference between our subsidy rates and our full-fee members. So our subsidy would go up by about 10%, if we can afford to do it.

**Mr. Michael Prue:** I just saw last week that the Girl Guides of Ontario were being forced to sell camps, which I'm sure they never thought they would be forced to sell as well, because of the costs and the participation rate. Is this a very real fear in the future, or a possibility in the future, that if the participation does not continue or if the subsidy is not available, there will be no alternative? Because I'm worried about the long term.

**Mr. Rob Armstrong:** Well, I think the Girl Guides is a really good example. It doesn't take a very big drop in percentage occupancy before you end up in trouble. Camps, as you can appreciate, are very capital-intensive. You've got cabins and dining halls. You've got many, many camps that are very old. We've been working on a number of our camps where you've got a septic system built in 1925. We have to replace those things. So the capital costs are very high. Health-and-safety-wise, you can't have a camp that's not operating efficiently. So there's a lot of cost, and I believe our break-even in camp is about 77% occupancy. Anything below that, we start losing money.

**Mr. Michael Prue:** The YMCA, like many charitable organizations, is having a hard time raising funds. I just read last week again how the United Way is having a hard time raising funds because of a combination of factors, but mostly the recession. Is the YMCA having that kind of problem, and if so, how is this going to affect the subsidy—

**The Vice-Chair (Mrs. Laura Albanese):** Fifty seconds left.

**Mr. Michael Prue:** —especially with the 8% tacked on?

**Mr. Rob Armstrong:** We would have what we would call a fundraising deficit. In Ontario, we give away about \$8.5 million worth of memberships, camperships and that kind of thing. I think we raise about half of that. I'm sure you all know it's a very competitive world out there right now in terms of fundraising. Eight per cent will be a stretch for us. I think the reality is, some kids just won't go to camp. It's as simple as that.

**Mr. Michael Prue:** Thank you very much.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for your presentation.

We will take a very brief recess until our 11:45 presenter gets here. Thank you.

*The committee recessed from 1141 to 1145.*

#### INSTITUTE FOR COMPETITIVENESS AND PROSPERITY

**The Vice-Chair (Mrs. Laura Albanese):** We will reconvene. The 12 o'clock presenter is here. We will call the Institute for Competitiveness and Prosperity to come forward. Thank you. Welcome, and please state your name. You'll have up to 10 minutes for your presentation.

**Mr. Jim Milway:** Great. My name is Jim Milway. I've got a prepared statement that I think you should have copies of. Thank you very much for the opportunity to meet with you today.

The Institute for Competitiveness and Prosperity is an independent organization established in 2001 to support the Task Force on Competitiveness, Productivity and Economic Progress. Our mandate, as announced in the 2001 Ontario speech from the throne, is to measure and monitor Ontario's competitiveness, productivity and economic progress compared to other provinces and US states, and to report our findings to the public on a regular basis. The task force and the institute are chaired by Roger Martin, dean of the Joseph L. Rotman School of Management at the University of Toronto.

Last March, the Ontario government introduced bold tax reforms that will benefit all the province's citizens. The reform package has several elements. It replaces the province's antiquated retail sales tax with a value-added tax harmonized with the federal goods and services tax. It reduces corporate income taxes. It eliminates capital taxes on business assets. It reduces personal income tax rates. Taken together, these reforms will make Ontario one of the most favourable places in the world for new business investment—and it's currently one of the worst.

The most contentious part of the package is the harmonized sales tax. HST critics are recalling the imposition of the unpopular federal GST, but focusing on this part without considering the whole package isn't very useful. It's like complaining that your auto shop removed the regular tires from your car without acknowledging that they put on snow tires to improve your safety.

With the proposed HST, businesses would no longer pay sales taxes on goods they purchase. They currently pay the provincial sales tax and pass the cost on to us. The elimination of the sales tax paid by business will lower the cost of business investment, which means more high-paying jobs in Ontario.

Apart from ignoring the complete package of reforms, critics have been passing along some myths about the HST that need to be dispelled or clarified. These myths?

First is that the HST will increase prices paid by consumers. Now, for goods such as furniture and appliances, consumers already pay provincial sales tax and federal GST. The HST will not change that, but manufacturers, wholesalers and retailers will see their costs go down as they will no longer be paying the provincial sales tax. Competition will force them to pass these lower costs on to consumers. So prices on goods where the provincial sales tax is assessed will fall. That's exactly what happened in Quebec and Atlantic Canada when they harmonized their provincial sales tax with the GST.

#### 1150

For services that currently don't attract the provincial sales tax, such as haircuts or legal fees, prices paid by consumers will increase, but not by the full 8% tax rate. This is because service providers will see their costs drop since they will no longer be paying provincial sales tax on the items they purchase. A study by TD Economics estimates that the impact on the final prices paid by Ontarians will be an increase of 0.7%. In Quebec and Atlantic Canada, the net effect on prices was, in fact, a decrease of 0.3%.

Another myth: The HST is an excuse for producers and service providers to gouge consumers. The experience in Quebec and Atlantic Canada was that market forces pressured producers and retailers to pass on their savings to consumers.

Another myth: The HST raises costs for small business. The cost for small business—indeed for all businesses—will decrease because they will no longer have to pay provincial sales tax on goods they purchase to operate. While the current provincial sales tax is called a retail sales tax, about a third of it is paid by businesses making investments or purchasing goods required for their businesses. In addition, harmonization with the federal GST will significantly reduce small businesses' administrative costs.

The next myth is that the HST hurts lower-income Ontarians. If the provincial government were only introducing the HST, this might be true, but remember that the tax reform package provides for sales tax credits aimed at lower-income Ontarians, similar to the current GST tax credits. In addition, personal income tax reductions that are part of the reform package will help lower-income Ontarians.

Another myth: The HST is just a tax grab. Again, that would be true if the only tax change announced by the government was the introduction of the HST, but it's part of a package of reforms that actually reduces the province's tax take. Along with the introduction of the HST,

the province is reducing personal and corporate income taxes and providing tax credits to help compensate for the higher sales tax paid by lower-income Ontarians.

The HST is just "business-friendly." Actually, the HST is Ontario-friendly. A recent study by international tax expert Jack Mintz estimates that the tax reforms announced by the government will boost business investment by \$47 billion. In turn, this expansion will create an estimated 591,000 new jobs. These investments and jobs will lead to a combined increase in labour and investment income of \$29 billion, about 8.8% of 2008 labour income.

Then, finally, the myth we hear is that the HST should be delayed until the recovery is under way. Even if this were a good argument, we won't know when the recession is over until we're well into the recovery. Even if the recovery is well down the road, we argue that this is the perfect time to increase businesses motivation to invest and create jobs.

In conclusion, the provincial government is proposing bold tax reform. Part of it is politically unpopular, but the package will improve Ontario's global competitiveness and benefit us all through more investment, more jobs and higher incomes. If we want to improve economic prospects for us and our children, we should implement these proposals. Thank you.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for your presentation. I will now turn it over to the government side. Mr. Naqvi.

**Mr. Yasir Naqvi:** Thank you, Mr. Milway, for your very succinct and compelling presentation. Given that you represent the Institute for Competitiveness and Prosperity, and a lot of the discussion around making these reform changes is around making Ontario more competitive, can you articulate, in your view, how harmonizing the GST and the PST makes Ontario more competitive?

**Mr. Jim Milway:** Sure. One of the challenges that we have here in Ontario is that our businesses don't invest as much as their counterparts in the US states in information and communications technologies—things that make our workers more productive, things that raise our incomes. One of the reasons that that is the case is that businesses currently pay very high taxes whenever they invest a dollar. A big part of that was the fact that they're paying provincial sales tax on the goods they purchase for investment. So whenever a company was looking to make an investment, it had to recoup the 8% provincial sales tax. It also had very high corporate tax rates relative to other OECD countries. It also had the capital tax, which thankfully is coming off. When you add those things up, we were punishing our businesses when they were making investments that would make our workers more productive, which in turn would reduce the number of high-paying jobs and reduce wages. So the tax structure we have in place is not making Ontario competitive, and these changes, we think, will turn us from one of the worst jurisdictions in the OECD to one of the best.

**Mr. Yasir Naqvi:** So the result of that is that businesses were probably more inclined to take their business

somewhere else rather than to invest in Ontario, because other jurisdictions are probably more competitive, and to create jobs somewhere else?

**Mr. Jim Milway:** That, and they are also just not going to make investments. They'll just sit on their dividends or dividend things out and not look for aggressive growth, because it's just too expensive from the taxes.

**Mr. Yasir Naqvi:** My understanding as well is that right now, when we look at the application of the retail sales tax—or, as we call it, the provincial sales tax, PST—which is pretty much applied on 83% of our consumer spending, it acts both as a manufacturing tax and a consumption tax. So there's sort of a double impact of that tax.

**Mr. Jim Milway:** Right. It's called cascading. So a manufacturer currently will buy inputs and pay the provincial sales tax. The manufacturer needs to make a mark-up on those costs, and also the retailer, the distributor, the truck company, who are all paying provincial sales taxes along the way. Those things add up on each other, and there's a significant amount of taxes paid by consumers that started way back up the food chain, as it were. So it's a tax, as you say, on the manufacturers as well as on the consumer.

What's interesting is that through the years, governments, I think of both stripes—probably all three stripes—have recognized that provincial sales tax being paid by manufacturers is not a good thing. That's why there are many exemptions in place for manufacturers where they can get a rebate on the provincial sales tax, because politicians and public servants have recognized that we're just shooting ourselves in the foot when we charge provincial sales taxes on manufactured goods. So we've already built in a bunch of exemptions. This simply takes those exemptions everywhere and will make goods cheaper.

**Mr. Yasir Naqvi:** Making it a value-added tax so there's not that cascading effect.

**Mr. Jim Milway:** Yes.

**Mr. Yasir Naqvi:** Can you comment on our competition globally and how sales taxes operate? I'm thinking of countries like China, India and Brazil, the kinds of countries we now typically compete with for, essentially, American consumers. What kind of tax regimes do they have in place?

**Mr. Jim Milway:** I'd point you more towards the European economies. I think we do compete more with them here in Canada and around the world. Their value-added taxes are very high. A value-added tax, typically, in Sweden is around 20% or 25%.

What's interesting in all of this is that the country that is the significant outlier, almost as bad as us, is the United States. They have a terrible tax system. They have a lot of things going right with their economy over the long term, but the worst thing about that economy is their tax system. So this is a big opportunity for Ontario to have a tax advantage over places like Michigan, Ohio and Indiana, both for manufactured goods and for services. I think it's a win-win.

**Mr. Yasir Naqvi:** Okay, you—

**The Vice-Chair (Mrs. Laura Albanese):** You have 15 seconds left.

**Mr. Yasir Naqvi:** Just 15 seconds? Well, I'll forgo those 15 seconds. Thank you very much, Mr. Milway.

**Mr. Jim Milway:** A pleasure.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for your presentation.

## CARP

**The Vice-Chair (Mrs. Laura Albanese):** We'll now call the representatives of CARP. Welcome to our committee this morning. If you could please state your name for the purposes of Hansard, you'll have—

**Ms. Susan Eng:** Thank you. My name is Susan Eng, and I'm vice-president of advocacy for CARP.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. You may begin your presentation. You will have up to 10 minutes.

**Ms. Susan Eng:** Thank you very much. CARP is a national non-profit, non-partisan organization which is committed to advocating for a better quality of life for Canadians as we age. CARP has 350,000 members across the country, of whom over 200,000 reside here in Ontario. We have about 34 chapters across the country, and 21 of them are here in Ontario. There are approximately 14.5 million Canadians who are 45 years of age or older, of whom 5.6 million live here in Ontario, representing in both Canada and Ontario 42% of the population. Some 4.6 million Canadians are over the age of 65, and 1.8 million of them live here in Ontario; 39% of all Canadian seniors live here in Ontario.

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These are the citizens whose future prospects have been really seriously affected by the economic downturn. This is also the demographic that is the most socially engaged and politically active; 70% of them vote regularly. In 2004, they cast nearly nine million votes, or 62% of all the votes cast. In Ontario, 3.5 million Ontarians voted.

These are people who grew up through the 1950s, the 1960s and the 1970s. This was a time of great social change and political engagement, and earlier generations sacrificed even more. They all understand the need to serve the common good, and so they buy into the idea that harmonization might be good for the economy. They stand ready to do their part again as well. But they are also a very well informed and educated group, as well as being politically engaged, and we test their opinions in a biweekly newsletter called CARP ActionOnline which has 75,000 opt-in subscribers. We regularly get 3,000 to 5,000 people responding to our survey questions, so we have a fairly good finger on their pulse.

We, of course, asked their opinion on the HST. Over 5,800 responded to the poll we sent out on November 20, and their response was very clear: The vast majority of them disapprove of the HST in Ontario; 86% disapprove, and 65% very strongly disapprove of the HST.

This is not because they don't understand the details. We've heard before that people are confused by the issues, that maybe they don't understand what the impact is, what the benefits are. That's not accurate. In our previous polls, 69% read the material and realized that the rebates and credits would not in fact be enough. Of course, the government itself readily admits that they are depending on the pass-through. A full 86% of our members do not believe that business will pass on their savings; they don't believe it. It might happen; they just don't believe it, and that often drives how they vote. Some 60% thought it would not be good for the economy overall. The trend lines show that the government's message is not getting through. The opposition increased to 73% in September, and now the opposition to HST among our members is overwhelming.

The recently announced exemptions for fast food and newspapers met with a 94% rejection.

The material that I've provided to the clerk's office has all of this material in it in the form of the survey as well as some of our editorial. But I think it's important that it not be a big surprise to you that we are getting this kind of reaction. Nobody likes new taxes, of course, but this new consumer tax burden, despite all the rebates and credits that have been offered, hits older Canadians harder and they are least able to deal with this at this time. Many have watched their retirement dreams disappear along with their savings in this economic turmoil. There has been no real action taken by any level of government to start the process of pension reform in order to help them and future generations with the insecurity that they are facing into their retirement years. They watch thousands of Nortel pensioners protesting on Parliament Hill along with their colleagues from CHCH and Abitibi-Bowater, all to no avail, so they think that government is not listening to them.

They understand very well the economic trade-offs that are being proposed, but they also recognize the reality that they will have limited participation in any recovery that will come along, and they see through the political games that are being played out in front of us. While there were bells clanging and no debate, there was a quick-thinking use of parliamentary procedure to extend the amount of public hearing hours, but only because it meant that the Legislature would have to inconvenience itself. That's hardly comforting. Worse, they realize that the fact of an overwhelming majority means that the government could—I'm not saying that they would—ignore the pleas of the members of the public at these hearings and in their constituencies.

Your federal cousins, unfortunately, have not helped you very much; they've done you no favours. They are not debating the merits of harmonization. Instead, they are trying to see whom they can force to outrage more: their political allies or their constituencies. You have to ask yourself, which did they choose?

Throughout all these shenanigans, we have not heard one useful proposal to soften the blow on the people who

will be hit by the new consumer tax the most and have the least ability to recover from it.

We surveyed our members about this too, and their position is very clear: A new tax on home heating and energy costs would hurt them the most—65% said this. It's the same group that said that that's the kind of thing they want exempted. For them, the additional tax would mean that they would have to cut back on their heating, just as we're getting into winter. These are the kinds of choices that are being made.

The solutions are also very clear: While most of them just want you to drop harmonization and get back to the status quo, some are even calling for a provincial referendum. They want to have their say. However, there is still strong support for CARP's proposals of a home energy rebate and an HST relief grant. Both of these would be on an income-tested basis for seniors. Such models already exist in the Atlantic provinces when they introduced harmonization. Nova Scotia put in a permanent home heating rebate, and it was not income-tested. In New Brunswick, they had an HST credit.

These are opportunities that the Legislature and the committee here face as you go into clause-by-clause review of Bill 218 to demonstrate that the Legislature, at least, is listening to Ontarians by introducing the kinds of amendments that would actually soften the blow for the people who are going to be hit by this the most and have the least chance to recover.

Thank you very much, and I'd be pleased to take any questions.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for your presentation. I will now turn it to the official opposition for questioning.

**Ms. Lisa MacLeod:** Thanks very much, Chair. Welcome, Susan. It's nice to finally see you. I appreciated all the opportunities you provided to all political parties throughout this legislative period to make our points of view known.

I just wanted to quickly point something out, and then I do have a substantive question. You had talked about rebates and exemptions. My colleague from Parry Sound–Muskoka and I did put forward a motion last week to exempt home heating. That was defeated. We are going to try again today, so we are looking at home heating exemptions. You mentioned the Nova Scotia example. Many of my colleagues know that that's where I was born and raised. I remember harmonization coming in then. My sister told me that this year, during the provincial election, people actually had signs on their lawns saying, "Heat or eat"—just hand-made. People can't afford any more taxes—not right now. I just want you to know where we stand on that. We'll continue to pursue it.

You also know that I'm from Ottawa, so not only did I get a copy of your article today, but I also read it in hard copy in the original form in my newspaper. I was quite pleased to see that. I think it made the case, "Is HST Good for Ontario? No." You have a very important point here, and it's one that I've raised in an article that I wrote

for the National Post, which I provided to CARP as well: “Taxation without Representation.” You say this: “One of the most important rights we have as citizens is not to have a tax imposed on us without our consent.”

When your article ran, there was also an article with a question-and-answer period from another Ottawa-area MPP, Dalton McGuinty, who was hoping he would have the consensus of Ontarians to move forward with this tax. And I thought with great irony how public opinion has shifted so dramatically to being opposed to this tax in this short period of time. Obviously, this interview that he gave clearly had to be outdated, because I look at recent poll numbers from Angus Reid—75% of Ontarians are opposed to it; Holinshed Research Group—78% opposed to it; your poll has 86% opposed to it—whether that’s strong opposition or just opposition in general. I’m wondering if you can elaborate on that, given the fact that we haven’t had the public hearings that we wanted.

**Ms. Susan Eng:** You have to understand that I used to be a tax lawyer, so I can’t help but go back to those days when I realized that you fight taxes that are imposed on you without your consent; that is, if no one ran an election about imposing this tax—and they did not; and would they, given what they’ve seen?—then they really don’t have a mandate to introduce a new tax, end of point. That’s why we have budget lock-ups. I’ve suffered through those lock-ups. It’s so that when you have a tax, it’s always forward-going; it’s never retroactive.

1210

These are all parliamentary rules, and we all understand and live by them. So why can’t the politicians, everybody as a whole, actually make sure that that is their first golden rule? You don’t tax people until you’ve asked for their consent to do so. After the fact and using an overwhelming majority to force it through is not really the right answer. It really is central to the way we govern ourselves. Governments govern with our consent as taxpayers and as citizens, and one of the most important things is that they not harass us with taxes that we didn’t agree to.

Telling us it’s for our own good is one thing, but frankly, if it doesn’t apply to us equally, then there are going to be significant groups of us who say no. At some point, we run out of the ability to keep sacrificing for the common good.

As I’ve indicated, this is a group of people who are very generous. They’re very altruistic. Even their recommendations about what to do about pension reform are actually going to help future generations, not even themselves. They are used to the idea of doing things for the common good.

In this case, it was just one step too far. They were asked to shoulder the burden once again and were told, “This is good for business, and it will be good for the economy eventually,” and they weren’t going to see it. Then, the coup de grâce was the government telling us that they weren’t going to net out any new revenues from this; that it was going to be revenue-neutral; that, in fact, it was not going to help pay down the deficit. What is the

common good that they’re looking at that they have to pay more taxes for? When you’re looking at all of that added together, then you see the legitimacy of that rule in the first place: No taxation without representation.

**The Vice-Chair (Mrs. Laura Albanese):** I apologize for interrupting. Six seconds.

**Ms. Lisa MacLeod:** I just wanted to say thank you again. I look forward to working with you as we move forward. Taxation without representation for the next two years I guess we’ll have to live with, but we’ll look forward to working with you. Thanks so much, Susan.

**Ms Susan Eng:** Thank you.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for your presentation.

#### STITTSVILLE MINOR HOCKEY ASSOCIATION

**The Vice-Chair (Mrs. Laura Albanese):** We now have joining us via teleconference the president of the Stittsville Minor Hockey Association. Hello, are you on the line?

**Mr. Craig Goodwin:** Yes, I am.

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Goodwin, good morning. Or should I say “good afternoon” at this point?

**Mr. Craig Goodwin:** Good afternoon, yes.

**The Vice-Chair (Mrs. Laura Albanese):** You will have about 10 minutes for your presentation. Please state your name for the purposes of Hansard, and you may begin any time.

**Mr. Craig Goodwin:** My name is Craig Goodwin; I’m the president of the Stittsville Minor Hockey Association. We provide minor hockey for 1,200 youth in the greater Ottawa area.

