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# Official Report of Debates (Hansard)

# Journal des débats (Hansard)

**Monday 25 October 2010**

**Lundi 25 octobre 2010**

Speaker
Honourable Steve Peters

Président
L'honorable Steve Peters

Clerk
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# LEGISLATIVE ASSEMBLY OF ONTARIO

# ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

Monday 25 October 2010

Lundi 25 octobre 2010

*The House met at 1030.*

**The Speaker (Hon. Steve Peters):** Good morning. Please remain standing for the Lord's Prayer, followed by the non-denominational prayer.

*Prayers.*

## INTRODUCTION OF VISITORS

**Mr. John Yakabuski:** I'm pleased to introduce a number of office staff and caucus staff—Kris Barnier, Kelly Harris, Daniel Gordon, David Donovan, Sarah McMaster and Anthony Rizzetto—who are joining us today in the public galleries. They will be here all day. They will not be out campaigning for George Smitherman in the mayoral office on the taxpayers' dime. They will be working here.

**Mr. Jim Wilson:** I'm very pleased to introduce a member of the PC caucus staff, Mr. Dave Prisco, who's here working hard on behalf of the taxpayers of Ontario. He's not out campaigning for George Smitherman.

**The Speaker (Hon. Steve Peters):** I just remind the honourable members that this is introduction of guests, and there should not be any commentary with it.

**Mr. Ernie Hardeman:** I'd like to introduce Tara Barry, a hard-working member of our office working for the PC caucus, who's here working for the taxpayers today and not out campaigning for the next mayor—

**The Speaker (Hon. Steve Peters):** I again remind the honourable members that we are introducing our guests to the Legislature. It's not intended to be used for other purposes.

**Mr. Peter Shurman:** I'd like to introduce two people in the west members' gallery: my wife, Carole Shurman, and for the first time in this Legislature since I was elected, my son Brian Shurman, recently returned to Toronto from Dubai.

*Applause.*

**Mr. Peter Shurman:** I'm sure Brian thanks you.

I would also like to introduce Noah Ng, Ari Laskin, Marcia Morrison and Jen Andrew, all hard-working members of the PC caucus staff who are here working for taxpayers today, not out campaigning for George Smitherman.

**Mrs. Joyce Savoline:** I'd like to introduce Don Jackson and Colleen Chutko. Both are hard-working members of our PC caucus staff. They are—

**The Speaker (Hon. Steve Peters):** Introduction of guests?

**Mr. Steve Clark:** I'd like to introduce Nick Koolsbergen, Amanda Meek and Dianne Tominac, who are definitely hard-working members of our—

**The Speaker (Hon. Steve Peters):** Thank you. Introductions?

**Mr. Frank Klees:** Someone who is well familiar to members of the Legislature, hard-working, dedicated executive assistant Dr. Alex Roman, is with us today.

**Mrs. Elizabeth Witmer:** I'd like to introduce a very hard-working member of my staff, Dan Powers.

**Mr. Norm Miller:** I'm pleased to introduce Marcia Morrison in the west visitors' gallery, a hard-working member of the PC staff, and also Daniel Gordon, who's also an important part of our staff.

**Mr. Norman W. Sterling:** I'm pleased to introduce Lesley Daw, a hard-working member of the PC caucus staff, who, I might add, has been out at nights canvassing for municipal—

**The Speaker (Hon. Steve Peters):** Member from Wellington–Halton Hills.

**Mr. Ted Arnott:** I'd like to introduce my legislative assistant, Stephen Yantzi, who does an excellent job on behalf of the people of Wellington–Halton Hills. He's in the gallery too, not working on the election campaign today.

**Mr. Toby Barrett:** I wish to introduce Robert Willett from Hamilton. He works for me, not Smitherman.

**The Speaker (Hon. Steve Peters):** On behalf of the member from Welland and page Ffion Hughes, we'd like to welcome her mother, Joyce Little; her father, Alun Hughes; and her sister Nia Hughes to the members' gallery today. Welcome to Queen's Park.

On behalf of the member for Guelph and page Calder Morton-Ferguson, we'd like to welcome his mother, Mavis Morton; his brother Ader Morton-Ferguson; his grandfather Ross Morton and his grandmother Geraldine Morton to the members' gallery today.

The five minutes for introductions having been expired, it is now time for oral questions.

**1040**

## ORAL QUESTIONS

### CONSULTANTS

**Mr. Tim Hudak:** My question to the Minister of Health: Minister, no doubt, in light of the scathing auditor's report on eHealth 2.0 last week, you've done calculations in your office this week. Could you perhaps inform the House: How much did Ontario families shell out for all of the consultants hired by your Ministry of Health, your local integration networks and Ontario hospitals?

**Hon. Deborah Matthews:** Let me begin by thanking the auditor for the job that he did. As the member opposite might remember, when they were in government the Auditor General could not go into hospitals. The Auditor General did not have the authority to go into hospitals. It was our government that gave the Auditor General the responsibility of looking at hospitals. The Auditor General has the authority, and because we asked him specifically to go in and report back on the use of consultants in our hospitals, in our LHINs, in our ministries, we now have the recommendations from the Auditor General that we are acting on. We have introduced legislation that will put an end to the practices that he has revealed.

I think what's important to note is that under their government, none of this would have been open to public scrutiny.

**The Speaker (Hon. Steve Peters):** Supplementary?

**Mr. Tim Hudak:** It's sad but not surprising that the minister has no information to share with the House today. You'd think the minister, upon receiving this latest scathing report about Liberals' spending abuses, would have had the staff burning the midnight oil to find out exactly how much was wasted by their feeding frenzy with Liberal-friendly consultants. The auditor says that over a quarter of a billion dollars that could have gone to front-line health care went to consultants through your own ministry. Public accounts—a simple study shows some $33 million to consultants and untold millions from hospitals.

Minister, west Niagara families have raised almost $14 million towards a new hospital that you promised back in 2005, but you still haven't come forward with a single dollar of spending. How much longer do West Niagara families have to wait for you to get your priorities straight?

**Hon. Deborah Matthews:** When it comes to spending in health that does not go to the very kinds of services that we're all committed to, which is front-line care, I cannot take lessons from the party opposite. I think it's instructional, if nothing else, to note that under their watch, they had over 600 consultants at work. We have half that number today, so they were spending twice as much as we are on consultants. They can be sanctimonious. They can be on their high horse, criticizing our government, but it was under their watch where they were spending twice as much as we spend today on consultants.

**The Speaker (Hon. Steve Peters):** Final supplementary.

**Mr. Tim Hudak:** It's disappointing that the minister refers to legitimate concerns of Ontario families who are paying more and getting less under the McGuinty government as "their high horse." We're going to stand on the side of Ontario families, who have seen their health care service on the front line cut while you gave out hundreds of millions of dollars to Liberal-friendly consultants.