The reason I’m calling today is because the HST is going to have the effect of increasing the cost of minor hockey for our children, and every child in Ontario, in fact. I don’t know how many people are aware of it, but the cost to play minor hockey has increased to the tune of around 50% in the last four to five years, particularly in Ottawa because of the move to a user-pay system. The cost of ice has gone up significantly. We typically faced, over the last four to five years, an increase in our cost base, which for Stittsville makes up 75% of our fees, of around 10% per year. Part of this—in fact, 100% of it—has been due to decisions taken at the municipal level. However, with the introduction of the HST going to apply to our ice rentals, our cost base is going to go up 8%.

Just for your information, the cost to play hockey in our association was around \$400 about four to five years ago. Right now, it’s \$625. Our costs keep going up.

Stittsville is a fairly affluent community. We believe we’re the number one growing community in Ottawa. However, our membership has stayed stagnant. As we know, hockey is Canada’s sport. I think the reason that it has gone stagnant is because the cost has increased and it

has hit the people and affected the people who can least afford the increase.

Certainly, we don't want to turn Canada's game into a rich man's sport. But it appears that's what it's becoming. We've just gone through some serious increases over the last two to three years, and with another layer of municipal increases and these HST increases this is probably to be our largest increase yet. We're looking at perhaps—if our calculations are correct and our anticipations are correct from the city of Ottawa increases as well—another \$100 per year increase. That would certainly push us over the \$700 barrier, which I think for a lot of people to play their favourite sport for five to six months is just a little bit unreasonable and probably prevents a lot of new players from signing up.

A little bit of history about Stittsville minor hockey: We are a registered not-for-profit corporation. We are for the children; we're for the community. We are not a business. We are simply a group of volunteers that put a lot of work and effort into making hockey happen in Stittsville. We're facing significant barriers especially from the HST coming up where we can't get more players in to play hockey. We're all about the children and providing an opportunity that they can enjoy Canada's sport.

There are a lot of follow-on benefits to that. Keeping youth fit in Ontario: Certainly in the city of Ottawa it's the focus, but we can't pay lip service to keeping children fit if we continually increase the cost. We can put in all kinds of nice programs. We can talk about it. We can market the sport as much as we can. However, when it comes down to what matters, and that's what comes out of people's pockets, it's the dollars and cents of the sport, and if they can't afford it, they will not do it.

I think the Legislature, especially the Liberal government, needs to understand some of the ramifications of these decisions. I'm a businessman myself. I understand that the HST is good for businesses. However, it is not good for not-for-profit minor sports corporations. It simply is not. The cost transfers from the city to the association to the fees parents pay, and parents will not pay the fees.

Typically, hockey has been, from a participation perspective, traditional Canadian families participating. We are seeing, because of the immigration in Ontario, more and more people from other countries. These are new hockey players, non-traditional Canadians playing, which is a great benefit to our game. In most cases, if you look at the demographics, these are the people who are going to be affected the most. It's sad because we're trying to increase the cultural participation in our sport because we know that's good. We know we want to capture the value of these different cultures in our sport. If you look at the demographics, they are the ones who are turned away. They don't know what hockey is. "Oh, all of a sudden it's a \$700 fee. We can't afford that. Let's go do something else."

Hockey is a great sport. It's great for the fitness of youth. All minor hockey associations in Canada are

volunteer-driven. Nobody gets paid for this work. The only thing that affects the cost of the sport is the ice costs, and we're talking about an 8% increase here. I'm telling you that hockey is at its breaking point right now to capture new interest.

If you look at Hockey Canada right now, the participation has actually gone down this year for the first time in, I think, 10 years. These are cost-driven factors. It's not because we don't have the youth; we do have the youth. They don't participate. Schools are growing. Enrolment is growing because of immigration. Minor sport is not growing. A lot of it is to do with the cost, because there's nothing else.

We have the volunteers, we have the facilities, we have the uniforms and we have the equipment. If you look at equipment, a pair of basic skates has not gone up in price in 10 years, but the cost to play has. We need to do everything we can to exempt minor sports from HST. We have to keep the cost down to keep people participating.

I just wanted to raise the awareness of what the impacts are and how important it is that we do keep these costs down.

**1220**

Hockey is a great game. It's sad, when we have children who come and are all excited, and then the parents find out about the costs and it's not even on their radar anymore. They say, "Well, okay, let's go somewhere else. Let's find an activity to go do." They should be in hockey. It's twice a week, it's high-intensity exercise, it's camaraderie and it's team building.

We're just disappointed, as volunteers, that we have to deal on the municipal side and now we're dealing on the provincial side. We just don't get the support from any level of government. We're 350 volunteers providing hockey for 1,200 kids and 2,400 parents. We run a \$750,000 budget. We're doing this all in our spare time.

From my perspective, I'd like to see minor hockey associations that are obviously registered as not-for-profit corporations and doing their tax returns and everything like that be exempted from the HST. We can't keep passing on the costs to the end user. The end users are the kids. We don't want to do that.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. Is the presentation over?

**Mr. Craig Goodwin:** Yes.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much.

**Ms. Lisa MacLeod:** On a quick point of order: I just wanted to say a quick hello, Craig. It's Lisa MacLeod, your former MPP. I'm just happy that you were able to get on the phone today.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. I'm going to turn it over now to the NDP caucus for questioning. Mr. Prue?

**Mr. Michael Prue:** Just a couple of questions here. Obviously, the costs and the price point of what hockey costs determine how many kids get into the program. We've heard that from other groups, like the YMCA.

How many players do you anticipate losing if the costs go up 8%?

**Mr. Craig Goodwin:** We anticipate losing around 10% of the players. We anticipate losing pretty much all of the new players who do not have access to disposable income. We also anticipate losing a lot of our house league players, because they simply have to—they signed up, when the child was seven or eight years old, at \$450. Every year it's another \$500, another \$550. We're just looking at the growth rates; we're looking at our registration rates. We're not growing. This one is going to be our biggest increase yet. We're prepared for a 10% loss.

**Mr. Michael Prue:** A group of people have written to me and have complained bitterly about children's sports activities and hockey and some of the other sports as well. They juxtapose that with the government's announcement that they are not going to tax coffee and doughnuts. I don't want to get into the debate about whether or not coffee and doughnuts should be taxed. But it seems to me that if you're not taxing doughnuts and fast food that's going to increase the weight of children, but you are taxing them when they want to go out and play sports and be healthy, this doesn't make much sense. Do you have any comment on that?

**Mr. Craig Goodwin:** Well, yes, I'm incredulous about that. I believe we want to build a healthy Canada, and, certainly non-taxation of fatty foods and things like that run counter to that. I think that we should be encouraging our youth to participate in sports. I think it's not just the participation; it's the team building. It's building better human beings. It's being part of a group that's working towards a common goal. As a businessman and as a community leader, I think that's the type of people that we want to build. We want to make that as inclusionary as we can. We can't make it hard to get to. We can't make it out of reach of some people.

Part of the reason why I started this, and started to do my research and put together as much as I could, was because it saddened me when I looked and I saw services that are provided in the future that are going to be exempt from the HST, such as funerals, magazines and travel. Somebody who can afford a \$5,000 vacation and takes it in September of this year is going to save 8% on that travel. And here we are with these little five-, six-, seven- and eight-year-old kids, and they've got to carry the burden. It just doesn't make sense to me.

**Mr. Michael Prue:** Some of the sports groups and recreation associations have said that they're likely going to have to lay people off. I know you're mostly volunteer-driven but you do have referees and linesmen and other people who would be paid from time to time. Do you anticipate that people will actually lose their jobs over this?

**Mr. Craig Goodwin:** No. As far as the minor hockey association goes, I don't think so. Certainly, our costs go up when it comes to providing the services, but the referee cost base and the equipment cost base are actually quite small compared to our ice.

That being said, in volunteer communities, there are certain positions in sports organizations that are very, very labour-intensive. We had a paid registrar, and last year we stopped that program. Instead of one person doing the work, we have spread it out over four or five volunteers. Now, the work hasn't been done—you know, whenever you pay for a position versus a volunteer, there's obviously a certain amount of enthusiasm that goes into the job, especially if you're getting a paycheque for it. I can tell you that we've stopped that program, so that is definitely one person who has lost their job because our costs keep going up. We just simply can't afford the cost increase, because any costs we incur pass directly on to the children and we can't do that.

**The Vice-Chair (Mrs. Laura Albanese):** You have 30 seconds left.

**Mr. Michael Prue:** Thank you very much.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much for your presentation.

**Mr. Craig Goodwin:** Thank you for hearing me.

#### NISHNAWBE ASKI NATION

**The Vice-Chair (Mrs. Laura Albanese):** We'll now move to the deputy grand chief of Nishnawbe Aski Nation. We ask him to come forward as our next presenter. If you could please state your name for the record, you may begin your presentation, which will be up to 10 minutes. Thank you.

**Deputy Grand Chief Mike Metatawabin:** Thank you, and good morning. My name is Mike Metatawabin, and I currently represent Nishnawbe Aski Nation as the deputy grand chief.

Before I begin, I just wanted to get an idea—just to make a reference, I guess. Perhaps you're familiar with the dispute going on between Kitchenuhmaykoosib Inninuwug and Platinex? Just to give you some sort of reference, it's way past Highway 11, and that's where the majority of our communities are located: way beyond Highway 11. I'm not sure how many people know where Highway 11 is. I found out recently in one of my visits here, when we were lobbying the House on another matter, that not many people had gone beyond Barrie, let alone to know where Highway 11 is.

The reason I bring that up is just to give you an idea or a sense that there are communities that are way up there, that are very remote. They're fly-in communities; no road access. Fort Albany alone has—the gas, right now, is at \$3.14 per litre. Fresh products are very few and far between. You don't get fresh produce on a daily basis, it's ordered, and by the time it arrives at its destination up there, it's beyond whatever it's good for. It's not fresh.

I make those points because I think a lot of times, when you come from an urban setting like this, passing a motion or passing a law, in particular this harmonization of the taxes, it might be a simple procedure, something that you take for granted when you live in a big urban setting. But coming from a community—and I'm born and raised in one of those communities. The majority of

my lifetime, I've seen people living on welfare. Before welfare, the majority of our folks lived off the land, lived in harmony. There were no interruptions, no social issues. They were very independent, and then for some reason the welfare legislation kicked in. For some reason people adopted it, and since then things have been somewhat more difficult, and more difficult to get by.

I wanted to include those before I made reference to my speaking notes here, because I think it's very important that people understand where we live, where we come from, and how difficult it can be to raise a family. A single mother raising five children on her own—it's very difficult. Children are left to fend for themselves. All they have is welfare. I can't remember the numbers now, but I think it's anywhere between \$300 to \$400 a month. I'd ask you to try to get by on that.

**1230**

I'm just going to go to my notes here for some points, in case I missed something. The communities are quite remote, like I said, and a lot of them live on welfare. That's all there is.

Education is maybe 10 to 20 years behind; it's just that the quality of education is not up to par with the rest of Ontario. The populations continue to grow, and it creates hardship on the ability of each chief of council to accommodate the needs of the people. The HST will just make it harder for our people to try to address those issues.

Like I said, we're remote, and we face enormous transport costs in shipping and receiving goods to and from urban Canada. The transportation of goods is very complex; there are a lot of parties and a lot of companies involved in transporting the goods.

With the change in climate, the winter road is almost—it's hard to say how it's going to be this year, because we don't even have a winter yet. We don't know what effect that will have, but I know that the shipment of dry goods like gas and fuel that are needed for some of the communities that are still on diesel fuel—it'll just add even further hardship for the families that have to pay for those high costs of electricity.

Prior to September 1, 1990, status Indians could purchase taxable goods off-reserve, exempt from RST, only if the vendor or vendor's agent delivered the goods to the reserve. Effective September 1, 1990, Ontario's policy was revised to ease the vendor-delivery-to-the-reserve requirement. As a result of this easement, status Indians are permitted to purchase most personal goods off-reserve, RST-exempt, as long as the goods are to be consumed on-reserve. In order to receive the exemption, status Indians must present their certificate-of-Indian-status identification card.

As more of a background—again, I don't know if people know this—Treaty 9 is unique in Ontario, and Ontario was involved in the signing of the treaty. There was an Ontario commissioner, which means that Ontario is a partner and owes treaty and fiduciary obligations to the community of Nishnawbe Aski Nation. The harmonization tax is a substantial change that negatively affects

an inherent right to tax immunity from another government. Therefore, Ontario has a fiduciary and treaty duty to NAN First Nations to consult, accommodate and seek their consent. When Treaty 9 was signed, income taxes, added taxes and consumption taxes like the HST did not exist. There was no taxation in NAN's traditional territory; we didn't even have a word for it. The understanding was that by agreeing to share the lands and resources, NAN First Nations were coming to terms with the Canadian state. In a sense, NAN First Nations were paying their taxes in advance. In this context, it is a violation of the spirit and intent of the treaty and a violation for Canada and Ontario to impose any taxes above and beyond treaty-sharing. Canada and Ontario have no basis for it.

The non-application of the PST in Ontario has long been an established legal and administrative practice. Ontario cannot unilaterally change this practice without consulting, accommodating and seeking the consent of NAN First Nations. There is nothing in the text of the treaty that explicitly gives Canada or Ontario the right to impose new taxes. Such taxes are inconsistent with the funding-sharing arrangement of the treaty.

That's the historical context of my presentation. I tried to make my presentation as it is today in terms of the challenges that we face, the hardships that people endure, and also I tried to give you an idea of where we are. Right now, here in Toronto, how many people go up north every day? I don't know.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. We appreciate that. I will now turn it to the government side, Mr. Arthurs, for questioning.

**Mr. Wayne Arthurs:** Chief or Mike—whatever's preferable; Chief works for me; that's for sure—first, let me thank you. There are many of us, I would suggest, in this Legislature—certainly not all, but I include myself among the many—who need and appreciate the reinforcement that comes when either we see deputations from First Nations here or, in various committees when they do travel, have an opportunity to hear from First Nations to reinforce the plight, in many cases, of those who live in remote communities, the poverty that goes with that, the costs that go with living in remote communities. For me and, I suggest, many of us—not all of us, simply because there are those who have a more direct and intimate knowledge—it's an important reminder on an ongoing basis, so I want to start by thanking you for that as part of your deputation.

On the matter of the HST and the point-of-sale exemption: two things. Currently there is a point-of-sale exemption of the PST but the GST is paid and one has to apply for a rebate for that, subsequent to the purchase. Is that the current status of things, that you're paying the GST, the PST is exempt at point of sale, you pay the GST and then apply for that back?

**Deputy Grand Chief Mike Metatawabin:** Currently, yes.

**Mr. Wayne Arthurs:** Is that done annually or is that done—I guess it wouldn't be done on a per sale basis.



There must be some composite amount one would apply for. Is that—

**Deputy Grand Chief Mike Metatawabin:** I can't really answer your question but I know that right now, any goods that we purchase, there is the one exemption that people enjoy.

**Mr. Wayne Arthurs:** The exemption is on the PST or RST, the provincial sales tax, but you would pay the GST. If someone were to buy a snowmobile or a truck they would pay the GST and they would have to apply to have that GST repaid to them by the federal government.

**Deputy Grand Chief Mike Metatawabin:** The way that I know how it's worked out is that when you buy a product like that, right now they want to see proof that you've delivered it to a community. So you have to have a picture or something, some way to verify that you've delivered it, and that way you're exempt from that.

**Mr. Wayne Arthurs:** I could be mistaken—I don't think I am, in that context—that the RST is exempt at point of sale, but the GST is paid and then one applies for a rebate on that.

My further understanding at this point and from questions that have happened in the Legislature only in the past few days is that the provincial government is supportive of the First Nations position on this matter and that they are standing with the First Nations communities in pushing this with the federal government such that, with a harmonized tax, there would be point-of-sale exemption for the complete harmonized tax. But because this is going to be shifted, subject to the will of the Legislature, to the federal government as a federal collection of the HST, for us it's important that we work with First Nations and the federal government to look to a full exemption at the point of sale. It's not a matter that the provincial government will undertake to do on its own if the tax is harmonized because it will be then a federal tax that is being applied, with a proportionate amount coming back to the province. I think it's fair to say, given the questions in the Legislature and the responses by the minister and the Premier—although I can't recall whether the Premier specifically spoke to it—that the Premier has actually written to the Prime Minister specifically on this matter. Our minister is—

**The Vice-Chair (Mrs. Laura Albanese):** One minute left.

**Mr. Wayne Arthurs:** —working collaboratively to see whether or not the federal government will provide a point-of-sale exemption for both the GST and PST but with the harmonization of the full HST. It's an ongoing matter of discussion. It's important that you continue to draw it to our attention. The Chiefs of Ontario were here on Thursday. We had a deputation from them as well.

1240

**Deputy Grand Chief Mike Metatawabin:** I just want to add, too, that most communities up there, the infrastructure is not there, where people can go to an office or go some place to fill out these forms or whatever, so that's another challenge that we have.

**Mr. Wayne Arthurs:** In an ideal world, then, an exemption at point of sale for, effectively, both PST and GST to be harmonized would be the best solution.

**The Vice-Chair (Mrs. Laura Albanese):** Our time has expired, but we thank you for your presentation here today.

UNITED STEELWORKERS UNION,  
CANADIAN NATIONAL OFFICE

**The Vice-Chair (Mrs. Laura Albanese):** I will now call the representative of the United Steelworkers Union, national office, to come forward. Welcome. If you could please state your name for the purposes of Hansard recording before you begin your presentation, that would be appreciated. You will have up to 10 minutes for your presentation. You may begin.

**Mr. Erin Weir:** Thank you, Madam Chair. I'm Erin Weir with the United Steelworkers Union, Canadian national office. I'd like to make three points in my testimony here today. I'd like to address how Bill 218 will affect provincial revenues; second, I'd like to examine how the business tax cuts in the bill will or will not affect the provincial economy; and third, I'd like to discuss how sales tax harmonization will affect pension and benefits plans in Ontario.

I think it's fair to say that the most controversial aspect of sales tax harmonization has been the application of the sales tax to a wider range of consumer goods and services. There is a legitimate concern that consumption taxes are regressive, but I think an even more important concern is how the money raised will be used. If additional revenue from consumption taxes was invested in public services, the progressive effect of those public services could offset the regressive effect of the consumption tax.

In fact, as I've said before in front of this committee, I would happily support higher provincial taxes to fund improved public programs. However, it is important to note that Bill 218 does not actually provide more revenue. The 2009 provincial budget indicated that the sales tax changes would generate an additional \$2.2 billion annually. However, the personal income tax reductions and credits to compensate for those sales tax changes will cost \$2.3 billion annually. Recent concessions that the provincial government has made in the areas of prepared food and real estate purchases will cost another \$0.6 billion per year. So the whole harmonization process will actually reduce provincial revenues available for public purposes by approximately \$0.7 billion per year. On top of that, Bill 218 also enacts corporate tax cuts that will cost a further \$2.3 billion annually when fully implemented in 2014-15.

What this proposed budget legislation amounts to is a transfer of some \$3 billion from the public purse and billions more dollars from Ontario consumers to the corporate sector. The argument that has been made in favour of this huge transfer to the corporate sector has been the claim that it will create jobs and investment in

the province. In particular, Jack Mintz has garnered a great deal of attention by claiming that Bill 218 will create some 591,000 new jobs. To put that number in perspective, employment in Ontario declined by 179,000 since October of 2008. So essentially what Mintz is claiming is that the tax breaks contained in budget 2009 will create more than three times as many jobs as were eliminated by the worst economic crisis since the Great Depression. Suffice to say that I'm fairly skeptical of that claim.

Mintz arrives at the figure of 591,000 by combining a large projected increase in capital investment with two unsupported assumptions. First, he posits a fixed ratio of labour to capital, so that employment income must automatically increase by the same proportion as capital investment. Second, Mintz assumes fixed wage rates, so that the entire increase in employment income must represent additional jobs. I would submit that even if one were inclined to accept the projected increase in capital investment, one should not accept the projection of 591,000 new jobs.

Putting that figure aside, I think there are specific reasons to doubt even the projected increase in investment. On the issue of corporate tax cuts, I would note that Premier McGuinty was extremely articulate and effective in refuting federal demands for provincial corporate tax cuts until budget 2009. I won't repeat the excellent arguments that the Premier made against corporate tax cuts, but I will add one more, which is articulated in the paper that has been circulated to this committee.

The argument here is that many of Ontario's provincial corporate tax cuts will not actually go to enterprises operating in the province but, rather, will be transferred to the United States federal treasury. I'd be happy to elaborate on that if there are any questions, but I would really draw people's attention to the paper on that point.

Removing the sales tax from business inputs is also unlikely to promote additional investment in Ontario. The existing provincial sales tax already exempts most of the machinery and equipment that's needed to undertake major capital investment. The harmonization envisioned by Bill 218 will serve instead to remove provincial sales tax from building materials, office supplies and other intermediate inputs that are far less essential to business investment decisions.

A better alternative to the business tax cuts in this bill would be more targeted tax measures. For example, it would cost only a few hundred million dollars to simply remove the remaining provincial sales tax that still applies to a few forms of machinery and equipment. So simply removing the PST from those capital goods would be no more expensive than the harmonization scheme that has been proposed.

Another similar option would be to enact an investment tax credit where, instead of providing huge, across-the-board corporate tax cuts and simply removing all sales tax from business inputs, the provincial government would offer businesses tax breaks proportionate to the

amount that they actually do invest in the province of Ontario.

Finally, I'd like to conclude by addressing how these sales tax changes will affect pension and benefit plans in Ontario. Most of the administrative, actuarial and other services used by pension plans are not currently subject to provincial sales tax. However, they are subject to the federal goods and services tax.

Pension plans run within a business receive input tax credits for the GST that they pay on those services. But multi-employer pension plans and benefit trusts separate from the specific business must pay the 5% GST. Bill 218 will increase that cost to 13%, which is, of course, a deduction from the pool of funds that are available to provide pension and other benefits to Ontario workers.

#### 1250

There are essentially two possible solutions to this problem: One would be to not enact Bill 218; the other would be to amend Bill 218 to give the same input tax credits to multi-employer pension plans and benefit trusts as are available to single-employer pension plans, putting these entities on the same playing field as single-employer pension plans.

Thanks very much for your time. I really appreciate the opportunity to appear before this committee.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much. Ms. MacLeod.

**Ms. Lisa MacLeod:** Well, thanks again, Erin, for coming in. I appreciate seeing you once again. We shared a panel, both of us, from two different political spectrums—definitely from two different ends of that spectrum, but in opposition to this tax.

I'm going to do something a bit unprecedented. I'm going to give the official opposition's time to the other Mr. Miller, Paul Miller of the NDP.

**Mr. Paul Miller:** Thank you. It's good to have you here, Erin. Once again, I see the Steelworkers have done their homework.

Erin, I've got to ask you this. The government keeps touting the 600,000 jobs that they're going to create with this tax over a period of time. Our estimates have been probably a minimum loss of 40,000 per year under this new plan. Do you think we're in the ballpark with our estimates at possible job losses as opposed to this crystal ball, 600,000 gain they're talking about?

**Mr. Erin Weir:** I think it's very hard to make these kinds of employment projections with a great deal of precision, but certainly if you have an economic model with a given amount of output being produced and you start substituting more capital for labour, as these tax changes will supposedly achieve, then the result would obviously be less employment. Now I'm fairly skeptical that these tax changes will actually result in more capital investment in the first place, but if they did, the result would indeed be fewer jobs.

**Mr. Paul Miller:** Speaking from the steel sector, as we're both well aware of, I don't see that it's going to create any jobs in Hamilton. In fact, the corporate breaks, as you said, would be going south of the border. All the

major steel companies in Hamilton are foreign-owned—ArcelorMittal, US Steel—and for a lot of these benefits, obviously the money is going to go south, as well as our raw materials that are disappearing off the ground.

They're removing equipment that they got tax breaks on, and that equipment is now on transports going to Illinois and Michigan out of our plants. Adding an additional tax at this time, in my humble opinion, would be counterproductive. Would you agree with that?

**Mr. Erin Weir:** Yes. The major machinery and equipment used in the steel industry is already exempt from the provincial sales tax, so harmonization won't do much to encourage investment in that or many other areas.

The other point I think you hit on is that US Steel is an American corporation taxed on a worldwide basis by the American government. So when it repatriates profits south of the border, it needs to pay the 35% American federal corporate tax rate on them. As Ontario cuts its combined corporate tax rate further below 35%, that's not going to help the company; it's just going to redirect some of its tax payments from Queen's Park to Washington.

**Mr. Paul Miller:** Speaking from a raw material perspective—you know iron ore and coal are a very big part of the steel processing—how do you feel this additional HST will affect the raw material sector of our economy, costs for the company and possible removal of some of that raw material south because it's owned by the company once it's purchased? Is it mined in Canada? Is it mined in the southern United States? What effect will that have on raw materials?

**Mr. Erin Weir:** I haven't looked into that specifically. I guess I would say, in theory, under the HST, the company would receive input tax credits for sales tax that it would be paying on its raw materials. So, in theory, it shouldn't have much of an effect on the industry, but it's possible that it would in some way.

**The Vice-Chair (Mrs. Laura Albanese):** One minute left.

**Mr. Paul Miller:** In closing, I would just like to say you're representing the steel sector, obviously, both sides of the border, Pittsburgh as well as Canada, because of our international situation, and I believe Mr. Gerard has lobbied the government very hard on this issue, and he's definitely against this. So from the Steelworkers, which represents hundreds of thousands of workers in North America, would it be safe to say that we're not in favour of the HST?

**Mr. Erin Weir:** That's correct. Certainly the United Steelworkers union's position is quite skeptical and critical of Bill 218.

**Mr. Paul Miller:** Thank you, Erin.

**Mr. Erin Weir:** Thanks for your time.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much. This brings—

**Ms. Lisa MacLeod:** Madam Chair, I have a quick question.

**The Vice-Chair (Mrs. Laura Albanese):** Yes.

**Ms. Lisa MacLeod:** Further to my request, as of Thursday and again this morning, have we received the

documentation of the so-called 150 public hearings from the Liberals, including the transcripts from those meetings?

**The Vice-Chair (Mrs. Laura Albanese):** Not to the clerk's knowledge at the moment, but he will double-check as soon as he goes to his office at 1 p.m.

**Ms. Lisa MacLeod:** Okay, thank you.

**The Vice-Chair (Mrs. Laura Albanese):** This brings our deputations to a close. We shall reconvene at 2 p.m. for clause-by-clause consideration. Thank you.

*The committee recessed from 1256 to 1405.*

**The Vice-Chair (Mrs. Laura Albanese):** Good afternoon. I call to order this meeting of the Standing Committee on Finance and Economic Affairs to consider clause-by-clause for Bill 218, An Act to implement 2009 Budget measures and to enact, amend or repeal various Acts.

At this point, I would ask if there are any comments, questions or amendments to be offered and to which sections.

**Mr. Michael Prue:** If I could, the sections that appear to me to be the most relevant at least for what I want to talk about are schedules R, S and T. I realize that there's nothing in between, but when and if we get there, I would be requesting a recorded vote on a number of them. That's all.

**The Vice-Chair (Mrs. Laura Albanese):** So schedules R and T?

**Mr. Michael Prue:** R, S and T. Now, I understand there may be 500,000 motions before we get that far, and whether or not we get there remains to be seen.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. Any other comments?

**Ms. Lisa MacLeod:** Just to reiterate, the clerk received 500,000 amendments electronically as well as a paper copy earlier today from the official opposition. I just would like clarity on the status of those amendments.

**The Vice-Chair (Mrs. Laura Albanese):** The clerk's office is working right now in putting together an amendment package. In the meantime, we can start working on the sections and schedules of the bill that don't have any amendments. After that, as soon as the package is ready, it will be distributed to all members.

**Mr. Wayne Arthurs:** Can I assume from that, then, that the amendments that have been submitted to the bill are currently being processed with the intention of delivering a copy of all of those amendments to each of the members of the committee? Is that the normal process, and is that the process that we are embarking upon?

**The Vice-Chair (Mrs. Laura Albanese):** Just for clarification, presiding as Chair of the standing committee, I will be proceeding today under the authority given by the Speaker's ruling of Thursday, April 10, 1997, and further upheld by subsequent amendments to the standing orders, specifically standing order 77(b). I am referring, in particular, to the principle that members are entitled to know what they are voting on and that it is important to prevent errors in the voting process. Standing order 77(b) allows the Chair of a committee to "take

such reasonable steps as he or she considers necessary to facilitate the committee's consideration and disposition of multiple amendments."

Basically, as Chair, I have the power to make determinations about whether the motions before the committee should be addressed separately or, in appropriate cases, may be ordered in such a way as to facilitate the committee's work. At my direction, committee members will be provided with a package of amendments and, where appropriate, with the shell or template of multiple amendments, all of which were filed by the deadline. In such cases, the Chair will advise members which template we are working from and simply read out the varying dollar figure or other variable.

We will now proceed to commence clause by clause.

1410

**Mr. Michael Prue:** Just to correct, I made a mistake: It isn't R, S and T; I'm looking at R and U. Schedules S and T I'm prepared to let go by. So it's schedules R and U. Thank you.

**Ms. Lisa MacLeod:** Madam Chair. So I'm to understand, then, that you're going to make available a template that will be circulated at various times throughout the committee, and you will make, as the Chair, the determination of what amendments will be grouped, if any?

**The Vice-Chair (Mrs. Laura Albanese):** The chart that we will be distributing will have on it the dollar amount in one chart, instead of multiple. We will be voting on each dollar amount.

**Ms. Lisa MacLeod:** Okay, so we're—

**The Vice-Chair (Mrs. Laura Albanese):** We're just trying to simplify the work.

**Ms. Lisa MacLeod:** Okay, so you've actually had somebody look in the last two hours at what each one of the 500,000 amendments will cost? You've had the time to do that?

**The Vice-Chair (Mrs. Laura Albanese):** What I'm told by the clerk is that all the change is a dollar amount in each one of the motions. So we would be simplifying that onto one chart and voting on each dollar amount.

**Ms. Lisa MacLeod:** Okay, but what about amendments that I've seen that do not have a dollar figure attached to them?

**The Vice-Chair (Mrs. Laura Albanese):** We'll deal with those as usual. They will not be part of the chart. The chart is for the dollar amounts.

**Ms. Lisa MacLeod:** So in the case that, for example, one would want to exempt the city of Ottawa from having to pay the HST, how would that be dealt with?

**The Vice-Chair (Mrs. Laura Albanese):** Whatever variable changes are contained will be mentioned, and we will be voting on the variable.

**Ms. Lisa MacLeod:** Okay, but I'm still not clear. So there will be resolutions or amendments to Bill 218 that will call for the exemption of, perhaps, a service. Let's use the Stittsville Minor Hockey Association; they came before committee today. They told us that for each player it's \$625. What if there is a resolution put forward to

exempt a hockey team or several hockey teams, and of those several hockey teams, maybe it's an exemption. Are you going to be assigning a dollar figure to that too? Since hockey registration costs across Ontario are different, whatever the 8% impact of the HST is, it would be different?

**The Vice-Chair (Mrs. Laura Albanese):** However the motion was worded. If it's the name—

**Ms. Lisa MacLeod:** Okay, but I'm still confused by this chart.

**The Vice-Chair (Mrs. Laura Albanese):** There's a template that has been created. There was a large number of motions presented by the party that have variable amounts on them. For those motions, no calculation was made, no basic change was made. They have been put into a template. There's no change made to the motion per se. They have been put into a template so that it will be easier to vote on each variable dollar amount.

**Ms. Lisa MacLeod:** Okay, and what variables? Could you give me an example?

**The Vice-Chair (Mrs. Laura Albanese):** Types of properties and types of services.

**Ms. Lisa MacLeod:** And can you elaborate on that?

**The Vice-Chair (Mrs. Laura Albanese):** And municipalities.

**Ms. Lisa MacLeod:** So, when you're looking for an exemption, for example, if you were to exempt municipalities, have you assigned a numeric value for those?

**The Vice-Chair (Mrs. Laura Albanese):** No, the name of the municipality—it's my understanding that would change.

**Ms. Lisa MacLeod:** My understanding when we first started discussing this was it was a template with a dollar figure. Instead, what's happening here is wherever you may find duplicates, that's what you're doing; you're putting them into a template table?

**The Vice-Chair (Mrs. Laura Albanese):** They're not duplicates. It's a template of multiple amendments that have the same wording, and there's only one variable on them that changes throughout the amendments.

**Ms. Lisa MacLeod:** So you've done this, and we're now waiting for these to be printed?

**The Vice-Chair (Mrs. Laura Albanese):** Copied.

**Ms. Lisa MacLeod:** Or copied. So we won't be receiving the actual amendments then; we will, instead, be receiving one template?

**The Vice-Chair (Mrs. Laura Albanese):** You will have a copy of the motion and then a template on the side that has the variable that changes.

**Ms. Lisa MacLeod:** And the variable could be a place—

**The Vice-Chair (Mrs. Laura Albanese):** So you'll have the original motion and you'll have the template.

**Ms. Lisa MacLeod:** —an activity or a number?

**The Vice-Chair (Mrs. Laura Albanese):** Yes.

**Ms. Lisa MacLeod:** Okay. That will be made available to us—

**The Vice-Chair (Mrs. Laura Albanese):** As soon as the package is ready. They're working on it right now.

**Ms. Lisa MacLeod:** Okay.

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Arthurs.

**Mr. Wayne Arthurs:** Thank you, Chair. I do have a couple of general questions. First let me say that I find myself at a bit of a distinct disadvantage. To my understanding, from a press release, it was the intention of the official opposition to submit some 500,000 amendments. I presume from our discussion here that you have quite a quantity of paper to deal with, thus my earlier question in the context of providing copies of amendments to all of the members. If that's anywhere close to accurate, that would mean some five million pieces of paper, so I can appreciate the difficulty in doing that.

The problem that I'm having right now in the discussion that's going on, in trying to follow the discussion, and make some sense of where we might be heading—or not, as the case might be—is I have no grounding, no basis of information on which to participate effectively because I haven't seen any, let alone 500,000, of the amendments. It makes it very difficult to know where the discussion is going. It's problematic in the context of following what's happening, and in an effort to participate effectively on the government side of this committee, if we are at a point of making—and I don't think we are, frankly—any recommendations about how to proceed, let me go on to just briefly say that I respect and support the comments made by the Chair in the context of the Speaker's ruling and the precedent that's been set, and I have every confidence in the Chair's ability to carry out those obligations as she spoke to them, in providing the necessary information to committee as we proceed. I know she has great support from the committee staff in doing that, so I'm forced to proceed, but I do find us at a disadvantage in trying to have a discussion about process in the absence of any context for a great quantum of amendments.

1420

**Ms. Lisa MacLeod:** If I may, we did submit 500,000, both in hard copy—because we had to; we were told to—and electronically as well. I'm wondering if the committee has the capability to put those on a projector or something, because we did file them not only in hard copy, as we were told we had to, but also electronically, so that each member of the committee and the public is able to see our amendments—valid amendments—amendments that we have heard from Ontarians need to be put to this table and that we need to explore. So I would ask that video capabilities be provided to us so that we could have those on the screen, whether it's through PowerPoint or another form.

**The Vice-Chair (Mrs. Laura Albanese):** Comments?

**Mr. Wayne Arthurs:** Just in the context of this, the procedure that I'm familiar with is one where committee members normally—again, time is tight; I'm acknowledging the constraints we're all working under—are provided with a hard copy of the amendments that they are going to deal with in the context of the bill. Each member has an opportunity, then, to have in front of them the amendment to make their own notes on it.

For me, it wouldn't be satisfactory to simply put it up on an overhead projector, for lack of a better phrase, or a PowerPoint projection, and try to manage the business of amendments in that quantum by doing things by PowerPoint projection. And I'm not suggesting that you want to copy 500,000 times 10, and get five million pieces of paper, but at the same time, I'm not ready to simply say, "Let's put it up on a PowerPoint," and try to work in that fashion.

**Ms. Lisa MacLeod:** Madam Chair, I—

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Prue.

**Mr. Michael Prue:** I have to state at the outset that I found myself at a particular disadvantage. I have not seen any of the amendments. I have not seen any that have been put forward by the government, if indeed there are any. I understand now from my colleague the parliamentary assistant that there may not be any. I know that we have submitted eight, and I do know that there are 500,000 that have been put forward by the Conservative Party of Ontario.

This is a considerable disadvantage, not having seen them in the beginning to understand what they're about or which ones I may support or not. I'm going to have to do it on the fly. But having said that, given that everything else here is on the fly because the government is so insistent on proceeding with this in such rapidity, I would at least—and I don't want to kill a forest of trees. I have to tell you that five million pieces of paper does not make much sense to me, when they're all going to be thrown out at midnight tonight.

I came from the city of Toronto following amalgamation, and one of the few good things that resulted is that we put the motions on the screen. Of course, we also had a computer terminal at our desks where you could read it, as well as the screen up at the front. But it got rid of the paper. If you are not going to print them—and I understand the logistics of all of that—then please, at least put them on the screen. I need to know what I'm voting for; otherwise, I have no option except to vote against all of them, because I'm not going to vote for anything I have not seen.

**The Vice-Chair (Mrs. Laura Albanese):** Ms. MacLeod.

**Ms. Lisa MacLeod:** I will just echo again: We could have had literally a million amendments, I kid you not, had we been allowed to solely file electronically. We had no option. We followed the rules of the Legislature.

That said, we do have that quantity. We do have 500,000 unique amendments. I understand my colleagues and the concern for not only the time but also the amount of money that this will cost, and the trees, so that's why I would request one more time that we put these on computer and we take the time to view them and go through this. I think that the province deserves to have this discussion. The government has left us no recourse other than to have these thoughtful amendments put forward. We filed them in a timely manner, in the way in which the rules prescribe, and they are certainly a reflection of the people that we have heard from across the province.

So I would submit finally, again, that we do everything in our power using those electronic amendments so that we may vote on the electronic amendments, so that all members of this committee, those who are viewing this today, as well as those who are watching at home, are able to see the thoughtful amendments put forward by Ontarians through the official opposition.

**The Vice-Chair (Mrs. Laura Albanese):** We will look into the possibility of putting them on a projector. In the meantime, can we commence the work that we need to do? There are no amendments for schedules A to Q. We could commence that.

**Ms. Lisa MacLeod:** Just a final point of clarification: When will we know that we will be able to put these on a projector? I just think it does a terrible disservice to the amendments—

**The Vice-Chair (Mrs. Laura Albanese):** We don't know exactly how long that will take, but I'll—

**Ms. Lisa MacLeod:** Could we recess until we do know?

**The Vice-Chair (Mrs. Laura Albanese):** I'm going to allow Mr. Arthurs to have a word.

**Mr. Wayne Arthurs:** Chair, if I understand you correctly, the staff are currently working on documentation to be presented to the committee to facilitate this afternoon and whatever amount time it may take. I'm certainly more than prepared to await that documentation so we can review it and see if it does the bidding, the work of the committee. I'm not prepared to concede at this point in time that we begin entrenching a PowerPoint presentation as a means of doing the amendment business of the committee.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you, Mr. Arthurs. Ms. MacLeod.

**Ms. Lisa MacLeod:** Further to that, I think we heard from Mr. Prue about the time the city of Toronto amalgamated—the ability for them to use technology. It certainly wouldn't be a problem for this Legislature to come into the 21st century from time to time.

You used the 1997 precedent, where you said that members are entitled to know what they're voting for. We not only think that members of this committee need to know what they're voting for, but also that the Ontario public deserves to know what we're voting for on their behalf, or not voting for, as the case may be.

So, again, I would strongly urge that we do that. If it is the government's desire to print, reprint, or copy these 500,000 amendments, it will come at a tremendous cost. What we're simply suggesting is that we try to eliminate that cost, and we try to do this as efficiently as possible.

**Mr. Wayne Arthurs:** That was neither the government's response to the comments nor its intent; that was anything but.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you, Mr. Arthurs.

We will take a 10-minute recess, and we'll see how we are going to proceed. Thank you.

*The committee recessed from 1425 to 1441.*

**The Vice-Chair (Mrs. Laura Albanese):** The Speaker's ruling has been distributed to all the members of the committee.

**Ms. Lisa MacLeod:** I just have a comment.

**The Vice-Chair (Mrs. Laura Albanese):** Yes, Ms. MacLeod?

**Ms. Lisa MacLeod:** On April 6, 7 and 8, Speaker Stockwell ruled, on page 539, and I'll quote him, "Let me be ... clear. This process will be applied to"—and this is where I think it's important—"this series of amendments only and should not be construed to be a precedent for the reading of amendments in the future." He goes on to say, "This does not mean that I'm finding"—in the case of what he was talking about at the time—"these amendments to be frivolous or tendered in a spirit of mockery."

So I think it's important to note that at the time, Speaker Stockwell believed he was ruling—had asked the Parliament at the time to only apply his ruling to the series of amendments before him, and that they should not be, at that time, construed as a precedent.

**The Vice-Chair (Mrs. Laura Albanese):** The standing orders were—sorry, did I interrupt you? I thought you were done.

**Ms. Lisa MacLeod:** No, that's fine.

**The Vice-Chair (Mrs. Laura Albanese):** Okay. Since that ruling, the standing orders have been amended. As I mentioned, standing order number 77(b) allows the Chair of a committee to "take such reasonable steps as he or she considers necessary to facilitate the committee's consideration and disposition of multiple amendments."