Just look at Fort Erie and Port Colborne in the Niagara Peninsula. George Smitherman, the then Minister of Health, ordered $11.4 million to be cut from front-line health care services, and since then, they've closed down the ERs in both of those communities. It would cost approximately $1 million to upgrade those facilities back to ERs, but the Ministry of Health spent 225 times that on consultants alone from what the Auditor General discovered.

Minister, why is it Dalton McGuinty's priority to line the pockets of—

**The Speaker (Hon. Steve Peters):** I'd remind the honourable member of the use of titles.

**Mr. Tim Hudak:** Why is the Premier prioritizing his Liberal-friendly consultants instead of front-line health care for—

**The Speaker (Hon. Steve Peters):** Thank you. Minister?

**Hon. Deborah Matthews:** I understand that the member opposite is continuing his drive-by smear campaign of our health care workers this afternoon. I understand he is going into his riding, but he is not actually going to be talking to any patients. He's not going to be talking to any health care workers. He's not going to be talking to any administration. He's going to continue his practice of driving in, setting up a podium and a microphone and slamming the people who are delivering excellent care in his own community.

I do not think that that is behaviour that is becoming in a man who aspires to be Premier of this province. I think he needs to take the time to go in and actually talk to the front-line health workers, because what he will find is that wait times have come down, that patients are getting better care, that there are more doctors working, there are more nurses—

**The Speaker (Hon. Steve Peters):** Thank you. New question.

## CONSULTANTS

**Mr. Tim Hudak:** It's sad that the Minister of Health is giving these types of nonsense answers on a very serious issue.

Families are waiting longer to get front-line patient care. They're seeing their emergency rooms closed down in Fort Erie and Port Colborne, and here in the city of Toronto, Toronto families are dealing with the McGuinty government cuts to front-line health care at Toronto East General Hospital. Toronto East General, under the McGuinty government, is no longer providing outpatient rehabilitation care. The five nights that a consultant out of the McGuinty government spent in Singapore would have paid for 100 hours of rehab with a physiotherapist for hard-working Toronto families.

Minister, why did you let expensive insiders cheat honest, hard-working families who need front-line patient care?

**Hon. Deborah Matthews:** As I have said, we are the government that gave the Auditor General the authority to go into hospitals. We are the government that asked him specifically to look at the use of consultants in our hospitals.

We are acting on all of the recommendations because we think that will result in better health care for the people of this province, in stark contrast to the party opposite that has committed—they're going to tell you, "Oh, no, no, no." They are committed to cutting health care spending by $3 billion. So he can talk about being very sad about cuts that he has identified, but a $3-billion cut to health care will have a devastating impact in our health care system.

Ontarians do not want to go back to the days of cuts and chaos—

**The Speaker (Hon. Steve Peters):** Thank you.

*Interjections.*

**The Speaker (Hon. Steve Peters):** Stop the clock for a moment.

I just would remind honourable members that some of the interjections and some of the comments that are being made on both sides of the House are certainly bordering on being unparliamentary. Whether you say it in the form of a question, say in an answer or say it under your breath, some of those words are not parliamentary.

Supplementary?

**Mr. Tim Hudak:** It's disappointing, in light of the scathing eHealth 2.0 report, Minister, that you use rhetoric that doesn't even have a passing acquaintance with the truth, to be polite.

Let's get back to the facts here. On the very same day that the auditor released the eHealth 2.0 report, the Peterborough—

*Interjections.*

**Hon. Dwight Duncan:** Point of order.

**The Speaker (Hon. Steve Peters):** Stop the clock. I remind the Minister of Finance that it has been understood in this chamber that if you have a point of order, you can raise it following the question period.

Please continue.

**Mr. Tim Hudak:** The facts on the ground, Minister, indicate that on the very same day that the auditor released the eHealth 2.0 report, the Peterborough Regional Health Centre cut 12 full-time and two part-time registered nurses.

Let me put this in perspective: For the $1.6 million that the auditor found that a mere handful of hospitals used to lobby you and to lobby Premier McGuinty, Peterborough could not only have kept the nurses, they could have hired 16 more. Why do you prioritize the Courtyard Group and Liberal-friendly consultants while patient care is being cut by Premier McGuinty?

**1050**

**Hon. Deborah Matthews:** It's kind of remarkable, frankly, that we're getting this line of questioning from a party that, when they were in government, made a practice of cutting health care services. They left our health care system in terrible shape.

The practices that the Auditor General revealed, and revealed because we asked him to go in and tell us what to do, have been going on for a long time. They were going on when this party was in power, when this party was in power, and when our party was in power. They were going on under governments of all stripes, but we are the government that is going to put an end to these practices. We have introduced legislation that puts an end to practices that have gone on far too long. We have continued to improve accountability and transparency, and only because we have taken those steps do we have this information—

**The Speaker (Hon. Steve Peters):** Thank you. Final supplementary.

**Mr. Tim Hudak:** Here's the problem, with all due respect to the Minister of Health: It keeps happening over and over and over again. You had the billion-dollar eHealth boondoggle; now you have eHealth 2.0. You've had three consecutive scandals with the Ontario Lottery and Gaming Corp.

Things have become so bad under Premier McGuinty that even his scandals are starting to have sequels, and the only way to bring change is to change the government in the province of Ontario.

So let me give the minister one more example: In the Premier's own riding, we've seen the McGuinty government cut 190 registered nurses who provide front-line health care at the Ottawa Hospital. If you took only one third of what the LHINs have spent on sweetheart deals with consultants, Ottawa families would have every one of those nurses back. Why, Minister, does the Premier prioritize Liberal-friendly consultants instead of Ontario—

**The Speaker (Hon. Steve Peters):** Thank you. Minister?

**Hon. Deborah Matthews:** Let's be really clear: Under our watch, we have rebuilt the health care system. Let's just do a little compare and contrast here. Under their watch, 6,200 nurses fired; under our watch, 10,000 more nurses working today than when we took over from that government. Under their watch, 28 hospitals closed; under our watch, we've opened 18 hospitals. Under their watch, they actually changed the freedom-of-information law to exclude Hydro One. We have reversed that decision. We have opened up FOI to Hydro One. We went further and we expanded FOI to cover OPG, universities, Cancer Care Ontario, local public utilities and, if our legislation passes, hospitals will be open to freedom of information.

## CONSULTANTS

**Ms. Andrea Horwath:** My question is for the Acting Premier. This government promised change after the auditor exposed the billion-dollar eHealth scandal. The Premier said at the time, "I take responsibility for this." Last week, the Auditor General's report showed that not much has changed at all since eHealth. Just this past weekend, the Ottawa Citizen reported that the Champlain LHIN doled out $600,000 to nine well-connected consultants.

When can Ontario finally expect the change that has been promised by our Premier?