**Ms. Lisa MacLeod:** Just to further that, I think Mr. Prue probably said it best, although I would hope it doesn't occur: that if he were asked to vote without the ability to see the motions, he would vote against them.

It is our right, a parliamentary right, to know what we're voting on, and our right to vote. I think it would be a point of privilege if one were denied that right to see these amendments. That's why I think, until we're clear that each member of this committee has a right to see each one of the amendments and to know what we're voting for or, in any case, against, I think that the principle, not just the procedure, must be discussed.

**The Vice-Chair (Mrs. Laura Albanese):** Because there are a number of schedules in Bill 218 that do not have or contain any amendments, we could proceed to deal with those. In the meantime, the package that we are expecting should be ready. If it is not ready, we can then recess until such time.

**Ms. Lisa MacLeod:** Okay, thank you.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. Any further comments?

**Mr. Michael Prue:** I just need to know: I know there are 500,000 amendments, but how many templates are there?

**The Vice-Chair (Mrs. Laura Albanese):** One second. The clerk will look into that right now.

**Mr. Michael Prue:** I need to know the number of templates because in the ruling by Speaker Stockwell—I don't know that we're bound by it, but in any event it's

being relied upon. There was, to my understanding—I was here and watched on the television for other days as they went through, and it quite literally was every street in what is now the megacity of Toronto—one template. This is very much different, if there is more than one. I anticipate there may be dozens.

**The Vice-Chair (Mrs. Laura Albanese):** There are four templates.

**Mr. Michael Prue:** Four. Okay. Thank you.

**The Vice-Chair (Mrs. Laura Albanese):** Shall we proceed? We'll need unanimous consent to stand down sections 1, 2 and 3 to deal with the schedules of the bill.

**Ms. Lisa MacLeod:** Just a clarification: We're standing down sections—

**The Vice-Chair (Mrs. Laura Albanese):** Standing down sections 1, 2 and 3. Agreed? Agreed.

We'll move to schedule A. Will the committee agree to consider, in schedule A, sections 1 through 12, inclusive, simultaneously? Agreed?

1450

**Mr. Wayne Arthurs:** Agreed.

**Ms. Lisa MacLeod:** No.

**The Vice-Chair (Mrs. Laura Albanese):** So schedule A, section 1: Are there any comments? Seeing none, all those in favour?

**Mr. Garfield Dunlop:** Could I have a recorded vote, please?

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule A, section 2: Any comments? All those in favour?

**Mr. Wayne Arthurs:** Recorded, please.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule A, section 3: Any comments? All those in favour?

**Mr. Wayne Arthurs:** Recorded, please.

**Ms. Lisa MacLeod:** Excuse me, Madam Chair, would you be able to read the section?

**The Vice-Chair (Mrs. Laura Albanese):** Schedule A, section 3.

**Ms. Lisa MacLeod:** The wording, "When purchaser is not subject to tax."

*Interjection.*

**Ms. Lisa MacLeod:** I didn't hear what the legislative counsel said. She made a comment; I just couldn't hear it.

*Interjection.*

**Ms. Lisa MacLeod:** I was asking for the passage to be read into the record. Before I vote, I'd like to know exactly, as my colleagues would, and the public has a right to know.

**The Vice-Chair (Mrs. Laura Albanese):** When there is no amendment, we just call the schedule and the section.

**Ms. Lisa MacLeod:** Right, but the Liberal government has called for a recorded vote and I think it's incumbent upon you or the Liberals to read it into the record before we vote for it or against it.

**The Vice-Chair (Mrs. Laura Albanese):** I believe you asked for a recorded vote just before that for schedule A, section 2.

A copy of the bill is available to the public and to all members of the committee. When there are no amendments, we just read the schedule and the section, and that's what we vote on.

So we're going back to schedule A, section 3: All those in favour?

**Mr. Wayne Arthurs:** Recorded vote.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule A, section 4: Any comments?

**Mr. Wayne Arthurs:** Point of order: If I can just ask, and this is just a question, the committee members today—is Mr. Garfield a committee member this afternoon?

**Mr. Garfield Dunlop:** I'm not subbed in, no.

**Ms. Lisa MacLeod:** He's not voting.

**Mr. Wayne Arthurs:** Then can I just ask whether non-voting members can ask for recorded votes?

**Mr. Garfield Dunlop:** Sure you can.

**Mr. Wayne Arthurs:** I don't know. As a non-voting committee member—sorry, I'm asking the clerk on a procedural matter. I know members are allowed to join in the committee, but I didn't know they were allowed to participate in the voting and were able to call a recorded vote.

**Mr. Garfield Dunlop:** I haven't voted.

**Mr. Wayne Arthurs:** No, I know that. I'm just asking. I may find myself in that position someday.

**Mr. Garfield Dunlop:** I wish I could vote. I'd love to have my name against this.

**Mr. Wayne Arthurs:** I'm sure you would.

**The Vice-Chair (Mrs. Laura Albanese):** I am advised that only a properly subbed member of the committee can vote or ask for a recorded vote.

**Mr. Garfield Dunlop:** I apologize for asking for the recorded vote, but I'll make sure my colleague will ask from now on.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. Let's go forward with schedule A, section 4. All those in favour?

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule A, section 5: Any comments? All those in favour? Opposed?

**Ms. Lisa MacLeod:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** You have to ask for it before, I'm told. I'm sorry. All those in favour? Opposed? Carried.

It has to be asked for before it's called.

Schedule A, section 6: Any comments?

**Ms. Lisa MacLeod:** A recorded vote, please.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. We shall proceed to schedule A, section 7. Any comments? All those in favour? Opposed? Carried.

Schedule A, section 8: Any comments? All those in favour? All those opposed? Carried.

Schedule A, section 9: Any comments?

**Ms. Lisa MacLeod:** Recorded vote.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule A, section 10: Any comments?

**Ms. Lisa MacLeod:** A recorded vote.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule A, section 11: Any comments?

**Ms. Lisa MacLeod:** Just a recorded vote, please.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule A, section 12—

**Ms. Lisa MacLeod:** A recorded vote, please.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Shall schedule A carry?

**Ms. Lisa MacLeod:** Recorded vote, please.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. We'll now move to schedule B, section 1. Any comments?

**Ms. Lisa MacLeod:** Recorded vote.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

**Mr. Michael Prue:** Chair, in order to facilitate the proceedings, since one side or the other is calling for a recorded vote on every occasion, could I move that they all be recorded, and we can skip at least a couple of seconds on each one?

**The Vice-Chair (Mrs. Laura Albanese):** Do we have consent?

**Ms. Lisa MacLeod:** No.

**Mr. Michael Prue:** Okay. Just trying to speed it up.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule B, section 2: Any comments?

**Ms. Lisa MacLeod:** Just a recorded vote.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.



**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.  
Schedule B, section 3: Any comments?

**Ms. Lisa MacLeod:** Recorded vote, please.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.  
Shall Schedule B carry?

**Ms. Lisa MacLeod:** Recorded vote, please.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We'll move on to schedule C, section 1: Any comments?

**Ms. Lisa MacLeod:** Just a recorded vote, please.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.  
Schedule C, section 2: Any comments?

**Ms. Lisa MacLeod:** Just a recorded vote, please.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.  
Shall Schedule C carry?

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** All those in favour?

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.  
Schedule D, section 1: Any comments?

**Ms. Lisa MacLeod:** Just a recorded vote, please.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.  
Schedule D, section 2: Any comments?

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** All those in favour?

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

1500

**The Vice-Chair (Mrs. Laura Albanese):** Carried.  
Schedule D, section 3: Any comments?

**Ms. Lisa MacLeod:** Yes, I actually do. Could legislative counsel tell us why we're striking out "January 1, 2011" and substituting it with "January 1, 2010"?

**Ms. Catherine Macnaughton:** I'd have to ask the ministry to answer that.

**The Vice-Chair (Mrs. Laura Albanese):** It would be the ministry that would answer that.

**Ms. Lisa MacLeod:** Sure. Well, then, maybe they can pop up to let us know.

**The Vice-Chair (Mrs. Laura Albanese):** Please be seated, and if you could state your name for the record.

**Mr. James Sinclair:** My name is James Sinclair. The question is why we're substituting the date?

**Ms. Lisa MacLeod:** Yes. Could you elaborate?

**Mr. James Sinclair:** My understanding is that the program is no longer active, and so it's just repealing the program.

**Ms. Lisa MacLeod:** Okay, and that is the community small business investment fund?

**Mr. James Sinclair:** Yes.

**Ms. Lisa MacLeod:** And that is—I'm not just talking about the act, but that's the program? And so the program has wound up?

**Mr. James Sinclair:** I can't speak to the program because I'm not out of the policy area; I'm the legal director.

**Ms. Lisa MacLeod:** Is there anyone here that could speak to the program?

**Mr. James Sinclair:** I don't believe I have anyone here to speak to it.

**Ms. Lisa MacLeod:** Okay, so we're striking out "January 1, 2011" to eliminate a program and we're

going to instead call it “January 1, 2010” next month and we don’t know what the program is? Does anyone from the Ministry of Finance know what the program is? So let me get this straight: We’re eliminating a program in the next three weeks and no one in the government knows what it is.

This is the problem for dealing with this bill as an omnibus bill. If this bill had just instead been about what everybody thought it was about—the HST—it would be a different story. But instead, in your haste to get this through not only provincial Parliament but through committee, what we’re dealing with now is a program that we’re going to kill and nobody knows the reason why. Nobody even knows the program probably exists. I think that speaks volumes as to why we needed more deliberation time and public hearings into this legislation.

Unfortunately, I will not be able to support striking this clause out because the official opposition has no clarification from the government or the Ministry of Finance officials. I’ll require a recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** Any further comments? Mr. Arthurs.

**Mr. Wayne Arthurs:** Just briefly: Mr. Sinclair, thank you for presenting yourself. Secondly, obviously, fall budget bills tend to capture a large number of features. This is not the first fall budget bill that would have done this under our government or previous governments. The executive staff who are here will be able to answer probably a considerable number of questions, but there certainly may be areas, given the multitude of ministries that would be involved, and we would probably more than fill this room five times over waiting on a question that just may come up today.

**Ms. Lisa MacLeod:** Okay, but given the fact that you are the government and this is an omnibus bill and one that, according to your Premier, is the single most important thing you can do for the economy, not to be able to tell us what a certain program is for the Community Small Business Investment Funds Act—I think that’s the biggest challenge.

I have concerns, and we won’t be able to support that.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. Any further comments?

**Mr. Wayne Arthurs:** Just very briefly: Within the context of the bill, there is a descriptive clause that may be helpful to the member. It speaks to “The amendment to clause 18.11(4)(a) of the act terminates the Ontario commercialization investment fund program by providing that no eligible investments may be made after 2009.” So the moving up of the date recognizes that this particular program is coming to closure.

**The Vice-Chair (Mrs. Laura Albanese):** Any further comments? Recorded vote.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule D, section 4: Any comments?

**Ms. Lisa MacLeod:** Just a recorded vote, please.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule D, section 5: Any comments? All those in favour? Opposed? Carried.

Schedule D, section 6: Any comments?

**Ms. Lisa MacLeod:** Just a recorded vote, please.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule D, section 7—

**Ms. Lisa MacLeod:** Just a quick question: Effective when this bill receives royal assent, that means we have effectively killed that program and eliminated the community small business investment fund?

**The Vice-Chair (Mrs. Laura Albanese):** The ministry would have to answer that.

**Ms. Lisa MacLeod:** Do we get legislative assistance from the parliamentary library too?

**The Vice-Chair (Mrs. Laura Albanese):** The parliamentary assistant, Mr. Arthurs.

**Mr. Wayne Arthurs:** In effect, there has been no uptake of that particular fund, and its continuation, having zero uptake, seemed inappropriate and unnecessary.

**Ms. Lisa MacLeod:** What do you mean by zero uptake?

**Mr. Wayne Arthurs:** There were no applications to use the fund.

**Ms. Lisa MacLeod:** There were no applications?

**Mr. Wayne Arthurs:** Not as I understand it.

**Ms. Lisa MacLeod:** Do you work for the legislative library, or are you with the ministry?

**Ms. Catherine Macnaughton:** With legislative counsel.

**Ms. Lisa MacLeod:** You’re legislative counsel. So you work for the Legislative Assembly?

**Ms. Catherine Macnaughton:** In part.

**Ms. Lisa MacLeod:** In part? Okay.

**Ms. Catherine Macnaughton:** I helped draft the bill.

**Ms. Lisa MacLeod:** Oh, you drafted the bill. Okay.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule D, section 7. Any further comments?

**Ms. Lisa MacLeod:** We'll have a recorded vote.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

Shall schedule D carry?

**Ms. Lisa MacLeod:** Could we have a recorded vote on that?

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

Schedule E, section 1: Any comments?

**Mr. Wayne Arthurs:** If I could, Chair, and this may be a point as well where the ministry staff may be able to help us, I hope. This is an interesting schedule dealing with the Condominium Act and the capacity to borrow funds. I'm noting in the schedule that it speaks to expanding the borrowing capacity of condominiums, as I understand it, to include instruments issued by credit unions, which are insured by the Deposit Insurance Corporation of Ontario. Why the inclusion? What's the benefit to condominiums for this particular amendment?

**Mr. James Sinclair:** I believe the intent of the amendment was to expand the range of choice of eligible securities available for condominium corporations, so that when they collect funds, they don't have to only consider depositing those funds or holding them in eligible securities issued by banks, but could also extend to caisses populaires and credit unions.

**Mr. Wayne Arthurs:** Would that be, as an example, the Toronto Police Credit Union or—I think the fire-fighters have one as well; I know Toronto police have a credit union. Would that be an eligible credit union?

**Mr. James Sinclair:** That would be an eligible credit union.

**Mr. Wayne Arthurs:** So that provides a window of opportunity for the condominium corporations—many of whom we heard from on this bill, albeit in a different aspect of it—capacity for them, presumably, to borrow in a more competitive marketplace than might otherwise be available, simply from the range of choice, and similarly the opportunity for credit unions to compete for those dollars to lend out, where to this point they would have been precluded from the opportunity to be in that competitive marketplace, primarily with the big five, if we can call it that. Is that a fair assessment?

**Mr. James Sinclair:** That's correct.

**Mr. Wayne Arthurs:** Thank you.

**Ms. Lisa MacLeod:** Recorded vote.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

Schedule E, section 2: Any comments?

**Ms. Lisa MacLeod:** Recorded vote please.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

Shall schedule E carry? All those in favour? Opposed? Carried.

Schedule F, section 1: Any comments?

**Ms. Lisa MacLeod:** Could we have a recorded vote? Also, could legislative staff explain this a little bit more for us? I understand it pertains to co-operative corporations, so co-operative housing, and it's going to entail how they meet. I'm just wondering what the reason is for doing this right now in this bill.

1510

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Sinclair, please come forward to give us—

**Ms. Lisa MacLeod:** We're dealing with the HST, what the government is calling the Ontario tax plan for more jobs and growth. I'm just wondering how co-operative housing falls under that.

**Mr. James Sinclair:** This was an initiative that was announced in the spring budget. The intent of these amendments is really to allow co-operative corporations to sort of get into the 21st century. It would permit them to have electronic meetings and to—I think it's basically to allow them to adopt more modern meeting protocols.

**Ms. Lisa MacLeod:** Weren't they allowed to do that? I guess the question I have is, why does that need to be legislated? Of course everyone should be able to use more modern protocols.

**Mr. James Sinclair:** Well, the way in which meetings could be called and held was prescribed in the act. The amendments are intended to allow, for example, the use of telephonic or electronic means. So we've proposed amending that particular provision. It's an older piece of legislation, and it's really modernizing that piece of legislation.

**Ms. Lisa MacLeod:** Okay. What's the rationale for including that in the tax plan bill?

**Mr. James Sinclair:** Well, it was announced in the budget as an initiative that was important—I can't speak to the policy of it.

**Ms. Lisa MacLeod:** It's just it seems quite ridiculous, actually, that our economic plan is telling people how to vote.

**Mr. James Sinclair:** Well, it would allow co-operative corporations to conduct their meetings more efficiently.

**Ms. Lisa MacLeod:** Okay. So it's all corporations or just co-operatives?

**Mr. James Sinclair:** Just co-operative corporations.

**Ms. Lisa MacLeod:** Okay.

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Arthurs?

**Mr. Wayne Arthurs:** Just a couple of things—Mr. Sinclair, don't go away quite yet. The fall budget bill speaks to implementing "2009 Budget measures and to enact, amend and repeal various Acts." I think we need to repeat on occasion during the course of our discussion here that there are a number of pieces of legislation and amendments from more than one ministry included in this particular bill, which is neither unusual nor in any way out of order, and you will see things, as we go through this, that reflect on other ministries.

I do want to comment, though—and I stand to be corrected and/or clarified—in respect to schedule F, the Co-operative Corporations Act. I was noting the capacity to move the Co-operative Corporations Act more in line with comparable provisions of the Business Corporations Act. My recollection was that when the old hydro utilities, the commissions, were reconfigured through legislation, they were reconstituted under the Business Corporations Act, and at that time it gave us greater capacity in the appointment of directors to the new corporate entity as might have been available to us from the standpoint of commissioners.

My recollection, and I may be wrong on this, was that the commissioners were at least traditionally, if not by law, drawn from the geographic boundary, if I can call it that, of the utility, whereas the Business Corporations Act allowed the utilities to draw upon expertise on their board of directors from far and wide. There were any number of them who advertised broadly and brought directors on with particular kinds of corporate expertise who didn't necessarily live in the areas that the utility might have served. I think I'm correct in that; again, I stand to be corrected.

The next part of my comment in that regard, though, is with respect to schedule F, because the last part of F speaks to non-members of co-operative being permitted to be directors of the co-operative subject to certain restrictions. The analogy I'm drawing is that co-operatives may not have, within the context of their membership, the range of expertise that would best serve that co-operative in managing its business. My sense would be that this type of change would give the co-operative the level of flexibility to reach out to a much broader community to put on its board of directors the type of

expertise that may better serve that co-operative and make it a better business functioning unit. Is that a fair assessment of what this might mean in that context, or have I missed the mark entirely?

**Mr. James Sinclair:** No, that's a fair assessment. Like all corporations, co-operative corporations are creatures of statute, and so the amendments are being put forward to modernize this particular statute, including allowing non-members to serve as directors.

**Mr. Wayne Arthurs:** Thank you, Mr. Sinclair. I appreciate that.

**Ms. Lisa MacLeod:** Just before we vote, can I get clarification on the timing as to when we might be able to expect the official opposition's amendments?

**The Vice-Chair (Mrs. Laura Albanese):** We shall inquire. The clerk shall inquire.

**Ms. Lisa MacLeod:** Okay. Do you think it's going to be minutes or hours, or—

**The Vice-Chair (Mrs. Laura Albanese):** We will make a phone call and inquire. In the meantime, we can move on—

**Ms. Lisa MacLeod:** Recorded vote.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule F, section 2: Any comments?

**Ms. Lisa MacLeod:** Just a recorded vote, please.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**The Vice-Chair (Mrs. Laura Albanese):** Those opposed? Carried.

Schedule F, section 3: Any comments?

**Ms. Lisa MacLeod:** Just a clarification on the corporate seal: I assume that's being amended. We're taking out "under its corporate seal"? Is there a rationale for taking the corporate seal out of the act?

**The Vice-Chair (Mrs. Laura Albanese):** Legislative counsel?

**Ms. Catherine Macnaughton:** It's my understanding, under modern corporate law, that corporate seals are not necessarily required anymore. Some corporations have them and some don't. So this is just taking away the requirement that they have to do something under corporate seal.

**Ms. Lisa MacLeod:** Okay.

*Interjection.*

**The Vice-Chair (Mrs. Laura Albanese):** I'm informed that the amendment package will be here in approximately one hour.

**Ms. Lisa MacLeod:** Okay.

**The Vice-Chair (Mrs. Laura Albanese):** We shall move to vote on schedule—

**Ms. Lisa MacLeod:** Just quickly, it's going to be here in one hour, so does that mean we'll be here until we've reached all of the amendments? What is the time frame for the rest of the committee?

**The Vice-Chair (Mrs. Laura Albanese):** Well, right now we're proceeding with the part of the bill that doesn't have any amendments. I guess we'll have a better idea at that time. As far as what we are allowed, the time allocation permits us to meet until midnight tonight.

**Ms. Lisa MacLeod:** Okay. I just was very worried that basically two hours would elapse through clause-by-clause and our amendments wouldn't have been made available. So I just wanted to make sure that there was sufficient time.

**The Vice-Chair (Mrs. Laura Albanese):** The office of the clerk is in the process of putting that amendment package together right now.

So we'll move on to the recorded vote for schedule F, section 3.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We'll move on to schedule F, section 4. Any comments? All those in favour—

**Mr. Michael Prue:** I have a comment.

**The Vice-Chair (Mrs. Laura Albanese):** Oh, sorry. Mr. Prue?

**Mr. Michael Prue:** Yes. I just want to make sure—what this appears to me to be, from the reading of it, is that “the bylaws of a co-operative, other than a non-profit housing co-operative, may provide for the appointment or election of directors” who are non-members. This is to allow people in corporations to appoint non-members to the board of directors? Is that what this is all about? Can anybody give me a rationale as to why you would want people outside the corporation having control of the corporation?

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Arthurs?

**Mr. Wayne Arthurs:** Chair, I can comment. In the same way that I was speaking with and asking some confirmation of Mr. Sinclair when he was up a few minutes ago, it would be my view that (1) non-members are not having a controlling interest, if I understand it correctly, if there were non-members on the board; and (2) it does allow the board to garner, presumably, expertise that might not otherwise be available within the context of the membership.

1520

The analogy I was using was the hydro utilities as entities under the Business Corporations Act, as opposed to commissions. That was the comparator.

It is, in my view, to allow the capacity to garner expertise that might not readily be available from the membership, to strengthen the corporation.

**Mr. Michael Prue:** But may I ask: It doesn't limit it to one or two people. It would mean that the bylaws could be amended in such a way that the majority or all of the—

**Mr. Wayne Arthurs:** It is limited to one fifth.

**Mr. Michael Prue:** It doesn't say that—oh, underneath maybe it does.

**Mr. Wayne Arthurs:** Subsection (3), I believe, Mr. Prue.

**Mr. Michael Prue:** All right, thank you.

**The Vice-Chair (Mrs. Laura Albanese):** So we shall move to vote on schedule F, section 4.

**Ms. Lisa MacLeod:** Recorded.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We will now consider schedule F, section 5. Any comments?

**Ms. Lisa MacLeod:** Just a recorded vote, please.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We'll consider schedule F, section 6. Any comments?

**Ms. Lisa MacLeod:** Just a recorded vote, please.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

Schedule F, section 7: Any comments?

**Ms. Lisa MacLeod:** Just quickly: Section 93.1 of the act will be repealed. I don't have a copy of the act. Could

we receive a point of clarification in terms of the rationale for repealing section 93.1 of the act?

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Arthurs.

**Mr. Wayne Arthurs:** My understanding of that is that there has been a requirement that a director from each group of a multi-stakeholder co-operative be in place at the meeting for the purposes of establishing a quorum. What this will do is delete that requirement, so if there was a multi-stakeholder co-operative and you were missing one member from one of those multi-stakeholder groups, you could still constitute a quorum for the purpose of the meeting.

**The Vice-Chair (Mrs. Laura Albanese):** Is that fine?

**Ms. Lisa MacLeod:** I'm just wondering, through consultations for this bill, did you hear—how did you come to this conclusion?

**Mr. Wayne Arthurs:** I think governments will have seen this over time. Co-operatives, as a group, have remained active in presenting themselves to government through ministries, obviously, the ministry activity, on issues that are of particular concern to them.

I know, as one member, I have had dealings over time with the co-operative sector in conjunction with the Ministry of Municipal Affairs and Housing. The PA on that format and myself have met with the co-operatives on occasion—not recently, I must say, not in the past few months, but it's part of this ongoing dialogue. So I couldn't say specifically where this particular item would have surfaced in those discussions.

**Ms. Lisa MacLeod:** Okay. I guess—

**Mr. Wayne Arthurs:** But to my knowledge, we wouldn't have gone out on a specific consultation to seek out this particular amendment.

**Ms. Lisa MacLeod:** Okay. I guess the concern, Wayne, is that, again, we've been dealing with the HST. When we're dealing with housing, it's about how much more it will cost renters, condo owners etc., again with the lack of comment from the public on this particular piece of legislation.

It's about that right to know that the Speaker in 1997 referred to. I just think that there wasn't adequate attention paid to other parts of this piece of legislation. Certainly, we didn't have the ability to reach out to stakeholders, just on the HST side. I have a real concern with this.

So I won't be voting for it, but I do call for a recorded vote.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We'll now consider schedule F, section 8. Any comments?

All those in favour? All opposed? Carried.

We'll move on to schedule F, section 9. Any comments? All those in favour?

**Ms. Lisa MacLeod:** I was going to ask for a recorded vote.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Shall schedule F carry? Any comments?

**Ms. Lisa MacLeod:** A recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Recorded vote. All those—

**Ms. Lisa MacLeod:** Oh, and basically, as of the minute this receives royal assent, then we're to expect that these changes will occur right away? What will be the means of transmitting this information to those in co-operative corporations? Is there anyone from municipal affairs and housing here who is able to tell us that? I mean, are there voting protocols on how these organizations, these corporations, will govern themselves, and what if there are pre-existing meetings? I think it's important for us to know if they are able to get this information in a very quick time frame. Again, just given the fact that this was sort of hidden in the HST bill, I'm not sure there were a lot of people who would have known about this.

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Arthurs?

**Mr. Wayne Arthurs:** First, if I can—I'll put my straight face on for a minute. None of this is hidden in the fall budget bill, colloquially referred to by the member opposite as the "HST bill." It's not hidden here in any way whatsoever. I have a high degree of confidence—

**Ms. Lisa MacLeod:** Then I'll say it's buried.

**Mr. Wayne Arthurs:** Having worked with senior members of staff in all of the ministries through one of my roles, I have tremendous confidence in their capacities and their expertise and their professionalism to be able to communicate this to the stakeholders that will be impacted, the co-operative housing corporations, and provide them with the necessary information. If there's a concern, the member can rest assured that the able staff that we have at the province of Ontario broadly will be able to undertake that in an effective fashion.

**The Vice-Chair (Mrs. Laura Albanese):** Mr. O'Toole?

**Mr. John O'Toole:** I know we're dealing with a specific section, F, and I do apologize, but I came because I was watching part of this proceeding after I was in the Legislature, and I had one question. I know our member

Ms. MacLeod has been doing diligence here. This has a section within the last paragraph on page 58 dealing with counting—I know this is with respect to co-operatives, but in a general sense, I want to direct through you, Chair, to the parliamentary assistant: Is there a method for counting jobs? We've got this Jack Mintz report saying there's 600,000 jobs in this thing, and they are saying that through these very rigid mechanisms of tax reform they are going to create 600,000 jobs.

I have two parts of the question: Are they being counted, and how? And the second one: In what sectors?

I mean, in all these things, the nuances around tax policy and tax shifting, there must be some method of trying to determine if there's success in the policy. Could I, through the Chair—I know it's not a specific amendment, but we are dealing with a section that has the counting provision here.

**The Vice-Chair (Mrs. Laura Albanese):** Any comments, Mr. Arthurs?

**Mr. Wayne Arthurs:** No.

**Mr. John O'Toole:** There's no method for accounting? The parliamentary assistant—there's no method for accounting whether or not there are job gains or losses, for the record? I'd like to send out a press release on that tonight, if I could. So that's the response?

**Mr. Wayne Arthurs:** You can probably send all the press releases that you would like, but I have no comment on your question.

**Mr. John O'Toole:** There's no accountability? That's good.

**Mr. Wayne Arthurs:** No comment.

*Interjections.*

**The Vice-Chair (Mrs. Laura Albanese):** We'll move forward to—

**Ms. Lisa MacLeod:** Just so we're clear, I'd like a recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. On schedule F, shall schedule F carry?

### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

### Nays

MacLeod, Prue.

1530

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We shall move now to consider schedule G, section 1. Any comments?

**Ms. Lisa MacLeod:** I do. It's interesting. Schedule G: Corporations Tax Act:

“1(1) The definition of ‘film studio’ in subsection 43.5(19) of the Corporations Tax Act is repealed and the following substituted:

“‘film studio’ means,

“(a) a building in which sets are used for the purposes of making film or television productions and sound, light and human access are controlled; or

“(b) a building in which activities are carried out directly in support of animation if the production is an animated production or contains animated segments; (‘studio’).”

I'm just wondering what the rationale is for the change, and what was it before? What has been eliminated or added? Is there anybody here from the appropriate ministry?

**Mr. Michael Waterston:** Hello. I'm Michael Waterston, counsel, legal services branch, Ministry of Finance. Schedule G contains an amendment to the Corporations Tax Act, which, as you know, is an amendment to section 43.5, which provides for the Ontario film and television tax credit. Currently, in the rules for the Ontario film and television tax credit, there are no specific rules that deal with animated films. It is proposed in this schedule to make two amendments: One is to clarify that the 10% bonus tax credit for regional Ontario production is available to animated films, and that's clarified through subsection (2) of section 1. Particularly with respect to the definition of “film studio,” previously the definition contained only essentially clause (a), which dealt with general films. So what the government is proposing is to add the clause (b), which has a special rule with respect to animated films.

**Ms. Lisa MacLeod:** Okay. In the definition of regional Ontario production—let's just skip ahead to subsection (2)—what's the rationale for that? I'm an eastern Ontario rep, so I'm wondering why it's just the GTA.

**Mr. Michael Waterston:** It's my understanding that this bonus incentive for regional Ontario productions goes back to 2003 and was announced in that budget. The intent, I understand, is to encourage film production outside the greater Toronto area.

**Ms. Lisa MacLeod:** So it's for outside?

**Mr. Michael Waterston:** Correct. It's for production.

**Ms. Lisa MacLeod:** So section 2(c), which is, I guess, added, is to enhance film production outside of the GTA?

**Mr. Michael Waterston:** It's a special 10% bonus to encourage and support film production outside the GTA.

**Ms. Lisa MacLeod:** Can you make sure all that goes to Ottawa?

**Mr. Michael Waterston:** No.

**Ms. Lisa MacLeod:** No. You don't take a joke, eh? All right.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. So I called a vote—

**Ms. Lisa MacLeod:** I'm going to vote for this one.

**The Vice-Chair (Mrs. Laura Albanese):** —on schedule G, section 1. All those in favour?

**Mr. Wayne Arthurs:** Recorded vote.

### Ayes

Arthurs, Hoskins, MacLeod, Naqvi, Pendergast, Prue, Sousa.

**The Vice-Chair (Mrs. Laura Albanese):** All those opposed? Carried.

May I remind all members of the committee that you should ask for a recorded vote before the Acting Chair says, "All those in favour?"

**Ms. Lisa MacLeod:** Things are moving so fast here, I'm sure it was hard for him to keep up.

**The Vice-Chair (Mrs. Laura Albanese):** We shall proceed now to consider schedule G, section 2. Any comments?

All those in favour? All those opposed? Carried.

Shall schedule G carry? Any comments? Carried.

We'll proceed to consider schedule H, section 1. Are there any comments?

**Ms. Lisa MacLeod:** Yes, just quickly. Clause 39(1)(d) of the Credit Unions and Caisses Populaires Act: "the deposits are required or governed under an act of the Legislature." What was it previously? So what we're doing is we're repealing that clause, and we're replacing it with "the deposits are required or governed by an act of the Legislature or the Parliament of Canada or by a regulation made under such an act." What was the previous situation? Wasn't it already previously prescribed this way?

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Arthurs.

**Mr. Wayne Arthurs:** Yes, I can give you the notation on it. It deals with moving the requirement that regulations be made to prescribe the statutes. It might be better, though, if we ask one of the officials, since they may be able to give us the layman's description.

**Ms. Lisa MacLeod:** I'm just wondering. So perhaps one of you can come up. So previously, it was made by regulation, and now we're opening it up for interpretation, or to be governed, by the Legislature or Parliament? If I heard what the parliamentary assistant said, previously it was governed by regulation.

**Mr. James Sinclair:** I believe that the intent of this provision is to facilitate credit unions and caisses populaires holding deposits, whether it's legislation or regulation of the federal Parliament or the Ontario Legislature. So I believe it's to facilitate credit unions and caisses populaires to hold deposits just generally. I'm afraid I can't tell you the exact wording of the previous provision. Perhaps legislative counsel could help with that.

**Ms. Catherine Macnaughton:** I think it previously required that—it just stated to be prescribed by regulation. All we did was move the regulation wording into the act.

**Ms. Lisa MacLeod:** Okay, and just quickly: Were the credit unions in Ontario part of a consultation for this to occur?

**Ms. Catherine Macnaughton:** That's my understanding.

**Mr. James Sinclair:** Yes, that's my understanding. And this is a follow-on amendment from more fulsome amendments that were passed in the springtime.

**Ms. Lisa MacLeod:** Okay.

**The Vice-Chair (Mrs. Laura Albanese):** Any other comments? I call the vote on schedule H, section 1. All those in favour? Opposed? Carried.

We will now consider schedule H, section 2. Any comments? All those in favour? Opposed? Carried.

Schedule H, section 3: Any comments? All those in favour? Opposed? Carried.

Shall schedule H carry? Carried.

We will now consider schedule I, section 1. Yes, Ms. MacLeod?

**Ms. Lisa MacLeod:** I do have a quick question, Chair. Maybe somebody from the government could tell me why the Education Act was included in the Liberal government's Ontario Tax Plan for Jobs and Growth Act.

I'll simply say this: I spoke a couple of weeks ago with some school board representatives from my community who were unaware that there was going to be a change to the Education Act hidden within the HST bill. When I told them that this was happening, they weren't sure why that was happening. They indicated that they had not been consulted. I just need to have a solid rationale given to me to completely understand why, in the haste of this, a big omnibus bill, this was sort of hidden inside it or sort of included amidst all the other details.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. Any other comments? Mr. Arthurs?

**Mr. Wayne Arthurs:** I can only be somewhat repetitive, but probably using slightly different words. I would draw the member's attention to the title of the bill: An Act to implement 2009 Budget measures and to enact, amend or repeal various Acts.

Fall budget bills, as they're referred to, tend to be bills that capture a number of amendments to various acts. If each of them on their own were to take the necessary legislative time to make an amendment to an act, there would be little opportunity for the government of the day, whoever that might be, to fulfill the broader mandate that they have, or for the official opposition and the third party to hold those governments to account if, in effect, we didn't have this capacity to deal with relatively minor changes often, or changes that have been a result of consultations within a more comprehensive piece of legislation.

I hope that's ample and satisfactory.

**Ms. Lisa MacLeod:** Well, again, I just think it's—

**Mr. Wayne Arthurs:** I think I keep answering the same question over and over.

**Ms. Lisa MacLeod:** You know, that's an interesting point—that you say that you think you're answering the same question over and over and over, but the reality is, no, you're not, because each one of these different schedules is dealing with different legislation that can be completely different. We've dealt with condo corporations, we've dealt with co-operative corporations, we've dealt with liquor and wine, and now we're into school boards. It's so diverse. I think the real shame of it is that this committee is now just getting to the meat and



potatoes of all this other legislation hidden inside the HST bill.

Given that important legislation—we're going to get to teachers' pension funds later; again, hidden in the HST bill. So the public hasn't had the ability to talk about this, and now we're just going through—myself and two of my colleagues were able to have a briefing by the Ministry of Finance, but again, given the magnitude and the scope of the HST part of the HST bill, this is all very important and I think it requires due diligence. It seems like it's coming right out of left field.

1540

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. Mr. Arthurs?

**Mr. Wayne Arthurs:** Again, briefly, I hope that the briefing to you and the other members was beneficial and helpful. Certainly, the availability of the ministry staff who are here, to the extent that they can respond directly to some of the questions of a technical nature that might be raised—I know that they're more than pleased to do that.

As I understand this element of the Education Act, it really brings school board accounting more in line with other recent changes in government accounting principles. They are those broader governing principles that governments have, and now school boards are lining up more effectively with those. Again, it would be a technical element. We would draw upon the experts who are here in the same way you would during the briefing session.

**Ms. Lisa MacLeod:** Great. I just appreciate that. Do we have anyone here from the Ministry of Education who might be able to speak to this bill?

**Mr. Wayne Arthurs:** I expect we have Ministry of Finance people here. I'm not seeing anyone jumping up saying they're from the Ministry of Education, but I'm sure Ministry of Finance people would undertake—

**Ms. Lisa MacLeod:** No, I guess my question was just if we had anyone, given that we've got Education Act legislation—

**Mr. Wayne Arthurs:** This does deal with finance matters, though, and I think they would be amply able to provide comment and, if not, advise that they don't have that particular information.

**Ms. Lisa MacLeod:** Sure. I guess the quick question is, who is responsible for the Education Act? Is it the Ministry of Finance or the Ministry of Education?

**Mr. James Sinclair:** It would be the Ministry of Education.

**Ms. Lisa MacLeod:** So you're dealing with school boards. Who deals with school boards? The Ministry of Finance or the Ministry of Education?

**Mr. James Sinclair:** That would be The Ministry of Education.

**Ms. Lisa MacLeod:** Okay. Thank you.

**Mr. Michael Prue:** If I could, I'm a little bit worried about this. It seems to me that this is the slow but very sure erosion of powers of school boards, taking away their authorities. Now you're taking away the authority

on how they keep the books and the board shall not, without the minister's approval, have an in-year deficit and all of those things that are being put in place to ensure that any recalcitrant board that steps outside the boundaries, any board that questions the minister in his or her actions will be whacked with the long arm of the law.

I see that this is what it's for. I don't see that it's for any other purpose than that, and I certainly can't support it.

**The Vice-Chair (Mrs. Laura Albanese):** Any other comments?

**Ms. Lisa MacLeod:** I'll request a recorded vote on each of the items when they arise, but I won't be able to support it either. Quite honestly, we're on page 61 of, oh, I don't know, a bill that is 161 pages, so we have 100 pages left to go. We've got more schedules in this bill that deal directly with finance. Given the lack of due consideration of this schedule, I'll have to vote against each one of the items as well.

**The Vice-Chair (Mrs. Laura Albanese):** Further comments, questions? I shall call the vote, then, on—

**Interjection:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** A recorded vote on schedule I, section 1.

**Ayes**

Arthurs, Hoskins, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. We'll now consider schedule I, section 2.

**Ms. Lisa MacLeod:** A recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Any comments? All those in favour?

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule I, section 3: Any comments?

**Ms. Lisa MacLeod:** Just a recorded vote.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We shall proceed to consider schedule I, section 4. Any questions?

**Ms. Lisa MacLeod:** Yes, just quickly: We're looking at the estimates, I believe, of the education ministry. Is this what we're voting on, the interpretation for definitions, 230.20? So, "The heading 'Estimates' immediately before"—so we're dealing with the estimates:

"The Lieutenant Governor in Council may make regulations,

"(a) prescribing the meaning of 'operating revenue';

"(b) prescribing revenues, expenses or other matters to be included or excluded..."

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Arthurs.

**Mr. Wayne Arthurs:** Sorry, I was distracted momentarily. I thank Mr. Hoskins for drawing me back to attention, so to speak, to what's before us.

These are principally—and again, the folks in finance have a much better handle on these—these, effectively, are bringing processes in line with more modern and current accounting practices. That's the principal intent in this section. Again, if the member wants a greater level of detail on the numbers, on the financial piece of it, the ministry staff I'm sure will be happy to provide the greatest amount of information possible.

**Ms. Lisa MacLeod:** I think that would be very helpful.

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Sinclair, I believe it's your turn to come forward again.

**Mr. James Sinclair:** My understanding of section 4 is that it's adding certain definitions to the legislation that would allow school boards to report on an accrual accounting basis, not a cash accounting basis. It is part of amendments that are seen in this particular schedule that would modernize the way in which school boards provide their accounting to the ministry.

**The Vice-Chair (Mrs. Laura Albanese):** Any other comments? Thank you, Mr. Sinclair. We shall consider the vote. Schedule I, section 4.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule I, section 5: Any comments?

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you—

**Ms. Lisa MacLeod:** Oh, we're looking at restrictions following a strike or lockout. "The minister, subject to the approval of the Lieutenant Governor in Council, may make regulations providing for the calculation of expenses of a board that are not incurred in a fiscal year by reason of a strike or lockout affecting the operations of the board."

So this is a new section added to the Education Act with respect to lockouts and strikes. Would the ministry officials care to elaborate on it? This is quite a long amendment to the new bill, and I think it's one that's worthy of some greater consideration. It takes up almost a full page.

**Mr. James Sinclair:** This provision is intended to amend the existing legislation which provides that if there are savings as a result of a strike or a lockout, they can be reflected in the accounts, and this adds the companion piece so that if there are expenses, they could also be calculated within the accounts of the particular school board.