**Hon. Sandra Pupatello:** To the Minister of Health.

**Hon. Deborah Matthews:** It is exactly because we now know that practice is going on that we have introduced legislation to address that very issue. The Auditor General did us all a very big favour by going in and looking carefully at where these precious health care dollars were being spent. He looked at 16 hospitals. What he determined was that we have a problem not just in those 16 hospitals; we have a problem across the system. That's why we are taking the action we are taking. It is strong action. It is bold action. It is another step in improving transparency and accountability, and it will put an end to practices that have been under way for far too long under parties of all stripes. We are making the changes that people expect of us. We're making the changes that taxpayers expect of us, because when people pay their taxes, they want—

**The Speaker (Hon. Steve Peters):** Thank you. Supplementary?

**Ms. Andrea Horwath:** For seven long years, this government allowed our public health dollars to be diverted to well-connected consultants and lobbyists. For every million dollars squandered on insider lobbyists, 25 more long-term-care beds could have been provided for patients and seniors in places like Thunder Bay or Windsor.

How could this government not have known that well-connected consultants and lobbyists were lining their pockets with money that should have gone into front-line care for Ontario families?

**Hon. Deborah Matthews:** I think we're all getting a bit tired of the suggestion that this is something that we invented on this side of the House. This is a practice that has been going on for decades under all governments of all stripes.

The NDP, when they were in power, did nothing to stop the hiring of lobbyists with public dollars. The 1991 Auditor General's report found that in the NDP's first full year in office, they spent more than $240 million in consulting fees for everything from designing highways to preparing news releases. In 1994, the NDP Minister of Transportation hired a lobbyist firm with over $13,000 in taxpayer dollars to lobby the federal government for taxpayer—

**The Speaker (Hon. Steve Peters):** Thank you. Final supplementary.

**Ms. Andrea Horwath:** Instead of blowing $2.6 million on a sole-sourced consultant deal, families in Toronto or Ottawa could have had 90,000 more hours of home care provided to them and their loved ones. Over 30 nurses could have been hired to help their kids when they were sick.

Why won't the McGuinty government own up to this outrageous misuse of public funds, public health care dollars?

**Hon. Deborah Matthews:** We have done exactly that. We asked the Auditor General to go in and shine a light in a corner that had been dark for far too long. We knew that when we gave him the power to look at hospitals, he would find things that we did not find acceptable. That's exactly what he did. He did not disappoint us.

The difference between our government and the others is that we took action. We have put an end to the practices, if this legislation passes, and I'm going to ask the leader of the third party this: Will her party support this legislation that expands freedom of information to hospitals, or does she, like her colleague, consider this worthless and not worthy of support?

## CONSULTANTS

**Ms. Andrea Horwath:** My next question is also to the Acting Premier. The Premier and his cabinet ministers have repeatedly said that publicly funded organizations should not hire lobbyists. "Pick up the phone," they tell hospital, college and university presidents. If that's the case, why has this government proposed legislation that will still allow public sector lobbyists to be hired after all?

**Hon. Sandra Pupatello:** To the Minister of Health.

**Hon. Deborah Matthews:** I think if the member opposite perhaps hasn't already had a briefing on the legislation, that might be helpful to explain exactly where we set the threshold. We want this legislation to be enforceable. We are including the vast majority of public health care dollars. Hospitals will be included. Broader public sector organizations are included. There are some organizations that receive under $10 million that are not included in the legislation but, trust me, they understand the spirit of the legislation.

The other important piece is that we have instructed all of our staff and ministry staff to embrace the new way of doing business, and that is not working with lobbyists. So, if organizations wish to hire lobbyists, I suppose they can do it, but nobody will be answering the phone at the other end.

**The Speaker (Hon. Steve Peters):** Supplementary?

**Ms. Andrea Horwath:** Perhaps the minister needs to have a bit of a briefing on the legislation. This government's so-called lobbyist crackdown lets hospitals, colleges and universities—all of those organizations—hire lobbyists as long as the money comes from other sources, like tuition fees and perhaps donations.

If lobbyists aren't needed at all, the question is, why does this government's bill let public money be diverted to insider lobbyists instead of things like student aid, for example, and front-line care?

**1100**

**Hon. Deborah Matthews:** I want to be really clear about this, and this is important: Hospitals get about 85% of their money from us. They cannot use that money to hire lobbyists anymore. We do not have jurisdiction over the money they get from their foundations, for example, so we can't pass a law prohibiting that.

What I can tell you is the spirit of the legislation is very clear. I have spoken to hospital board chairs and hospital CEOs and I have made it very clear: Don't start looking for loopholes here because the principle remains the same. Lobbying takes two. They can lobby us but we won't be responding because we think that money can be spent better elsewhere.

**The Speaker (Hon. Steve Peters):** Final supplementary.

**Ms. Andrea Horwath:** The government's bill has so many loopholes in it you could drive a Mack truck through it. That's the point.

When students and their parents pay tuition fees and families make donations to their local hospitals, they don't expect the money to go to insider lobbyists—that's the bottom line. If the Premier and his cabinet ministers are opposed to lobbyists in public sector institutions on principle, why doesn't their bill simply ban the practice entirely instead of letting insider lobbyists in through the back door?

**Hon. Deborah Matthews:** The auditor, because we gave him the authority and because we asked him to specifically go in and look at this issue, reported to us on practices that were going on that were unacceptable—unacceptable to us as a government, unacceptable to the members opposite and unacceptable to taxpayers. That is why we are making the changes we are making. We are opening up hospitals to freedom of information. This is a step that will have significant impacts on the way hospitals do business. We are requiring that expenses be posted publicly. We are asking that hospitals report on the use of consultants.

We do have work to do, and we are doing that work. I'm proud that we were able to respond as quickly as we did and as—

**The Speaker (Hon. Steve Peters):** Thank you. New question.

## CONSULTANTS

**Mr. Peter Shurman:** My question is to the Minister of Health as well. In the seven years since the Vaughan Health Campus of Care was created for the purpose of bringing a hospital to Vaughan, families in the region have raised over $6 million. In addition to fundraising, Minister, Vaughan families have been paying for a new hospital with a special assessment on their property taxes. Your ministry approved and funded master planning and a plan for Vaughan hospital to work in tandem with York Central Hospital.

Why have the McGuinty Liberals spent the money that hard-working Vaughan families pay for a hospital on eHealth and all the consulting and expense boondoggles of eHealth 2.0?

**Hon. Deborah Matthews:** That does not bear a passing resemblance to truth. This is a government that has very deliberately improved our health care system. We have more than 10,000 more nurses working in the system. We have close to 3,000 more doctors working in the system.

When this party left office, people were waiting an unconscionable—

*Interjections.*

**The Speaker (Hon. Steve Peters):** Stop the clock. The members will please come to order, and the Minister of Finance will please come to order as well.

**Mr. John Yakabuski:** A little respect for the Chair.

**The Speaker (Hon. Steve Peters):** That's from all sides.

Minister.

**Hon. Deborah Matthews:** We have improved the quality of care in this province and we are continuing to improve the quality of care. When we took office, people simply could not find a family doctor. Now we have a much, much better—almost a million more people attached to primary care. Every step we have taken, they have—

**The Speaker (Hon. Steve Peters):** Thank you. Supplementary?

**Mr. Peter Shurman:** Your channel changer isn't working. It's not just the families of Thornhill and Vaughan who have been cheated of front-line health care by your decision to spend on greedy consultants instead. McGuinty Liberal health care cuts forced Cornwall Community Hospital to reduce surgeries by 10% and close eight beds. Northumberland Hills Hospital has had to close a diabetes clinic and cancel outpatient rehabilitation care.