**Ms. Lisa MacLeod:** Okay. So if there are savings—

**Mr. James Sinclair:** The savings were already in the existing legislation, but if there are expenses as a result of a strike or a lockout, then those should also be calculated in the calculation of—

**Ms. Lisa MacLeod:** Okay. And what types of expenses?

**Mr. James Sinclair:** You're getting into accounting, which is really not my forte, so I can't answer that question. I'm sorry.

**Ms. Lisa MacLeod:** Okay. Unless I know, I won't be able to vote for this. I don't know what these expenses are that we're authorizing from a strike or a lockout. Is it conceivable that if there was a strike or a lockout, the board would end up paying—oh, I don't know; that's the question: What would these expenses be? Would it be to provide daycare or other care for kids or—

**Mr. James Sinclair:** I think the intent of the provision—like the rest of these provisions, which were all announced in the spring budget—would be to modernize the accounting of school boards and put them on a PSA basis to allow more effective accounting of what the financial position of the various school boards is.

1550

**Ms. Lisa MacLeod:** Sure. I appreciate where you're coming from, but from our perspective, I think, in the official opposition, and from the public's perspective, quite honestly, I don't think Ontarians would expect that in the middle of the HST bill, we would be dealing with teachers' strikes and lockouts. I think that would actually, quite frankly, shock Ontarians, that we would be dealing with teachers' strikes and lockouts in the middle of the HST bill.

Given the fact that this has not had its due diligence done and we have not been able to communicate with the public, I just won't be able to support it. But I do thank you for your rationale.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. Mr. Arthurs, you had further comments?

**Mr. Wayne Arthurs:** I did. I was just going to follow up just a little bit on Ms. MacLeod's query.

As an example, and this is one that sort of comes to mind, in the event that there was a disruption in schooling through a strike or lockout, it may require, at some point, additional custodial staff on an overtime basis for a period of time that would be considered an expense

extraordinary to the normal running of the school. I presume that might be the kind of thing that one would find.

I have to respectfully disagree that somehow the public would find this strange that we would be dealing with changes—modest changes, in many cases—to bills under the context of the fall budget bill. I think I'll go even further to say that the vast majority of the public expects us to do the work that's necessary, and it wouldn't surprise them that we are trying—as governments do, not just ours—to provide a level of efficiency so that debate of substantive matters can happen in the Legislature and things of less substantive content might well be dealt with in a more comprehensive fashion.

**Ms. Lisa MacLeod:** Well, that's interesting, I think, given any other bill, but nine out of 10 people, if not more, if I went out to the street, on Laurier Avenue in Ottawa or Bloor Street here in Toronto, would expect us to be doing clause-by-clause on the HST today. I think that that's what has been put out there, and I think that's what people expect.

Unfortunately, we had asked—of course, we had a reasoned amendment to sever these types of changes, these annexes, these schedules from the HST bill. Unfortunately, again, the HST bill is big enough on its own but then it has become this omnibus bill, with everything from the Education Act to condo corporations to liquor and beer. It's sort of a hodgepodge of things under the Ontario tax plan.

So it's unfortunate, but we will march on and we will continue to oppose this legislation.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. Any further comments, queries?

**Mr. Wayne Arthurs:** Recorded, please.

**The Vice-Chair (Mrs. Laura Albanese):** Recorded vote.

Schedule I, section 5.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We'll consider schedule I, section 6. Any comments?

All those in favour? Opposed? Carried.

Schedule I, section 7: Any comments? All those in favour? Opposed? Carried.

Schedule I, section 8: Any comments? All those in favour?

**Ms. Lisa MacLeod:** Just that, Madam Chair, I'm just wondering: It says subsection—

**The Vice-Chair (Mrs. Laura Albanese):** I had already called the vote.

**Ms. Lisa MacLeod:** Oh, okay. Could I have a recorded vote, then?

**The Vice-Chair (Mrs. Laura Albanese):** That was asked after. You missed it. You just missed it. Next time.

All those in favour? Opposed? Carried.

Schedule I, section 9: Any comments?

**Ms. Lisa MacLeod:** Could I have a recorded vote?

**The Vice-Chair (Mrs. Laura Albanese):** Yes, you may.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We'll now consider schedule I, section 10. Any comments, questions?

**Ms. Lisa MacLeod:** Just a recorded vote, please.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

Schedule I, section 11: Any questions, comments, queries?

**Ms. Lisa MacLeod:** Yes, I do. Mr. Prue may be interested in this one, the financial recovery plans of boards. "The minister may order a board to adopt by resolution a financial recovery plan and submit it to the minister within the time the minister specifies...." Then it goes on with the reasons why. I'm just wondering: Does the minister already have a similar authority?

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Arthurs?

**Mr. Wayne Arthurs:** Based on the amendment, one would think not.

**Ms. Lisa MacLeod:** But it's interesting when you're looking at a financial recovery plan and then we've seen, from time to time, that the minister has been able to send in supervisors. I know a few years back, before I was elected, they did it in the Ottawa-Carleton District School Board. I'm wondering, how is that a change and what was the rationale for this? I'm just very curious to know. It would appear, based on what we've seen in the past, that this type of authority does rest already with the minister.

The other things is, which minister is it? Is it the Minister of Education or the Minister of Finance?

**Mr. Wayne Arthurs:** This would be the Minister of Education, to provide for a board to adopt a financial recovery plan. I guess I would go out on a bit of a limb, since I'm not with the Ministry of Education—

**Ms. Lisa MacLeod:** Come on.

**Mr. Wayne Arthurs:** —a little bit of a limb—and suggest that having the capacity for the minister to order the board to develop and submit a financial recovery plan when they're obviously in financial difficulty would be, I would think, a preferable option or part of a series of activities that could occur prior to sending in a supervisor to run the board.

This would give, I think, the minister the capacity—understanding the board's in trouble—to order them to provide a financial recovery plan to the minister of the day so that they have the wherewithal then to evaluate that situation and make a determination as to whether the board is on the right track for recovery or whether some further action might be required. I think it's a good step in the midst of activity, rather than having to take what might be fairly draconian measures.

**Ms. Lisa MacLeod:** Okay. Just given that it is interesting, because I do believe that superintendents were put in place before.

The other interesting thing is, “Compliance with financial recovery plan.” It just says that, “The board shall comply with the provisions of a financial recovery plan approved under subsection (2) until the board's financial statements for a fiscal year show that in that year it had neither an accumulated deficit nor an in-year deficit.”

So if a board, hopefully, would comply, then there's something there. What if a board fails to comply? What does the minister do in that respect? Do you have a rationale on that if there is non-compliance?

**Mr. Wayne Arthurs:** I can't speak to what the minister might have authority to do—or not subsequent to that. I can only reference what's here and what in my view the functionality is. I don't know what—

**Ms. Lisa MacLeod:** Okay, but I'm still not clear with the functionality, only because, again, we've seen in the past these superintendents come in. We've had them in my community. I believe they've had them in Toronto as well. One would assume that had to do with the financial recovery of a specific board. Now we've got this legislation. I'm just wondering: If there's non-compliance with financial recovery, what happens? If we're legislating this, one would expect that there is an outcome.

**Mr. Wayne Arthurs:** The minister would be authorized to make regulations governing such financial recovery plans and setting interim goals or targets that boards subject to such plans would be required to achieve. They have then the capacity to take the financial recovery plan and to evaluate it. If they presumably found that it was ineffective, if that were the case, they could then authorize, through regulation, setting interim goals or targets that the board would be required to achieve.

**Ms. Lisa MacLeod:** Have school boards been asking for this? This is quite elaborate. This change is quite large. I'm just wondering where this came from, and will school boards be surprised when they see these new powers for the minister?

**Mr. Wayne Arthurs:** I can't speak to whether they would be surprised. My sense would be that the ongoing dialogue between government and school boards and teachers in a great variety of forums would, for all practical reasons, preclude the surprise element.

**Ms. Lisa MacLeod:** I guess the danger—

**Mr. Wayne Arthurs:** Whether they would be supportive, that's probably another question again. Ministry staff may or may not be aware of consultation and/or advice—and I'll maybe ask them to come up—from or to the boards in regard to this particular matter.

1600

**Ms. Lisa MacLeod:** And when does this take effect?

**Mr. Wayne Arthurs:** September 1, 2010.

**Ms. Lisa MacLeod:** I guess that's unclear, because some of them come into effect September 1, 2010, and others come as soon as it hits royal assent. It's not clear to me that this does come into effect September 1—

**Mr. Wayne Arthurs:** This one is September 1, 2010.

**Ms. Lisa MacLeod:** Okay. It says sections 1, 2, 4 and 6 to 13. So this would be section 11 of the schedule. Okay, it would come into effect on—

**Mr. Wayne Arthurs:** When I asked Mr. Sinclair to come up, I think the query was—and I was trying to respond to it—whether there was either direct consultation or advice from or to the boards, and whether this would be a surprise to them, in essence, or whether it's something that would have been part of an ongoing dialogue whether or not they were in full agreement with the actions of the government.

**Mr. James Sinclair:** I don't know the answer to the consultation piece, because that would have been undertaken by the Ministry of Education. I would, however, point out that these particular amendments were referenced in the spring budget. So from that perspective, they were part of that, and these are following through on that announcement.

**Ms. Lisa MacLeod:** Forgive me: I'm probably going to continue to repeat this throughout the hearings, and I know you know that. It's just that this bill has only been before the chamber for three weeks—let me check the front—since November 16. We are now at December 7. So we haven't had a lot of time with this bill in front of us. Whatever broad strokes one may have said back in March, what's in front of us now will become law. That's a lot of difference from the platitudes one receives in the Liberal red book, compared to what we're actually seeing that's going to be enacted into law. That's why I think it's important.

When you look at some of the other legislation we've received and dealt with, just last week we had two bills that were introduced back in May, and third reading hit just last week. That gives the Legislature and members of the assembly, as well as members of the public, six months to digest what is in front of them and what are the good and bad elements of the bills. We just haven't done that due diligence, because in the past three weeks, Ontarians have been focused solely on the HST bill, and

this is sort of hidden inside it. So I appreciate it. Thank you.

**The Vice-Chair (Mrs. Laura Albanese):** Any further comments? Mr. Prue.

**Mr. Michael Prue:** Just reading this and looking at it, this appears to me tantamount to saying that any minister who is of a mind can ask any board, where the minister believes they may not be in a sound financial position, to submit a financial recovery plan to the minister if the financial statements indicate they're in deficit or if the minister so believes. Even then, the minister shall approve it or reject it or "reject the plan and do anything else he or she is authorized to do under division D or part VIII;" that is, to take over a board, is it not?

**Mr. James Sinclair:** I believe so.

**Mr. Michael Prue:** All right, so the minister can say, "I believe you're in deficit," and the board can say, "We're not in deficit," and the minister can say, "I want a plan." And then the minister gets a plan and says, "I reject your plan, and you are now under receivership," just like that. That's what we're authorizing by doing this, whether the board thinks they're in deficit or not.

**Ms. Lisa MacLeod:** How do you know, if they're in the middle of a strike or the lockout and they're not going to be able to file expenses? I'm just not sure this is good legislation.

**Mr. Michael Prue:** I just want to know what I'm voting for. What we're voting for here is that the minister has total authority over the board simply by making the statement, "I believe you may be in deficit. I am not satisfied you're not in deficit," and everything else flows from this. The minister can approve the plan or reject the plan and take them over, and here's the legal authority to do so. That's what this is all about.

**Mr. James Sinclair:** Correct.

**Mr. Michael Prue:** Okay, I'm not voting for this. I think this is disgraceful. I think this is absolutely disgraceful, and it's been hidden here, quite frankly. Maybe it's my own fault for not reading this with a fine-toothed comb before because, as the member from Nepean–Carleton said, we've been concentrating on another aspect. But here it is, in a nutshell: The ministry, in times that are very tough, in economic times like they are today, when boards may not have enough money and when boards are very much at risk of going into deficit, has handed themselves over the authority that the minister merely has to make the statement whether or not they're in deficit, only if the minister believes they may be in deficit, sets up a whole phoney thing where they have to submit plans and then can reject the plans without anything at all, any appeal, and the board can find themselves in receivership at the end of it all. It seems to me that this is the beginning of the end of the school board system in Ontario—

**Mr. Paul Miller:** And trustees.

**Mr. Michael Prue:** —and all of the trustees if this is allowed to pass.

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Arthurs.

**Mr. Wayne Arthurs:** Chair, I just want to draw attention to a couple of aspects, at least one of these. Under this particular clause, 257.29.1(1)(b), it says that if "the minister has reasonable grounds to believe that the board's financial statements for a fiscal year will show that the board had an in-year deficit contrary to section 231 or an accumulated deficit..." It's clear that this is, in my view, not a huge, draconian stick of some sort to beat up on school boards with. It clearly identifies that there have to be reasonable grounds. There are checks and balances, I would suggest, in place, as opposed to just getting up one morning and deciding that a school board should have a financial recovery plan because they had a bad hair day.

**Mr. Michael Prue:** How many school boards are that close to the line today? Most of them. This is before any cuts are made.

**The Vice-Chair (Mrs. Laura Albanese):** Are we prepared to go to the vote, or are there any other comments?

**Mr. Wayne Arthurs:** Recorded.

**Mr. Michael Prue:** Recorded vote, please.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We'll move on to schedule I, section 12. Any comments? All those in favour?

**Ms. Lisa MacLeod:** This deals with compliance of the financial recovery. It's now talking about the failure to comply. I had previously asked what it meant, and no one here knew.

It says, "The minister may direct an investigation under subsection (1) whether or not he or she has ordered the board to submit a financial recovery plan under section 257.29.1 or considered any such plan that has been submitted." This speaks to why we need more time on this bill. I asked a question a few minutes ago on what non-compliance would mean. There's not one official in this room that knew, nor was there a member of the government that knew. And here we are, we go down to the next section, and there's where it is.

I think that speaks volumes about the credibility of this process and the fact that we have important legislation hidden within the tax plan, hidden within the HST bill, with no regard for what any of this stuff means. It's just unbelievable that we would be dealing with this and nobody would say a word, and that in this process, this sham of a process, we have to jump the gun and try and get out as much as we possibly can to talk about the concerns that we have in the bill.

Again, I think that we're going to need more time to deliberate on this. In fact, am I able to put forward a

motion or am I not? So I couldn't put forward a motion right now to sever this from the legislation?

**Mr. Garfield Dunlop:** Well, they wouldn't agree with it anyway.

**The Vice-Chair (Mrs. Laura Albanese):** The deadline for amendments was at 12 noon. It's a hard deadline, as per the time allocation motion.

**Ms. Lisa MacLeod:** Okay. I guess the question is—  
*Interjections.*

**Ms. Lisa MacLeod:** I have no idea how the Liberals can support this. But I have more of a concern that we're actually dealing with this legislation right now and there wasn't one person in this room who was able to answer the question that was in the next section. That just speaks to the fact that nobody read this bill, even from the government side.

I think that we need to recess until we can actually get ministry officials down for each of these acts that we're going to amend, because unless we start getting some answers out of the ministry officials who are responsible for administering the changes to these acts and who may or may not have had hearings with affected stakeholders, I think that we are doing not only this chamber a disservice, but also school boards a disservice. And whatever else we may deal with along the way, when we start to deal with treasury board and retirement, that's what's going to happen. This is just too big for us not to have the right answers. I would request that we get ministry officials from education here.

**The Vice-Chair (Mrs. Laura Albanese):** I'll ask if we can proceed. Any other comments?

**Ms. Lisa MacLeod:** Could we call for a recess to get the appropriate ministry officials here?

**Mr. Michael Prue:** Before we vote, I ask for a 20-minute recess to consult, and I'm entitled to that. Thank you.

**The Vice-Chair (Mrs. Laura Albanese):** Absolutely. Okay, so we'll call for a 20-minute recess to consult. At 4:30 we'll be back.

*The committee recessed from 1611 to 1631.*

**The Vice-Chair (Mrs. Laura Albanese):** So we're back.

**Ms. Lisa MacLeod:** Chair, just quickly, two questions. One is, do we have an update yet on the briefing materials I had requested from the Liberal Party about its hearings, those 150 consultations that they told us they had? Do we have the documents and transcripts for those? Have they been tabled yet with the clerk?

Secondly, what's the status on the amendments from the official opposition? As you know, we had over 300,000 of them printed, over 500,000 electronically filed, and we're just wondering when those would be available to the committee so that people can begin to review them.

**The Vice-Chair (Mrs. Laura Albanese):** In regard to your first point, Ms. MacLeod, nothing has been tabled with the clerk.

In regard to your second point, the office of the clerk is working very hard to get that to the members as soon

as possible. He cannot indicate a specific time, but we are being reassured that they are working really very hard to get it here as soon as possible.

**Ms. Lisa MacLeod:** Okay. I guess the concern is, we're two and a half hours into clause-by-clause and we don't have the amendments. It would be so much more helpful if we could do this electronically.

The final thing is, do we have anyone from the Ministry of Education here now to talk about the schedule dealing with the Education Act?

**The Vice-Chair (Mrs. Laura Albanese):** I will ask the parliamentary assistant.

**Mr. Wayne Arthurs:** Two or three things, and I'll start with the first thing.

Mr. Prue had asked for a 20-minute recess for some consultation, so I didn't know whether he was going to speak to someone and we were going to continue this discussion around the Ministry of Education. I do have a suggestion in that regard that may or not be helpful, and I'll make that in a moment.

I would like, though, to clarify two things of value, I think, to the committee. One, there was a question on Thursday about incarcerated prisoners and whether they would be eligible for rebates. The clarity on that is someone who is incarcerated for a period of 90 days or greater, and there's a technical piece when someone's in there, but beyond that, anyone incarcerated for more than 90 days does not receive HST/GST/PST rebates. So that, hopefully, answers the question regarding prisoners.

**Ms. Lisa MacLeod:** That was a Canadian Taxpayers Federation concern.

**Mr. Wayne Arthurs:** Hopefully, that's helpful.

There was also, and I think it needs some clarity, both in the committee and in the press release that was released by the official opposition which spoke to Mr. Mintz having been paid \$700,000—

*Interjection.*

**Mr. Wayne Arthurs:** In actuality, the figure was \$9,000, not \$700,000. It was both in here and in the press release, but I thought it was such a quantum that it needed clarity on the record here.

**Ms. Lisa MacLeod:** I'd be happy to withdraw that.

**Mr. Wayne Arthurs:** Thank you.

Again, my suggestion, in the context of this part of schedule—what are we on? Schedule I. I'm not sure how—

**The Vice-Chair (Mrs. Laura Albanese):** Schedule I, section 12.

**Mr. Wayne Arthurs:** Section 12. I would move that we stand down the balance of this section. We'll undertake to see if there are Ministry of Education folks available, and maybe we can pick this up upon our return to this schedule.

If they need it in the form of a motion, you would have that.

**Ms. Lisa MacLeod:** If I may comment, I'd be happy to support that. But the problem is, they should have been here. The disregard for other pieces of this legislation is what really concerns me. I'm not going to speak for my

colleague from the third party, but I imagine he has similar sentiments, that this bill would be before committee, that you would have known much longer than we would have what the time frame would have been, and we would have expected that the appropriate resource people would be available per the schedule, much like they were at the ministry briefing. I'm very concerned that we're dealing with legislation this way. I'll support it only because I think we need to give it the due deference that's required.

But again, having said that, the point is that we are here now, two and a half hours into our clause-by-clause, and there isn't anyone here from the Ministry of Education to deal with their changes in the Ontario tax plan for more taxes. I don't know what else to say other than I'm just gravely disappointed.

I'll support your move to do that, but I want it into the record that, again, we're very concerned about how this is being done. You know what it speaks of? It's almost as if this was an afterthought and it was rushed into the HST bill. We are now going to be dealing with something about a board's financial statements and we're not giving it due regard.

I've said my piece. I'd be happy to support this, only because I desperately would like to ask some questions of the Ministry of Education officials.

**The Vice-Chair (Mrs. Laura Albanese):** We have Mr. Arthurs and Mr. Prue.

**Mr. Michael Prue:** I just want to make sure that the Ministry of Finance people will also be here this evening on the education piece. Specifically, my question relates to, if the upcoming budget were to decrease overall education spending by 2% or 3% or 4%, what is the likelihood of the boards in Ontario going into deficit? Because I would think that the higher the number is—if it's 3% or 4% or 5%, they'll all go into deficit. And when they all go into deficit, I guess the government has the wherewithal to get rid of them all at that stage.

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Arthurs.

**Mr. Wayne Arthurs:** Chair, I can only go back to what is before us. It's a provision for the minister to be able to call upon boards which find themselves in deficit situations, accumulated deficits or in-year deficits, to seek out a financial recovery plan and processes whereby, when reviewed, the minister could seek a secondary plan if the first plan wasn't satisfactory, and the capacity, ultimately, to bring it under the control of the ministry.