While you couldn't find money for front-line health care, you handed one consultant $422,000 in salary and fees, plus more for his junket to Chicago and long-distance bills. You even paid $600,000 to a consultant who advised on how to deal with budget shortfalls. Why did you spend millions of dollars on consultants who cheated Cornwall and Northumberland families out of front-line care?

**Hon. Deborah Matthews:** Any way you measure it, front-line care in this province is substantially better than the way we found it. We've got 19 more MRI machines. We've got double the number of MRI hours. We've been able to make a dramatic difference for people who are waiting for hip replacement surgery, waiting for cancer surgery, waiting for cataract surgery.

This party left our health care system in shambles. We've spent the last seven years cleaning it up, and you know what? They want to do it all over again, because they want to cut health care spending by $3 billion. You cannot cut $3 billion out of health care and improve quality of care at the same time.

The people of this province deserve to hear from these folks, because they say they can cut $3 billion and not cut service. I don't believe them and I don't think there's anybody in this province that does. They owe it to the people of this province to say what—

**The Speaker (Hon. Steve Peters):** Thank you. New question.

## NUCLEAR ENERGY

**Mr. Michael Prue:** My question is to the Minister of Energy. The refurbishment of Bruce Power has been delayed again. This is not surprising, though, because every nuclear project in Ontario's history has been delayed and over budget.

Given that the cost of building and refurbishing nuclear plants has doubled and the cost of renewable energy is falling, why has this government ruled out increasing renewable power and reducing nuclear in advance of its electricity plan consultations?

**Hon. Brad Duguid:** There's so much there for me to dive into; I'm trying to figure out where I want to start. Let me start with this: Let me start by answering the question. I think it's something that Ontarians would be very, very pleased to hear.

Yes, indeed, we're very much aware that the Bruce refurbishment has been delayed. That's not news to anybody. We knew that was taking place. That's something that's been known for some time.

I think the key here is that our contract with Bruce has ensured that taxpayers, ratepayers, will not be left on the hook for any overruns with regard to that contract. That speaks to the responsible way that this government is doing energy, and it stands in stark contrast to where we were seven years ago and where we were, prior to that, under the NDP.

We're very proud of the fact that we're going to continue to invest in nuclear, we're going to continue to invest in renewables and we're going to have a very responsible and balanced mix—

**The Speaker (Hon. Steve Peters):** Thank you. Supplementary?

**Mr. Michael Prue:** The minister says that Ontario ratepayers won't pay for cost overruns on the Bruce refurbishment, but that's only because the government signed a sweetheart deal that overpays Bruce Power for electricity it doesn't even produce and because federal taxpayers are subsidizing the refurbishment through the AECL. Now the McGuinty government plans to refurbish the Darlington nuclear plant at a cost of $10 billion, before the cost overruns even occur.

Why won't this minister hold a public inquiry into the cost of refurbishing Darlington before committing Ontarians to another nuclear boondoggle?

**Hon. Brad Duguid:** I know somehow the NDP thinks there's an energy fairy out there that can somehow provide us with half of the power that we're going to need going forward into the future in this province. It's very clear that the NDP policy is simply irresponsible. We need that nuclear baseload in our power system. We know that. The opposition knows that. I'm surprised that the NDP has not learned that yet. It's very, very important.

We will be moving forward in the future with a refurbishment of Darlington because we need to. And will it cost? We know that it will. We know that it's an important investment. But if we were to listen to them, we would place our entire energy system in dire need, at risk and in distress.

I'm looking forward to moving forward with our long-term plan. It should be before this Legislature very, very soon. In that plan, Ontarians will see what real planning is all about—

**The Speaker (Hon. Steve Peters):** Thank you. New question.

**1110**

## ENERGY POLICIES

**Mr. Michael A. Brown:** I too have a question for the Minister of Energy.

Ontario's energy system has changed dramatically over the past seven years. From bringing over 8,000 new megawatts of generation online, to upgrading our outdated transmission and distribution infrastructure, to conservation programs that have saved over 1,700 megawatts so far, it has come a long, long way. It may be fair to say that the energy picture in Ontario has finally turned the corner from the unreliable disgrace it became during the 1990s.

Monumental transformations like this take a bold vision and prudent planning. The minister often speaks of a long-term energy plan. Can the minister provide details on the progress of that plan?

**Hon. Brad Duguid:** Absolutely. Speaking of our long-term energy plan, I very much appreciate the question from the member from Algoma–Manitoulin and I share his enthusiasm for the monumental improvements that are taking place in Ontario's energy system.

I can tell the member that the updated long-term energy plan is coming together nicely and I'm pleased to be able to say that we'll be releasing it very soon to Ontarians. That's going to be very important to our future together and I'm looking forward to releasing that plan very soon.

It's important to remember that energy planning of any kind is relatively new to this province. It really began seven years ago when this government took office. I can recall, and I'm sure the member does as well, the sort of knee-jerk and fly-by-night decisions that were being made by the government of the day just seven or eight years ago. After their deregulation scheme imploded and they came up with a plan to freeze electricity rates, it ended up costing us $900 million that we see on our energy bill every day—

**The Speaker (Hon. Steve Peters):** Thank you. Supplementary?

**Mr. Michael A. Brown:** Thank you, Minister. I know that all members of this House look forward to seeing that tangible product and to seeing this plan tangibly continue to move Ontario forward.

It's clear that the long-term energy plan is going to touch on a great many points. One, though, that I think is particularly important is the issue of value for money in the investments. Given what we inherited seven years ago, the critical need for the investments is obvious. Will the long-term energy plan touch on the need for value for money spent in the energy system?

**Hon. Brad Duguid:** I thank the member for the question. Absolutely, value for money is one of the most important motivations behind each and every decision we make. At a time of rising costs, we've directed our energy agencies to freeze management salaries and lower their expectations on potential rate increases, and we've opened them up to freedom of information. That stands, frankly, in stark contrast to the Tories, who kept Hydro One and OPG from being subject to freedom of information.

We know why that was happening: because there was a $10-million expenditure going on within Hydro One to help Tory operatives out after they finished their work here at Queen's Park. I can give examples of that, like Mike Harris, for instance, who got a $20,000 consulting contract from Hydro One, after leaving the Premier's office, to do nothing—not a single document has ever been shown of any advice that he gave—or Mike Harris's campaign chair, Tom Long, who got $2.3 million to improve insight and leadership techniques—

**The Speaker (Hon. Steve Peters):** Thank you. New question.

## HEALTH CARE

**Mr. Ted Arnott:** My question is for the Minister of Health. Last Thursday, the Toronto Star quoted the minister as having said that MPPs should lobby for their hospitals. In fact, she said, "I urge the hospitals to make use of the best lobbyists they have and that's their MPPs."

That same day, in a spectacular display of legislative incompetence, Liberal MPPs were whipped to vote against my resolution on our local hospitals. In effect, Liberals were whipped to vote against the health care needs of the people of Wellington–Halton Hills.

Why did she say MPPs should lobby when she evidently didn't mean it?

**Hon. Deborah Matthews:** I find that to be, frankly, a very disappointing question. The member from Wellington has on several occasions spoken to me in the Legislature and outside about how we can improve health care in his community. It is a relationship that I have thought was a good and strong one and one that I do want to continue to build on.

I do want to say to all MPPs in the Legislature that you are the best lobbyists that organizations in your riding could have. I commit to continue to work with MPPs from all parties in this House, as I have done in the past.

**The Speaker (Hon. Steve Peters):** Supplementary?

**Mr. Ted Arnott:** It's not just my riding. I'm told that in Hamilton, the local community care access centre is being forced to ration baths for seniors to just one per week in an effort to manage its $5-million deficit.

The Auditor General's report last week cited a $215 bar tab expensed by one consultant. That would have paid for five hours of respite care for a Hamilton family, or it would pay for four baths for a senior. Last year, Premier McGuinty said he had ended these kinds of expense abuses, but a year later nothing has changed.

How can the government defend paying an expensive bar tab over providing respite care for Hamilton families?

**The Speaker (Hon. Steve Peters):** I'm going to give the member 10 seconds to rephrase that. I'm trying to tie the question into the supplementary.

**Mr. Ted Arnott:** To rephrase it, how can the government rationalize spending money like this, $215, on an expense bill expensing the consultant's bar tab and leaving important health care priorities left waiting?

**The Speaker (Hon. Steve Peters):** I'm going to move to the next question because there is no relation.

## POVERTY

**Mr. Michael Prue:** My question is to the Acting Premier. People in Ontario continue to struggle to pay the rent and provide food for their families. Meanwhile, this government's poverty reduction strategy has stalled: no action on the promised welfare review, no action on the affordable housing strategy, no action on a replacement for the special diet allowance.

The question: In all its pre-election posturing and fearmongering, has poverty reduction fallen off the government's radar?

**Hon. Sandra Pupatello:** To the Minister of Children and Youth Services.

**Hon. Laurel C. Broten:** I'm so pleased to have a chance to stand in this House and perhaps refresh the mind of the member opposite as to what our government has done in this province to improve the lives of families in Ontario.

In the last six months, we've introduced full-day kindergarten for four- and five-year-olds, beginning in September of this year. It is an investment of $200 million and $300 million next year that will support early learning programs. Experts around the province indicate that if you want to lift families out of the circumstances in which they live, if you want to help moms go back to school or gain employment, this program does that.

We've raised the minimum wage in the last six months. We have increased the shelter allowance by 1%. We have committed to investing $6 million over two years to expand protection for some of the province's most vulnerable workers. That's in addition to—

**The Speaker (Hon. Steve Peters):** Thank you. Supplementary?

**Mr. Michael Prue:** This minister talks—I don't know what she says when she talks over there because none of it makes any sense to the poor. It's been almost two years since the government announced its poverty reduction strategy. People living in poverty are waiting for answers. Those who rely on the special diet allowance—real people with real needs—are now crushed by anxiety over losing their badly needed support.

The Premier used to say that poverty is unacceptable in this wealthy province. Poverty reduction has fallen off this government's radar in this pre-election year.

When will Ontarians know how our poorest and most vulnerable citizens will pay the rent and put healthy food on their tables?

**Hon. Laurel C. Broten:** I'm pleased to compare our record to the record opposite any day. Our side of the

House has taken concrete action to improve the lives of families and children in this province.

Let's reflect on the actions that have been taken by the other side. That side of the House voted against our—

*Interjections.*

**The Speaker (Hon. Steve Peters):** The member from Hamilton East will please come to order.

Minister?

**1120**

**Hon. Laurel C. Broten:** That side of the House voted against our creation of 22,000 new affordable child care spaces. That side of the House voted against stabilizing the rent bank and providing over 30,000 rent supplements. They voted against minimum wage increases. They voted against taking 90,000 low-income Ontarians off the tax rolls. They continue to act in a blind, partisan way, attacking the strategy simply because it isn't theirs.

We stand with Ontario families. We're trying to help those families lift themselves up and give a better life to them and their kids. We're very proud of the steps that we take every single day, in contrast to the inaction and partisanship on the other side of the House.

*Interjections.*

**The Speaker (Hon. Steve Peters):** Stop the clock. Order.

New question.

## IMMIGRANT SERVICES

**Mr. Bas Balkissoon:** My question is for the Minister of Citizenship and Immigration. Minister, my riding of Scarborough–Rouge River is home to many new immigrants. Immigrants in my riding come to Ontario to create a better life for themselves and their families. Once immigrants arrive in Ontario, they depend on settlement service support to integrate socially and economically.

Recently, the CBC reported that the federal Conservatives are cutting funding to immigrant settlement service agencies. This concerns me and it concerns agencies such as Settlement Assistance and Family Support Services because it means they will have fewer resources to help newcomers succeed.

Can the minister tell newcomers to Ontario what the government is doing to stop the Conservative funding cuts?

**Hon. Eric Hoskins:** I am very concerned that the federal Conservative government has decided to cut $53 million next year and a further $59 million in subsequent years from immigrant settlement service agencies. New immigrants in Ontario rely on settlement services to access language training, job search, housing and other vital services. The Conservative cuts will hurt the ability of settlement agencies to deliver these important services to newcomers.

As Ontario emerges from this economic downturn, our future economic prosperity depends on putting the skills of our newcomers to work. That's because within this decade, immigrants will make up 100% of Ontario's labour force growth, and that's why all governments must provide our newcomers with the best resources to succeed.

I urge the federal Conservatives to immediately reverse their decision and reinstate the funding for Ontario's newcomers.

*Interjection.*

**The Speaker (Hon. Steve Peters):** Stop the clock. No, I was listening carefully to the question, and it was certainly a question directed at the minister, with his ministerial responsibilities.

Supplementary?

**Mr. Bas Balkissoon:** Newcomers in my riding will be pleased to hear that the minister is calling on the federal Conservatives to reverse their funding cuts.

Immigrants in Scarborough have told me first-hand about the meaningful impact that settlement agencies make in their lives. In the past, I've met with settlement agencies in Scarborough to learn about the important front-line work they do every day. Now that the federal Conservatives have cut settlement service funding, settlement agencies will need to make up the federal shortfall. Some have suggested that the province may be able to help with this. Will the government make up the funding shortfall now that the federal Conservatives have decided to shortchange Ontario newcomers?

**Hon. Eric Hoskins:** Unlike the federal Conservatives, the McGuinty government will not cut vital funding that our newcomers depend on. We will continue to build on the $900 million we have already invested in our newcomers since 2003.