I think it's fair to say that school boards are funded not only by local taxpayers but, significantly, by Ontario taxpayers broadly, and we should expect nothing less than the government ensuring that those funds are being spent appropriately and there's a high degree of accountability. This is one of the measures proposed to achieve that.

Having said that, and recognizing the constraints that we're working under on the time allocation motion, I'm certainly prepared to stand this matter down, but I also am cognizant of the clock, as all members should be.

**The Vice-Chair (Mrs. Laura Albanese):** And in regard to the time allocation motion, I would like to advise all members and remind them that, and I'll read it through, "At 5 p.m. on Monday, December 7, 2009, those amendments which have not yet been moved shall be deemed to have been moved, and the Chair of the committee shall interrupt the proceedings and shall, without further debate or amendment, put every question necessary to dispose of all remaining sections of the bill and any amendments thereto."

At that point we'll be able to deal only with recorded votes, and there will be only one recess after 5 p.m.

**Ms. Lisa MacLeod:** I just would like to say that we've now waited two and a half hours, almost two hours and 45 minutes, for our resolutions to be provided. I'll have to raise a significant point of privilege tomorrow that we were not able to go through our amendments, if the case may be, by midnight tonight because the materials weren't ready.

**1640**

I understand that the government's first choice was not to go through these electronically, but the reality is that they were filed appropriately. Both myself and the third party suggested that these amendments be made available electronically. We've got three large TV screens here. We could have hooked them up so that they would have been visible not only to the members of this committee and those attending here today, but also to the public at home, had we wanted to go that route. It's not as if we did not file notice with the public on Friday. We did hold an availability to allow members of the public to know where we stood on this bill and that we were bringing forward 500,000 amendments. We were very clear at that point in time that they would be filed both in hard copy and electronically.

Now here we are, two hours and 45 minutes later, and we're just receiving our materials now. We're being dealt this heavy-handedness of this time allocation motion again, notwithstanding the fact that we have got, in this big book here, several different schedules that have nothing to do whatsoever with the HST bill other than that they have been photocopied and introduced by the government finance minister.

So again, I have a real problem with this. If we do not get to the resolutions by the official opposition this evening, I will be raising a significant point of privilege.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you. Mr. Arthurs?

**Mr. Wayne Arthurs:** Just a couple of further things for some additional clarity. The manner in which we deal with the amendments is in part being determined by the Chair in light of a 1997 ruling, with which I have no dispute. As for the format in which the amendments were received by the Legislative Assembly staff in this instance, they were tabled in a fashion that's in accordance with the standing orders, I presume, or with the rules we have: in a paper submission for the purpose of amendments to be dually submitted to the House. Is that—I'm taking the nodding as being confirmation. Thus, although

the official opposition provided the Legislative Assembly committee staff with electronic copies of their amendments, which were nice to have, they didn't constitute the filing of the amendments. What constituted the filing of the amendments was the filing of the hard copy. Again, I'll stand to be corrected where I err.

On that basis—and just so I understand how many amendments we have before us—the official opposition filed some 300,000 hard-copy amendments, give or take—

**Ms. Lisa MacLeod:** Some 315,000 were filed in hard copy; 500,000 electronically.

**Mr. Wayne Arthurs:** Thus we have before the committee, unless I'm corrected, some 315,000 amendments. Just let me note the correct number for our purposes for committee: some 315,000 amendments filed by the official opposition, and I believe 14 by the third party? I see the clerks conferring. I'm just waiting to make sure.

**The Vice-Chair (Mrs. Laura Albanese):** They're conferring.

**Mr. Wayne Arthurs:** If I'm incorrect and, certainly, if they tell us that the electronic filing is an appropriate means by which we can function, then that's helpful to us all in the future.

**Ms. Lisa MacLeod:** Well, if it's not, we still do have 315,000—

**Mr. Wayne Arthurs:** The broader discussion about how we present them is something we should have upstairs one day.

**Ms. Lisa MacLeod:** We still have 315,000 that have been submitted in hard copy.

**Mr. Wayne Arthurs:** Agreed. And I think the discussion about how we present them here will be a great debate upstairs—

**Ms. Lisa MacLeod:** The question is, why are we thwarting the public's ability to get their motions heard? It's a simple thing. We have the capabilities here. We can't have one entity in this legislation where we're telling co-operative housing, "Yes, we'll allow you to come up to the 21st century; we're going to let you have electronic voting," and then here in this chamber, we're going to look at the people of Ontario and tell them, "Guess what? We filed your amendments—exactly what you told us you wanted—but because the Liberals have a majority and they don't want to hear the amendments, we're not going to see them." That's what's being heard right across the province right now.

The reality is, we have a right to bring these forward, a right to see these and a right to vote. Given the time constraints and, now, the technological constraints because you won't appease the simple request to have these viewed, we've now wasted almost three hours of clause-by-clause. In that same time, we don't even have the appropriate officials from the government to deal with some of the other acts that do not deal with the harmonized sales tax.

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Arthurs.

**Mr. Wayne Arthurs:** First of all, if there has been time ill-used today, I would suggest that each of us reflect upon the procedures that have been happening to determine how that time was ill-used. If, in effect, a committee or an individual member of the Legislature were to determine they would like to see some changes in the means by which a committee operates, I would think that would be a very interesting and important debate to have in the Legislative Assembly chamber on the format and use of electronics. Some of that has already occurred, at least preparation for it. But I think that would be a very good debate to have to help us come into the 21st century. Unfortunately, in my rather humble view, that's not a matter that this committee is charged with: making that determination of its own on a given bill. Electronic submission, electronic use: I think we should have that debate upstairs and move things into the 21st century. I'm happy to do that.

**The Vice-Chair (Mrs. Laura Albanese):** Any further debate?

**Mr. Norm Miller:** It has been almost three hours—I was in another committee prior to coming down here this afternoon—and we haven't discussed really any amendments at all. It seems like the government is just stalling through until whatever the time is on the time allocation motion when there can't be any discussion on amendments. As per the draconian time allocation motion, once you hit 5 o'clock, I think it is, "those amendments which have not yet been moved shall be deemed to have been moved." It seems to be the strategy of the government to waste time until we get to 5 o'clock so there can't be any discussion about various amendments. "Rag the puck" seems to be their strategy.

**Mr. Wayne Arthurs:** I suggest respectfully that the opposition hold up a mirror.

**Ms. Lisa MacLeod:** Well, no. Let's be clear. Let's be honest here. We received these amendments just right now. It is 10 to 5.

**Mr. Wayne Arthurs:** When did you submit them?

**Ms. Lisa MacLeod:** We submitted them today, because the filing deadline, because of your time allocation motion, was noon. So I would respectfully suggest—

*Interjection.*

**Ms. Lisa MacLeod:** Then, given all that, to add insult to injury, we're dealing with several schedules that do not have anything to do with the tax, that deserve their due diligence. I'm sorry, but I don't think people in the province expect us to just rush through your legislation. I think they expect us to go through it line by line given the fact that there's hidden information in here. It has never gone out to the public. People deserve to be heard on these issues.

Now we're going to be dealing with a major schedule, schedule G, about the treasury board and Ministry of Finance. It is massive, and it allows more powers for the finance minister. I think people ought to know about that.

If we're here till midnight, so be it. The reality is, you filibustered, in effect, our ability to get to our questions



because you refused to have these done through new technology.

**The Vice-Chair (Mrs. Laura Albanese):** Mr. Arthurs.

**Mr. Wayne Arthurs:** Chair, I respect the work that the clerk and staff have done during the course of today. It's a monumental task that they've undertaken. It was not the government that set this in motion. These amendments presumably could have been filed on Friday when the opposition held its press conference, and they had the amendments in hand. It certainly would have given the clerk considerably more time. Might I remind the official opposition that if one thinks of filibustering, it seems to me it was a member opposite, although not a subbed-in member of this committee, who called for the first recorded vote. It was Mr. Prue who suggested subsequently to expedite things—

**Mr. Michael Prue:** And you said no. You—

**Mr. Wayne Arthurs:** That's right; I did, because the official opposition had already set the stage that they wanted to have individual recorded votes. We were just complying with their request.

**The Vice-Chair (Mrs. Laura Albanese):** Any further comments? We shall proceed to schedule I, section 12. I call the vote on schedule I, section 12. All those in favour?

**Ms. Lisa MacLeod:** My understanding is that we were standing this down. Is that what the vote is?

**The Vice-Chair (Mrs. Laura Albanese):** Is there unanimous consent?

**Mr. Wayne Arthurs:** No.

**Ms. Lisa MacLeod:** You moved it. So you're not agreeing to your own motion?

**Mr. Wayne Arthurs:** I didn't have a seconder, so it's not—

**Ms. Lisa MacLeod:** I said I supported it. I gave a speech about it for about five minutes.

*Interjection.*

**Ms. Lisa MacLeod:** So you don't want the ministry officials then—just so that I'm correct, you don't want the people who are responsible for this bill to come in and talk to us?

**Mr. Wayne Arthurs:** They're not going to have the opportunity, because at 5 o'clock, this part will be closed.

**Mr. Michael Prue:** If I could, I still have a question for the finance officials who are here.

1650

**The Vice-Chair (Mrs. Laura Albanese):** That's fine.

**Mr. Michael Prue:** Could we call them forward?

**The Vice-Chair (Mrs. Laura Albanese):** Absolutely. If you could approach the table.

**Mr. Michael Prue:** My question is pretty similar to what I said before. In this upcoming budget, due March or April of this year, they may be cuts to a great many ministries. If one of those cuts is to the education ministry, at what level—2% reduction, 3% reduction, 4% reduction—will all of the school boards of Ontario find themselves in deficit?

**Mr. James Sinclair:** Unfortunately, Mr. Prue, I'm from the legal services division so I am not able to answer that.

**Mr. Michael Prue:** Nobody here can answer that question?

**Mr. James Sinclair:** I'm not aware that they can.

**Mr. Michael Prue:** Let me put it this way: If there are reductions to the money allocations to school boards in Ontario, may they well find themselves in deficit position and then be subject to the terms of this legislation—that is, being taken over?

**Mr. James Sinclair:** The intent of the amendments is to modernize the accounting for school boards. The provisions that we've been talking about, the provisions related to financial recovery plans, are all part of that, following consolidation of the school boards on the books of the province. The further intent was to move from a cash basis to an accrual basis for accounting.

Those are the pieces of this particular set of amendments that I can speak to, but I can't speak to, if there is a reduction in funding for schools, how that would impact them.

**Mr. Michael Prue:** The minister, though, does have authority under this to do anything he or she is authorized to do under division D or part VIII, which is to take over the boards if the minister is not satisfied, even if the boards do comply.

**Mr. James Sinclair:** I believe he has to have reasonable grounds to believe that it will show that the board is going to have an in-year deficit or an accumulated deficit.

**Mr. Michael Prue:** But reasonable grounds could quite easily be had if the money was withheld by the province.

**Mr. James Sinclair:** I can't comment on that.

**The Vice-Chair (Mrs. Laura Albanese):** We shall proceed to the vote for schedule I, section 12.

**Mr. Michael Prue:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Recorded vote.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Norm Miller, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried. Schedule I, section 13: Any comments? All those in favour?

**Ms. Lisa MacLeod:** I have a quick question. This has to deal with retirement funds and funds prescribed under the clause. So it's going to require restricting money for the board. Would the finance officials care to elaborate on that and provide a rationale on why they're repealing clause 257.34(2)(g) of the act?

**The Vice-Chair (Mrs. Laura Albanese):** Please proceed.

**Mr. James Sinclair:** The provision at section 13 allows for the establishment of a retirement fund or sinking fund to deal with school boards' debt.

I'm not certain I caught the rest of your question, so if you don't mind—

**Ms. Lisa MacLeod:** So right now, school boards don't have the ability to set aside for sinking funds, retirement funds and other funds described under the clause.

**Mr. James Sinclair:** This particular provision is—

**Ms. Lisa MacLeod:** Is it under the recovery plan?

**Mr. James Sinclair:** It is, but this particular provision at section 13 is dealing with some cross-reference issues in the existing legislation, so it's correcting cross-references and making a technical change to delete the reference to reserve funds and replacing that with sinking funds and retirement funds.

**Ms. Lisa MacLeod:** Okay. Thanks.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you very much. So we will proceed to the vote. Schedule I, section 13—

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Recorded vote.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Norm Miller, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We'll now consider schedule I, section 14. Any comments?

All those in favour?

*Interjection.*

**The Vice-Chair (Mrs. Laura Albanese):** Opposed?

I have to repeat: All those in favour? All those opposed? Carried.

We shall move to schedule I, section 15. Any comments?

**Ms. Lisa MacLeod:** Could I have a recorded vote, please?

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Norm Miller, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

Schedule I, section 16: Any comments?

**Ms. Lisa MacLeod:** Just a recorded vote on this one, thanks.

**The Vice-Chair (Mrs. Laura Albanese):** Thank you, Ms. MacLeod.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

#### Nays

MacLeod, Norm Miller, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We'll move on to schedule I, section 17. Any comments?

**Ms. Lisa MacLeod:** Sure do: "...the act is amended by adding the following definition:

"'education development charge account' means an account established under subsection 257.82(1)...." and we have the definition of an education development reserve fund. So "reserve funds" are being struck out later on. Who gets to levy this education development charge account, or this charge, and where does the account begin? Who is paying for this account?

**The Vice-Chair (Mrs. Laura Albanese):** Do we have anybody from the ministry coming forward?

**Mr. James Sinclair:** I'm afraid I don't have an answer for that, Ms. MacLeod.

**Ms. Lisa MacLeod:** Okay. You know what? I really appreciate your hard work on this. I really do. I know it can't be easy.

Anybody from the government have an idea on what kind of account we're setting up with school boards? None?

**Mr. James Sinclair:** My understanding is that this is part of the move to accrual-based accounting, but not being an accountant, I just don't have an answer for you.

**Ms. Lisa MacLeod:** No, I appreciate this, but it's really frustrating. I mean, we all have school boards in our ridings. We all have trustees. I'm at a loss as to why there's not a ministry official here to go through clause-by-clause on this and work with us on these clauses. We're setting up funds, we're setting up finance recovery plans, and we don't have an answer from anyone in the government.

I hope you've done your homework on the HST, because you certainly haven't—you've let everyone down on this.

I'll call for a recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** I'll call the vote on schedule I, section 17. Recorded vote.

#### Ayes

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Norm Miller, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

We'll consider now schedule I, section 18.

**Ms. Lisa MacLeod:** Could I have a recorded vote, just given the fact that we don't know what an education development charge account is? Perhaps our drafter knows. No, she didn't do the education. So we don't have anyone here at all. A recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Recorded vote.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Norm Miller, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

Schedule I, section 19.

**Ms. Lisa MacLeod:** I will call for a recorded vote again. It appears that nobody knows what we're voting for, so those who vote for it, I guess, are voting blindly. But I can't support this.

1700

**The Vice-Chair (Mrs. Laura Albanese):** Recorded vote.

**Ayes**

Arthurs, Hoskins, Naqvi, Pendergast, Sousa.

**Nays**

MacLeod, Norm Miller, Prue.

**The Vice-Chair (Mrs. Laura Albanese):** Carried.

It being 5 o'clock, I would remind all members that "At 5 p.m. on Monday, December 7, 2009, those amendments which have not yet been moved shall be deemed to have been moved, and the Chair of the committee shall interrupt the proceedings and shall, without further debate or amendment, put every question necessary to dispose of all remaining sections of the bill and any amendments thereto. The committee shall be authorized to meet beyond the normal hour of adjournment until completion of clause-by-clause consideration. Any division required shall be deferred until all remaining questions have been put and taken in succession with one 20-minute waiting period allowed pursuant to standing order 129(a)."

**Mr. Michael Prue:** One per caucus or one?

**The Vice-Chair (Mrs. Laura Albanese):** One.

So we'll now move to schedule I, section 20. All those in favour?

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** It will go for the next one; it has to be said before, "All those in favour?"

**Ms. Lisa MacLeod:** I just have a point of clarification. Are we able to ask questions about it?

**The Vice-Chair (Mrs. Laura Albanese):** There's no debate.

**Ms. Lisa MacLeod:** It's just straight voting? Okay.

**The Vice-Chair (Mrs. Laura Albanese):** Straight voting. Thank you.

All those in favour? Opposed? Carried.

We'll move on to schedule I, section 21.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Recorded vote. All recorded votes get stood down to the end. "Any division required shall be deferred until all remaining questions have been put and taken in succession with one 20-minute waiting period allowed."

So we'll now move on to section 22. All those in favour?

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section 23.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** So we'll now move to schedule J.

Schedule J, section 1.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule J, section 2.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section 3.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule J, section 4.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule J, section 5.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule J, section 6.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule J, section 7.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule J, section 8.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section 9.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section 10.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section 11.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section 12.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section 13.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section 14.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section 15.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section 16.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section 17.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Sections 18 through 33, inclusive.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** We shall move on to schedule K—

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** From section 1 through section 7.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** All that inclusively.

We shall move on, then, to section—

**Ms. Lisa MacLeod:** Madam Chair, I did not ask for it to be inclusive; I've asked for each clause to be voted on individually.

**The Vice-Chair (Mrs. Laura Albanese):** Yes, that's fine.

Schedule L, from section 1 to section 2.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** That's fine.

We'll move to schedule M, sections 1 and 2.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** We'll move on to schedule N, sections 1 to 5, inclusive.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule O, from section 1 to section 4.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule P, sections 1 and 2.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule Q, from section 1 to 2.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule R contains our first amendment.

**Ms. Lisa MacLeod:** Could we have a 20-minute recess?

**The Vice-Chair (Mrs. Laura Albanese):** You want to use the 20-minute recess now?

**Ms. Lisa MacLeod:** Yes.

**Mr. Michael Prue:** That's going to be an awfully long night.

**The Vice-Chair (Mrs. Laura Albanese):** So we're recessed for 20 minutes.

*The committee recessed from 1705 to 1725.*

**The Vice-Chair (Mrs. Laura Albanese):** We're back to deal with schedule R, section 1.

**Mr. Wayne Arthurs:** Point of order?

**The Vice-Chair (Mrs. Laura Albanese):** No points of order.

**Mr. Wayne Arthurs:** Okay.

**The Vice-Chair (Mrs. Laura Albanese):** Section 1, all those in favour?

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** That has to be said before that.

*Interjection.*

**The Vice-Chair (Mrs. Laura Albanese):** All those against? Carried.

Now we'll consider schedule R, section 2. We have an NDP motion number 1 on page 150, schedule R, section 2, subsections 2.0.0.1(3) to (13) of the Retail Sales Tax Act. All those in favour?

**Ms. Lisa MacLeod:** Recorded vote, please. I had asked for a recorded vote since the moment we started looking through these. That's why I called for a 20-minute recess: so that everybody could find their places.

**The Vice-Chair (Mrs. Laura Albanese):** Just for clarity, we're dealing with—

**Ms. Lisa MacLeod:** Page 150, guys.

**The Vice-Chair (Mrs. Laura Albanese):** —page 150, NDP motion 1, schedule R.

**Interjection:** Recorded.

**Ms. Lisa MacLeod:** Yes, I called for one.

**The Vice-Chair (Mrs. Laura Albanese):** The recorded vote is already asked for. All those in favour?

**Ms. Lisa MacLeod:** Recorded vote, please.

**Mr. Norm Miller:** I thought you had the recorded vote at the end of these proceedings?

**Ms. Lisa MacLeod:** I thought recorded votes were at the end.

*Interjection.*

**The Vice-Chair (Mrs. Laura Albanese):** Keep going?

**Mr. Norm Miller:** I'm sorry, aren't the recorded votes at the end of this proceeding, Madam Chair?

**The Vice-Chair (Mrs. Laura Albanese):** Recorded votes for the rest of the proceedings?

**Ms. Lisa MacLeod:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** I'm asking the clerk for clarity here.

**The Clerk pro tem (Ms. Tonia Grannum):** Pursuant to the time allocation motion, you should go through each amendment and if you're requesting a recorded vote. And then at the end, we go back and start from where we left off.

**Ms. Lisa MacLeod:** Whoa, you can't keep changing the rules here. We started a different way.

**The Clerk pro tem (Ms. Tonia Grannum):** No debate.

**Ms. Lisa MacLeod:** I'm not debating; it's just that—

*Interjection.*

**The Vice-Chair (Mrs. Laura Albanese):** "Without further debate or amendment, put every question necessary to dispose of all remaining sections.... Any division required shall be deferred until all remaining questions have been put and taken in succession, with one 20-minute" recess, which we already had.

**The Clerk pro tem (Ms. Tonia Grannum):** So we're just going to go through, and you ask for your recorded

vote. We stand those down, and then we come back and do all the recorded votes to everything you've stood down.