With our immigrants disproportionately affected by the economic downturn, Ottawa's cuts have come at the worst possible time. Already, the federal Conservatives have shortchanged Ontario's newcomers by failing to spend $207 million under the Canada-Ontario immigration agreement.

While we will continue to invest in our newcomers, we cannot commit more funding every time the federal Conservatives withhold crucial funding and download their funding responsibilities to us. It's not fair to Ontario and, more importantly, it's not fair to Ontario's newcomers.

## LOCAL HEALTH INTEGRATION NETWORKS

**Mr. Steve Clark:** My question is for the Minister of Health and Long-Term Care. Hospice North Hastings program coordinator Heather Brough says that she spends 80% of her time on LHIN paperwork and meetings, taking her away from helping people. She's fed up with the LHINs and is willing to forgo the $52,000 a year the hospice gets from them.

Minister, why did you say the LHINs would make things easier for community care organizations when they don't? Why did you do that?

**Hon. Deborah Matthews:** This is a case that I will look into. I don't quite understand that particular argument, but I will undertake to do that.

What I can tell you, though, is that it is the LHINs' responsibility to improve the integration of care, to build the continuum of care in our health care system, and that includes hospices. We know we need to do a better job building the continuum of supports between hospitals and long-term care. There are people in hospitals who do not want to be there, who should not be there, who could be better served elsewhere. We also know there are people in long-term-care homes who could, with the right combination of supports, get the care they need at home, in the community.

The responsibility of the LHINs, and they have embraced this responsibility, is to build that continuum of care so that the health care system—

**The Speaker (Hon. Steve Peters):** Thank you. Supplementary?

**Mr. Steve Clark:** The LHINs get millions of taxpayers' dollars from your ministry for administration. Now the South East LHIN is forcing a community support agency like Hospice North Hastings to redirect time and money from patient care to jumping through bureaucratic hoops at the risk of losing the $52,000 it gets. Community care agencies are willing to forgo money that's available to them rather than having to deal with the mess you created with the LHINs.

Why did you say the LHINs would make things easier when they don't?

**Hon. Deborah Matthews:** The LHINs are making it easier for people who are accessing the services that the LHINs are providing.

Let me talk about our aging at home strategy. Over a billion dollars is being invested to drive the creation of services that people who are aging need in their homes to keep them at home.

The LHINs are working very hard at bringing the health care silos together so it works for people. I met a gentleman not too long ago who, because of the LHINs, because of the services that he was able to access through the LHINs, has actually been able to move from long-term care into his own apartment. Keith Cooper is happier today because he's in his own home, he's independent and he's free to socialize with his friends and his community, only because of the work of the LHINs—

**The Speaker (Hon. Steve Peters):** Thank you. New question.

## HYDRO RATES

**Ms. Andrea Horwath:** My question is to the Acting Premier. Sky-high hydro bills are hurting families and seniors across the entire province. Irvine Cowell from Chatham writes this: "My bill has gone up $100 a month and every time something goes up, that is that much less to live on."

When will this government give us one good reason why it can't give people like Mr. Cowell a break by taking the HST off hydro?

**Hon. Sandra Pupatello:** To the Minister of Energy.

**Hon. Brad Duguid:** I'm pleased to respond to that question. Indeed, I'm still waiting to see the leader of the third party's next newsletter, where I'm sure it's going to explain to her constituents who are writing to her on this, and who may not be aware, that the Ontario energy property tax credit is something we announced just a few weeks ago. That tax credit is going to benefit two thirds of Ontario seniors. Two point eight million Ontarians will receive tax relief to the tune of about $1.3 billion in total. Seniors will receive up to over $1,000 in tax relief. That's going to be of assistance to those residents.

We understand that we've been through tough times. We understand that Ontarians are coping with the past recession, that it has been tough, and we understand that energy rates are increasing. That's why we're providing assistance for those very individuals.

**The Speaker (Hon. Steve Peters):** Supplementary?

**Ms. Andrea Horwath:** Mr. Cowell isn't alone in feeling a pinched pocketbook. Dorothy Turk from Hastings writes this: "If something isn't done to lower my hydro bill soon, I'll not be able to afford to keep it on and still meet my other bills. I'm a widow on a disability pension, with no drug benefits, lung disease and expensive medication. How am I or any other person on a fixed income supposed to pay these high rates?"

Mr. Cowell and Ms. Turk need a break. They need a break now. Why won't this government give it to them and simply take the HST off of hydro bills?

**1130**

**Hon. Brad Duguid:** Day in and day out, the leader of the third party gets up in this place and opposes the important and critical investments that we're making in our energy system to ensure that we have reliable energy and to ensure that we can clean our air and impact the health of our residents by getting out of dirty coal. You cannot do that without making those critical investments. Let me quote Rick Smith, the director of Environmental Defence, who said, "More clean energy jobs in Ontario isn't just good news for workers. It's good news for everyone who wants cleaner air and lower emissions. Across this province, we're creating jobs and replacing old, polluting energy like coal with clean, modern energy like wind and solar."

When did the NDP lose their way? When did they part ways with the environmentalists of this province? Clearly, they've lost their way. They're looking for short-term political gain at the—

**The Speaker (Hon. Steve Peters):** Thank you. New question.

## AGRI-FOOD INDUSTRY

**Mr. Bruce Crozier:** My question is to the Minister of Agriculture, Food and Rural Affairs. The food and beverage processing industry is a major economic driver in our province, employing over 100,000 people and purchasing 70% of Ontario's farm production. Investments are needed to help our agri-food sector remain strong in today's economy and also to help them grow and expand. I know that in order to take advantage of the new markets and remain competitive, businesses throughout the province often need to modernize their operations for increased productivity and upgrade equipment for increased efficiency.

Minister, please provide this House with an update on the role the province has played in working with processors across Ontario to help them find new markets and new opportunities for growth.

**Hon. Carol Mitchell:** The food and beverage processing industry is Ontario's second-largest manufacturing sector. We continue to support improved competitiveness in Ontario's food and beverage processing sector, and support economic development throughout the province. We have invested over $290 million in the food processing sector. That has created or retained almost 6,200 jobs. We have established the food processing sector as a priority for investment under the rural economic development plan. We are committed to working with municipalities, regions and other ministries to identify potential opportunities for growth within the food and beverage sector in Ontario. It's about creating jobs in our communities.

**The Speaker (Hon. Steve Peters):** Supplementary?

**Mr. Bruce Crozier:** The Ontario economy has faced some significant challenges caused by the global recession, and our rural communities are certainly no exception. Moving forward, we're now looking for new opportunities. Our province is demonstrating its commitment to meeting these challenges head on.

I'm pleased to see that under OMAFRA's rural economic development—RED—program, food processors in rural communities are benefiting from provincial investments that will go a long way to improving production and expanding their processing capacities. This will make them more competitive in the marketplace. This also means more jobs and more opportunities for residents in our communities.

I ask the minister to provide more information on what actions our government has taken and will be taking in the future to work with our partners on initiatives in the food processing industry?

**Hon. Carol Mitchell:** There are more than 3,000 food processing businesses in the province, of which 700 are located in rural communities. Our government is continually working with the industry to help make very positive results that benefit both businesses and our province.

In 2009-10, the ministry committed approximately $22 million to 33 food and beverage processing companies. This was through the rural economic development plan. Through the RED program, our government is helping companies to create and retain jobs, improve industry competitiveness, open new markets for our local farmers and our local product, and also reduce their environmental impact. Also, through our Open Ontario plan, we will continue to work with the Ontario processors, the producers and our communities to open up and increase the access to even more new markets throughout Ontario and throughout the world.

## LOCAL HEALTH INTEGRATION NETWORKS

**Mr. Frank Klees:** To the Minister of Health: David Brock is 28 years old. He has Duchenne muscular dystrophy. He's in a wheelchair and has serious respiratory, heart, bowel and urinary problems, and requires continuous, mechanical ventilatory support 24 hours a day. His parents, now both over the age of 60, can no longer provide the complex continuous care that he needs.

The CCAC, after concluding that there is not one facility in the Central LHIN that can accommodate David's care, directed the parents to the Central LHIN. The LHIN sent them back to the CCAC, leaving the family desperate.

Is this an acceptable response by an organization charged with the responsibility to assess local needs and to plan for local health services?

**Hon. Deborah Matthews:** This is a case, the member opposite knows, that I am not familiar with. He has not raised this case with me before. I will most certainly look into the particular case.

What I can tell you is that ours is a party that is committed to improving health care in this province. We have measured wait times that we never measured before. We're significantly expanding access to all types of care. We are committed to continue improving health care in this province.

I find it confusing, I guess is the right word, that a party that is advocating cutting health care is also the party that is advocating, on a case-by-case basis, for improving health care. It doesn't make sense that they would both want to cut and then want to spend.

**The Speaker (Hon. Steve Peters):** Supplementary?

**Mr. Frank Klees:** I did make the minister aware of this on October 6; I copied her on my letter to the LHIN.

David's parents wrote to the Central LHIN. In those letters, it was pointed out that the only alternative for David is a hospital ICU at a cost of more than $3,000 a day. The ministry's own chronic ventilation strategy task force graphically pointed out the enormous costs associated with that alternative in June 2006.

Given the mandate of the Central LHIN as a "system-planning organization" and given the glaring need for a facility to provide for long-term care with complex needs throughout York region, why, after so many years as York region's planning agency, has the Central LHIN not provided an appropriate care facility for people like David?

**Hon. Deborah Matthews:** I would be the first one to say that we've still got a lot of work ahead of us when it comes to improving care for people right across this province. What I can tell you is that the LHINs are very focused on one of the issues that the member opposite raised, and that is getting people into the right care setting. Too many people are in hospitals who do not need to be in hospitals if they had the right supports outside of hospitals. It may well be that this gentleman falls into that category, that he could get the care outside of the hospital, and that is what our LHINs are very focused on doing.

We're seeing success. The Hamilton Niagara LHIN has actually reduced the ALC rate from 23% to 13%. It is precisely by providing the right combination of care outside the hospital setting that they are—

**The Speaker (Hon. Steve Peters):** Thank you. New question.

## LOCAL HEALTH INTEGRATION NETWORKS

**Mr. Howard Hampton:** My question is for the Minister of Health and Long-Term Care. At Lake of the Woods District Hospital in Kenora, currently half of the medical surgical beds are occupied by 27 alternate level of care patients. Most of the 27 alternate level of care patients in medical surgical beds are seniors who are waiting for a long-term-care bed. Some of those seniors have been waiting now for five months—130 days.

My question is this: How much longer will they have to wait before a long-term-care bed becomes available to them?

**Hon. Deborah Matthews:** The member opposite raises an issue, as I said in the earlier question, that we are very focused on. People are staying in hospitals for far too long because the other supports are not available for them. That is the challenge that we have set ourselves to. The LHINs' number one priority right now is reducing the number of people who are in hospitals who ought not to be, do not want to be in hospital, and are not getting the best possible care in hospitals.

**1140**

The solution to that is multi-faceted. It includes better home care. It includes assess-and-restore beds. It includes a range of supports outside the hospital setting, including the building of more long-term-care beds.

What I can tell you is that all LHINs, including the North East LHIN, are very focused on reducing the ALC rates in their hospitals and they are seeing success. Have we got to where we need to be? Not yet, but we are going—

**The Speaker (Hon. Steve Peters):** Thank you. Supplementary?

**Mr. Howard Hampton:** I have to tell the minister that the North East LHIN won't do much for people who live in northwestern Ontario.

The continuing problem is this: For example, Kenora has some supportive housing, but there's not enough supportive housing so there's a long waiting list for supportive housing. The town of Rainy River has worked with the district social service board to re-equip some seniors' apartments, but the LHIN has not come forward with funding to turn them into supportive housing. In Fort Frances, where the waiting list is equally long, they're interested in supportive housing but they have put proposal after proposal after proposal to the North West LHIN without much of a response.

So, Minister, how long are people supposed to wait when they're not getting a positive response from the North West LHIN?

**Hon. Deborah Matthews:** First, let me correct myself; I did say North East and I think the member opposite knows I did mean North West.

What I can tell you is that we now track ALC rates. The LHINs have all developed strategies to bring those ALC rates down. The important thing is that the solutions are different in every community. That's why it's so important that the LHINs at the local level develop strategies to improve the supports outside of hospitals to reduce those ALC rates.

People who work in health care understand that this is a complicated and challenging initiative. But we're up to it. There are strategies in each and every LHIN, and I would be more than happy to share the North West LHIN strategy with the member opposite. We are determined to do better when it comes to ALC rates in this province.

## AIR QUALITY

**Mr. Phil McNeely:** My question is for the Minister of the Environment. Minister, we know that air and water quality are pressing national concerns. The Canadian Medical Association suggests that health care costs associated with just air pollution exceeded $8 billion in 2008 alone. I know that you recently met with your provincial and federal counterparts at the Canadian Council of Ministers of the Environment conference in Newfoundland, and that air pollution was on the agenda. But actions speak louder than words.

Minister, what are the provinces, and especially Ontario, doing to improve air quality?

**Hon. John Wilkinson:** I want to thank my colleague for the question.

Last week, I had the opportunity to engage in what was, I believe, an historic meeting of the Canadian Council of Ministers of the Environment. It's not every day in our country when you have all 10 provinces, three territories and the federal government agree to do the same thing and all go in the same direction, and that's what it is about: the fact that we were able to move forward on the proposal to have comprehensive air management systems and standards right across this country, and Ontario was pleased to play its role.

It builds on the work that we're doing about eliminating dirty coal-fired generation. It ensures that we have a standard that allows our federal government now to negotiate with the American government.

As we know, here in Ontario, over half of our population has air pollution that actually comes from across the border from our cousins to the south. This will strengthen that. As well, we have our new three-year water strategy, building on the work we're doing right here in Ontario, being a leader in Confederation.