**The Vice-Chair (Mrs. Laura Albanese):** Is that okay?

**Mr. Michael Prue:** So far we've asked for recorded votes on everything.

**Mr. Norm Miller:** At midnight, we'll be doing recorded votes.

*Interjection.*

**The Vice-Chair (Mrs. Laura Albanese):** Okay. So schedule R, section 3.

*Interjection.*

**The Vice-Chair (Mrs. Laura Albanese):** No, there is an amendment. I'm sorry.

Page 151, schedule R, section 2 of the bill—Retail Sales Tax Act, section 2.0.0.1, subsections (4.1) and (4.2).

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** We'll now move to schedule R, section 3. All those in favour?

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule R, section 4.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule R, section 5.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule R, section 6.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule R, section 7.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule R, section 8.

1730

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule R, section 9.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Schedule R, section 10.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section R, section 11.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section R, section 12.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section R, section 13.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section R, section 14.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section R, section 15.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section R, section 16.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Section R, section 17.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** We have an amendment—

**Mr. Michael Prue:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** Page 152, schedule R, section 17, section 50 of the Retail Sales Tax Act.

Page 153, schedule R, section 17, subsection 51(2) of the Retail Sales Tax Act.

**Ms. Lisa MacLeod:** Recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** Page 154, schedule R, section 17, subsection 51(3) of the Retail Sales Tax Act.

**Ms. Lisa MacLeod:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** Page 155, schedule R, section 17, subsection 51(3) of the Retail Sales Tax Act.

**Ms. Lisa MacLeod:** Recorded vote, and may I ask where the additional—do you have a schedule? There should be a template that accompanies these, and is it possible to provide each member of this committee with a copy of that template?

**The Vice-Chair (Mrs. Laura Albanese):** One moment, please. I will confer with the clerk.

**Ms. Lisa MacLeod:** Madam Chair?

**The Vice-Chair (Mrs. Laura Albanese):** Copies are coming for all the members.

**Ms. Lisa MacLeod:** I appreciate that, but I'd also—

**The Vice-Chair (Mrs. Laura Albanese):** There's no debate. There's no debate.

**Ms. Lisa MacLeod:** But we all have the right to know what we're voting for. Simply having a copy here—

*Interjections.*

**Ms. Lisa MacLeod:** —I think is a breach of my parliamentary privilege. It's also a breach of every other member's parliamentary privilege.

**The Vice-Chair (Mrs. Laura Albanese):** A recorded vote was requested on page 155. All the copies are being provided to all the members. So we'll now—

**Ms. Lisa MacLeod:** I guess the question I have is, are you reading each motion, because home renovation—

**The Vice-Chair (Mrs. Laura Albanese):** I have no debate. I read that at 5 o'clock, and there's no debate.

So, on page 156, a PC motion—

**Ms. Lisa MacLeod:** A recorded vote, please.

**The Vice-Chair (Mrs. Laura Albanese):** —schedule R, section 17, subsection 51(3) of the Retail Sales Tax Act.

**Ms. Lisa MacLeod:** Recorded vote, please.

**Mr. Wayne Arthurs:** Chair, we don't have copies yet.

**The Vice-Chair (Mrs. Laura Albanese):** You don't have copies yet.

**Ms. Lisa MacLeod:** No, we don't, and we don't have copies of 156 either.

**The Vice-Chair (Mrs. Laura Albanese):** Would you like to recess until we get the copies?

**Ms. Lisa MacLeod:** Yes.

**The Vice-Chair (Mrs. Laura Albanese):** But we're not allowed.

**Mr. Michael Prue:** No, I don't think we can.

**The Vice-Chair (Mrs. Laura Albanese):** We're not allowed. I'm sorry. We have taken the recess already.

Do we want to stand this section down until we get the copies?

**Ms. Lisa MacLeod:** No.

*Interjection.*

**The Vice-Chair (Mrs. Laura Albanese):** I'm being advised that since these have been stood down for a recorded vote, we'll get back to them, and then we'll have the copies.

**Mr. Norm Miller:** Madam Chair, this being 156?

**The Vice-Chair (Mrs. Laura Albanese):** Yes, 156, you've asked for a recorded vote, and I was ready to read 157. However, we were stopped because the members didn't have the copies.

**Ms. Lisa MacLeod:** My understanding is that you're supposed to read the entire resolution for 155, and we do have 380 pages to read for 155. You're supposed to read the whole thing. How can we defer a vote for home—

**The Vice-Chair (Mrs. Laura Albanese):** Only if requested.

**Ms. Lisa MacLeod:** I've requested.

**The Vice-Chair (Mrs. Laura Albanese):** Okay, 155.

**Ms. Lisa MacLeod:** We have 155.

**The Vice-Chair (Mrs. Laura Albanese):** So we're now on 156.

**Mr. Norm Miller:** Excuse me, Madam Chair, do you not have to, based on this 1997 precedent, read each amendment into the record, unless you have unanimous consent? I read from this 1997 ruling, that states: "This does not, however, mean that the amendment is also deemed to have been read from the Chair. Indeed, the reading from the Chair in this circumstance would be the first time the amendment has been heard. This is the practice that we have followed in the House. The Chair may only dispense with the reading of the amendment with unanimous consent, even in the face of a time allocation motion such as the one we are operating under."

It seems to me that you have to read each amendment into the record, based on that 1997 ruling.

**The Vice-Chair (Mrs. Laura Albanese):** The clerks are conferring; one second.

1740

It seems like we're getting some clarity here. This is the template. So I will read the template once—155 is already done, so I will read it for 156. As you can see, we have the dollar amount that is indicated there. We shall deal with that—

**Mr. Wayne Arthurs:** We still don't have 155 for our members.

**The Vice-Chair (Mrs. Laura Albanese):** We've already ruled at the beginning, when I read: At my direction, committee members will be provided with a package of amendments and, where appropriate, with the shell or template of multiple amendments, all of which were filed by the deadline.

So, if we look, for example, on page 156 and 157, this is the shell—

**Ms. Lisa MacLeod:** But you need unanimous consent for that.

**The Vice-Chair (Mrs. Laura Albanese):** —and as you can see, the dollar amount is not indicated. That is the ruling that we've made. So that's how we're going to proceed.

**Mr. Norm Miller:** It seems to me, Madam Chair, that you need unanimous consent to be able to bundle amendments together like that.

**The Vice-Chair (Mrs. Laura Albanese):** No. It was read in. I believe you were not here, Mr. Miller, when we read this, but it was read quite a while ago—

**Mr. Norm Miller:** Did you get unanimous consent for that, Madam Chair?

**The Vice-Chair (Mrs. Laura Albanese):** I believe there was a discussion on it that followed—

**Ms. Lisa MacLeod:** But the problem is, if we're going to follow Stockwell's ruling back in 1997, he says, right there, "The fundamental parliamentary principle"—

**The Vice-Chair (Mrs. Laura Albanese):** I can't allow any debate, so we'll proceed with page 156, PC motion, schedule R, section 17, subsection 51(3) of the Retail Sales Tax Act.

"I move that subsection 51(3) of the"—

**Ms. Lisa MacLeod:** Point of order.

**The Vice-Chair (Mrs. Laura Albanese):** —"Retail Sales Tax Act, as set out in section 17 of schedule R"—

**Ms. Lisa MacLeod:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** —"to the bill, be amended by adding the following paragraph..."

**Ms. Lisa MacLeod:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** Recorded vote?

We'll move on to page 157.

**Ms. Lisa MacLeod:** Are we receiving packages for each one of these?

**The Vice-Chair (Mrs. Laura Albanese):** Schedule R, section 17, subsection 51(3) of the Retail Sales Tax Act.

"I move"—

**Ms. Lisa MacLeod:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** —"that subsection 51(3) of the Retail Sales Tax Act"—

**Ms. Lisa MacLeod:** We would like a package and then a recorded vote, and we would like it all read into the record.

*Interjection.*

**The Vice-Chair (Mrs. Laura Albanese):** I'm getting a different direction from the clerk at this moment.

So we are now going back to page 155, and I will read the motion again.

PC motion number 1, schedule R, section 17, sub-section 51(3) of the Retail Sales Tax Act.

The first dollar amount—you have the template in front of you, which you can read, and I will read the dollar amount. In this case, it would be home renovations with a value of \$0.01.

**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.02.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.03.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.04.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.05.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.06.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.07.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.08.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.09.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.10.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.11.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.12.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.13.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.14.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.15.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.16.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.17.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.18.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.19.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.20.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.21.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.22.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.23.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.24. \$0.25.  
**Mr. Norm Miller:** Recorded vote.  
*Interjection.*  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.26.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.27.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.28.

**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.29.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.30.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.31.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.32.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.33.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.34.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.35.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.36.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.37.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.38.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.39.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.40.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.41.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.42.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.43.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.44.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.45.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.46.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.47.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.48.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.49.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.50.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.51.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.52.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.53.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.54.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.55.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.56.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.57.  
**Mr. Norm Miller:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$0.58.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.59.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.60.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.61.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.62.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.63.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.64.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.65.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.66.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.67.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.68.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.69.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.70.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.71.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.72.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.73.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.74.  
**Mr. Norm Miller:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.75.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.76.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.77.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.78.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.79.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.80.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.81.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.82.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.83.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.84.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.85.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.86.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.87.

**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.88.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.89.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.90.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.91.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.92.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.93.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.94.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.95.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.96.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.97.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.98.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$0.99.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$1.00.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$1.01.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$1.02.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$1.03.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$1.04.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$1.57.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$1.58. It jumps.

1750

**Ms. Lisa MacLeod:** I think we jumped a little bit here.

**Mr. Michael Prue:** You missed a whole bunch.

**The Vice-Chair (Mrs. Laura Albanese):** Oh, I'm sorry. I was in the wrong column.

**Ms. Lisa MacLeod:** You know what? I'll just move recorded vote on all of them, and we can keep going from where you're at.

**The Vice-Chair (Mrs. Laura Albanese):** I have to keep calling them. I apologize. After \$1.04, it's \$1.05.

**Ms. Lisa MacLeod:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$1.06.

**Ms. Lisa MacLeod:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$1.07.

**Ms. Lisa MacLeod:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$1.08.

**Ms. Lisa MacLeod:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$1.09.

**Ms. Lisa MacLeod:** Recorded vote.







**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.28.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.29.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.30.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.31.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.33.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.34.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.35.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.36.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.37.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.38.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.39.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.40.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.41.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.42.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.43.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.44.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.45.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.46.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.47.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.48.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.49.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.50.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.51.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.52.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.53.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.54.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.55.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.56.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.57.  
**Ms. Lisa MacLeod:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$2.58.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.59.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.60.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.61.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.62.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.63.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.64.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.65.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.66.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.67.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.68.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.69.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.70.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.71.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.72.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.73.  
**Ms. Lisa MacLeod:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$2.74,  
 \$2.75, \$2.76, \$2.77, \$2.78, \$2.79, \$2.80, \$2.81, \$2.82,  
 \$2.83, \$2.84, \$2.85, \$2.86, \$2.87, \$2.88, \$2.89, \$2.90.

**Ms. Lisa MacLeod:** Are we supposed to be voting on these?

*Interjections.*

**The Vice-Chair (Mrs. Laura Albanese):** So we're supposed to be voting on these. Oh, okay. Sorry. So \$2.74.

**Mr. Wayne Arthurs:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$2.75.

**Mr. Wayne Arthurs:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$2.76.

**Mr. Wayne Arthurs:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$2.77.

**Mr. Wayne Arthurs:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$2.78.

**Mr. Wayne Arthurs:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$2.79.

**Mr. Wayne Arthurs:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$2.80.

**Mr. Wayne Arthurs:** Recorded vote.

**Ms. Lisa MacLeod:** Wayne, I didn't know you were going to cross the floor.

**The Vice-Chair (Mrs. Laura Albanese):** \$2.81.

**Mr. Wayne Arthurs:** Recorded vote.

**The Vice-Chair (Mrs. Laura Albanese):** \$2.82.

**Mr. Wayne Arthurs:** Recorded vote.



























































































**The Acting Chair (Mrs. Liz Sandals):** Well, I need somebody to—

**Mr. Michael Prue:** Nobody said it.

**Ms. Lisa MacLeod:** Nobody said it.

**The Acting Chair (Mrs. Liz Sandals):** Okay.

**Mr. Yasir Naqvi:** No, there's no vote.

**Mr. Bill Mauro:** Ask the clerk for clarification.

**Ms. Lisa MacLeod:** We already know the clarification.

**The Acting Chair (Mrs. Liz Sandals):** All those in favour? All those opposed? I declare the motion lost.

So that's \$25.68.

**Mr. Yasir Naqvi:** Madam Chair, can we seek clarification here?

**Ms. Lisa MacLeod:** There's no clarification—

**The Acting Chair (Mrs. Liz Sandals):** Okay. \$25.69.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.70.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.71.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.72.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.73.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.74.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.75.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.76.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.77.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.78.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.79.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.80.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.81.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.82.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.83.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.84.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.85.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.86.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.87.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.88.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.89.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.90.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.91.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.92.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.93.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.94.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.95.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.96.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.97.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.98.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$25.99.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.00.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.01.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.02.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.03.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.04.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.05.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.06.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.07.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.08.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.09.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.10.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.11.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.12.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.13.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.14.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.15.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.16.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.17.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.18.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.19.

**Mr. Bill Mauro:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$26.20.





**The Acting Chair (Mrs. Liz Sandals):** \$27.36.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.37.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.38.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.39.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.40.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.41.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.42.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.43.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.44.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.45.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.46.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.47.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.48.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.49.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.50.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.51.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.52.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.53.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.54.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.55.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.56.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.57.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.58.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.59.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.60.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.61.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.62.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.63.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.64.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.65.

**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.66.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.67.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.68.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.69.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.70.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.71.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.72.  
**Mr. Joe Dickson:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$27.73.  
**Mr. Joe Dickson:** Recorded vote.

*Interjections.*

**Ms. Lisa MacLeod:** Call the vote.

**The Acting Chair (Mrs. Liz Sandals):** No, I haven't said anything yet.

They wonder if you could be a little bit further away from the mike, please.

**Mr. Joe Dickson:** Pardon me, Chair. Could you speak up?

**The Acting Chair (Mrs. Liz Sandals):** Just move your head a little bit further from the mike.

**Mr. Joe Dickson:** You don't like my tone?

**The Acting Chair (Mrs. Liz Sandals):** It's distorting.

**Mr. Joe Dickson:** Is this better?

**The Acting Chair (Mrs. Liz Sandals):** Excellent. \$27.74.

**Mr. Joe Dickson:** Recorded vote.

**Mr. John O'Toole:** No, I think there was one missed.

**The Acting Chair (Mrs. Liz Sandals):** No there wasn't.

**Mr. John O'Toole:** This could change the outcome of the bill.

*Interjections.*

**The Acting Chair (Mrs. Liz Sandals):** \$27.75.

**Mr. Joe Dickson:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$27.76.

**Mr. Joe Dickson:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$27.77.

**Mr. Joe Dickson:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$27.78.

**Mr. Joe Dickson:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$27.79.

**Mr. Joe Dickson:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$27.80.

**Mr. Joe Dickson:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$27.81.

**Mr. Joe Dickson:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$27.82.

**Mr. Wayne Arthurs:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$27.83.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$27.84.

**Mr. Yasir Naqvi:** Recorded vote.



**The Acting Chair (Mrs. Liz Sandals):** \$28.44.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.45.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.46.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.47.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.48.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.49.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.50.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.51.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.52.  
**Mr. Yasir Naqvi:** Recorded vote.  
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**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.54.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.55.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.56.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.57.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.58.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.59.  
**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.60.  
**Mr. Yasir Naqvi:** Recorded vote.  
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**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.62.  
**Mr. Yasir Naqvi:** Recorded vote.  
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**Mr. Yasir Naqvi:** Recorded vote.  
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**Mr. Yasir Naqvi:** Recorded vote.  
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**Mr. Yasir Naqvi:** Recorded vote.  
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**Mr. Yasir Naqvi:** Recorded vote.  
**The Acting Chair (Mrs. Liz Sandals):** \$28.73.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.74.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.75.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.76.

**Mr. Yasir Naqvi:** Recorded vote. Madam Chair, could we ask for quiet in the room, since we're working.

**The Acting Chair (Mrs. Liz Sandals):** It is very difficult to hear the recorded votes with the nattering in the background.

**Mr. Yasir Naqvi:** We are working here in the committee.

**The Acting Chair (Mrs. Liz Sandals):** I would appreciate some quiet.

**Ms. Lisa MacLeod:** For the record, I was quiet.

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**The Acting Chair (Mrs. Liz Sandals):** You were. I agree.

**Mr. Paul Miller:** Nice to see you guys getting along, finally.

**The Acting Chair (Mrs. Liz Sandals):** \$28.77.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.78.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.79.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.80.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.81.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.82.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.83.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.84.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.85.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.86.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.87.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.88.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.89.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.90.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.91.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.92.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.93.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.94.

**Mr. Yasir Naqvi:** Recorded vote.

**The Acting Chair (Mrs. Liz Sandals):** \$28.95.

**Mr. Yasir Naqvi:** Recorded vote.











































**The Vice-Chair (Mrs. Laura Albanese):** \$39.56.  
**Mr. Charles Sousa:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$39.57.  
**Mr. Charles Sousa:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$39.58.  
**Mr. Charles Sousa:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$39.59.  
**Mr. Wayne Arthurs:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$39.60.  
**Mr. Wayne Arthurs:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$39.61.  
**Mr. Wayne Arthurs:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$39.62.  
**Mr. Wayne Arthurs:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$39.63.  
**Mr. Wayne Arthurs:** Recorded vote.  
**The Vice-Chair (Mrs. Laura Albanese):** \$39.64.  
**Mr. Wayne Arthurs:** Recorded vote.  
Chair, do we have a quorum?

**The Vice-Chair (Mrs. Laura Albanese):** The clerk advises me that we have no quorum. We need a 10-minute recess.

*The committee awaited a quorum.*

**The Vice-Chair (Mrs. Laura Albanese):** So I'm going to ask the—

**Ms. Lisa MacLeod:** Madam Chair—

**The Vice-Chair (Mrs. Laura Albanese):** No debate. I'm going to ask the clerk if a quorum is present. Is a quorum present?

**The Clerk of the Committee (Mr. William Short):** No, a quorum is not present.

**The Vice-Chair (Mrs. Laura Albanese):** Could you please read the names of the members that are present.

**The Clerk of the Committee (Mr. William Short):** Ms. MacLeod, Mr. Miller, Mr. Prue, Ms. Albanese.

**The Vice-Chair (Mrs. Laura Albanese):** We're adjourned.

*The committee adjourned at 2032.*







## **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

### **Chair / Président**

Mr. Pat Hoy (Chatham–Kent–Essex L)

### **Vice-Chair / Vice-Présidente**

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Wayne Arthurs (Pickering–Scarborough East / Pickering–Scarborough-Est L)

Mr. Toby Barrett (Haldimand–Norfolk PC)

Mr. Kevin Daniel Flynn (Oakville L)

Mr. Eric Hoskins (St. Paul's L)

Mr. Pat Hoy (Chatham–Kent–Essex L)

Mr. Michael Prue (Beaches–East York ND)

Mr. Peter Shurman (Thornhill PC)

Mr. Charles Sousa (Mississauga South / Mississauga-Sud L)

### **Substitutions / Membres remplaçants**

Mr. Michael A. Brown (Algoma–Manitoulin L)

Mr. Joe Dickson (Ajax–Pickering L)

Ms. Lisa MacLeod (Nepean–Carleton PC)

Mr. Bill Mauro (Thunder Bay–Atikokan L)

Mr. Norm Miller (Parry Sound–Muskoka PC)

Mr. Yasir Naqvi (Ottawa Centre / Ottawa-Centre L)

Ms. Leeanna Pendergast (Kitchener–Conestoga L)

Mrs. Liz Sandals (Guelph L)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

### **Also taking part / Autres participants et participantes**

Mr. Garfield Dunlop (Simcoe North / Simcoe-Nord PC)

Mr. Frank Klees (Newmarket–Aurora PC)

Mr. Paul Miller (Hamilton East–Stoney Creek / Hamilton-Est–Stoney Creek ND)

Mr. John O'Toole (Durham PC)

Ms. Helena Jaczek (Oak Ridges–Markham L)

Mrs. Joyce Savoline (Burlington PC)

### **Clerk / Greffier**

Mr. William Short

### **Staff / Personnel**

Ms. Catherine Macnaughton, legislative counsel

Mr. James Sinclair, legislative counsel

Mr. Michael Waterston, legislative counsel

Mr. Konata Lake, research officer,

Legislative Research Service

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