**The Speaker (Hon. Steve Peters):** Time for question period is ended.

VISITORS

**The Speaker (Hon. Steve Peters):** We have with us today in the Speaker's gallery a delegation visiting from Nepal. The delegation is led by the Right Honourable Subas Nembang. Visiting us as well are Dr. Bhoj Raj Ghimire, Nepal's first and current ambassador to Canada, and John Sims, former Deputy Minister, Justice Canada, and other guests. Welcome to Queen's Park.

There being no deferred votes, this House stands recessed until 1 pm this afternoon.

*The House recessed from 1145 to 1300.*

## INTRODUCTION OF VISITORS

**Mrs. Liz Sandals:** I'm pleased to be able to introduce the family of page Calder Morton-Ferguson, who's just delivering water to me. His family will be here in the gallery with us momentarily: his mom, Mavis Morton from Guelph; his brother Aden; and his grandparents Geraldine Morton and Ross Morton.

## MEMBERS' STATEMENTS

TIGER JEET SINGH

**Mr. Ted Chudleigh:** Today, I would like to acknowledge the long-standing humanitarian work of Tiger Jeet Singh and to congratulate him after the Tiger Jeet Singh Public School was officially opened on Friday.

Tiger Jeet Singh came to Canada from the Punjab area of India at the age of 17. Today, after almost 40 years as a world-famous wrestler, he attended the official opening of Tiger Jeet Singh Public School. Tiger was honoured for his long-standing commitment to philanthropy and humanitarian work, which is typically directed towards parents and their children. Tiger also serves as Milton's economic development ambassador to Southeast Asia and as its leader in Canada's Southeast Asian community. He has donated funds to Milton's hospital and to the Milton Historical Society, and he continues to support the humanitarian work in India.

Friday's official opening of the Tiger Jeet Singh Public School began as Roger Hadfield, father of Colonel Chris Hadfield, Milton's astronaut, flew overhead in his biplane. This was followed by a bhangra dance group and the official opening ceremony led by the students. Tiger was surrounded by his family and dignitaries from across Canada. Representatives of India, South Africa and Japan were also present to recognize Tiger's charity and success.

Most importantly, however, Tiger was welcomed by the children whom he endeared as part of his own family. To them, his message is his mantra: Stay in school, stay away from drugs and stay Tiger fit.

I would like to congratulate Tiger Jeet Singh for what he has done and continues to do for our community. We are all eternally grateful. Thank you, Tiger.

HEALTH CARE

**Mr. Dave Levac:** Since 2003, the McGuinty government has made tremendous improvements in the health care system in Ontario. There's always room for more, though. We have created 200 family health teams, one of which is in Brant, that could provide care to more than 2.5 million people, and have begun implementation of 25 new nurse practitioner-led health clinics, the first of their kind ever. By 2013, 100 more first-year medical spaces will be available in Ontario. There will be twice as many doctors graduating from Ontario medical schools than in 2003.

We have also expanded MedsCheck programs to provide more service to Ontarians, especially our seniors who need that help. Most recently, we have introduced funding for programming in 13 more elderly persons centres in Ontario. This means that 273 centres across Ontario are receiving funding for maintenance, operations and programming to ensure the best experience for their residents.

It's important to do a little contrast here. The previous government, the Conservative government, closed 28 community hospitals, including St. Joe's in Brantford, while the McGuinty government has opened the doors to 18 new facilities. While we want to invest in patients and their needs, the opposition wants to cancel $30 billion worth of care that could be on the front lines. This would be a loss and translate to 11,000 doctors or closures of more than 30 rural hospitals.

We can't it have both ways. It's clear that our government has strengthened the public health units and we want—

**The Speaker (Hon. Steve Peters):** Thank you.

GOVERNMENT SERVICES

**Mr. John Yakabuski:** I want to give you an example of what happens when bureaucracy closes its eyes and lives by its computer and a rule book. Earlier this year, the government passed the bill that would authorize the northern Ontario tax credit, the northern energy tax credit, which applied throughout northern Ontario, including the district of Nipissing, of which my riding has a portion.

When residents from the Whitney area of the township of South Algonquin applied for their energy tax credits, they received the reply from the Ministry of Revenue: "No can do. Can't do that. You're not eligible." To which they replied, "Why? We're in the district of Nipissing; that's northern Ontario." "No, you can't do that because your mailing code doesn't start with the letter P."

It was brought to our attention in our office. We spoke to people in the Ministry of Revenue. They said the same thing: "Can't do it. The mailing code doesn't start with the letter P." We got it moved up the food chain, as they say, and finally last week, they relented and said that people in the townships of South Algonquin, in the district of Nipissing, would now be eligible to receive the northern energy tax credit.

My message to the government is: When you're drafting legislation, take a look at the map of Ontario and check where the ridings are. Don't look at mailing codes. And I give the same advice to the bureaucrats: "Get out from behind your computers"—

**The Speaker (Hon. Steve Peters):** Thank you.

## ONTARIO PARLIAMENTARY FRIENDS OF TIBET

**Ms. Cheri DiNovo:** It's with great pleasure that I rise on behalf of the Ontario Parliamentary Friends of Tibet, who were acknowledged in a special, private audience with His Holiness, the 14th Dalai Lama, on the weekend. Members of this House will know about the Ontario Parliamentary Friends of Tibet, and certainly, I would encourage all members to show up for our next meeting. There will be a monthly newsletter that goes out, Butila Carpacci, part of their initiative and ours to let the House know about the activities of His Holiness and also the activities of the Tibetan people in Toronto.

We were delighted to be shown the special privilege by the Nobel laureate and certainly, again, would recommend to everyone, if they can see YouTube videos of his speech at the Rogers Centre or at his private functions or teachings at the Tibetan Canadian Cultural Centre, that they certainly should tune in.

Finally, I'd like, on behalf of the Ontario Parliamentary Friends of Tibet, Tibetan people, anyone who values the principles of peace, non-violence and freedom, to thank His Holiness for his visit to Toronto, which truly was a blessing to our city and to all of us.

**1310**

## SENIOR CITIZENS

**Mr. Michael A. Brown:** Over the next decade, Ontario will see a demographic shift in our population where we will have more people over 65 than under 15.

This government is committed to expanding services for this growing demographic. Ontario's elderly persons centres are the community hubs that maintain services in health and recreation as well as social services for Ontarians over 65.

On Friday, the McGuinty government announced an additional $550,000 to 13 elderly persons centres, bringing the total number of centres to 273 serving over 150,000 seniors. This recent investment continues on the McGuinty government's proven track record of enhancing funding and opportunity for Ontario's seniors.

Ontario's groundbreaking aging at home strategy is part of our broad community-based supports, which include significant energy and property tax credits, income tax cuts and pension reforms that will allow more seniors to remain in the comfort of their own home with the dignity they deserve.

We've also opened 8,200 additional long-term-care beds and have bolstered long-term care with an additional $1 billion since coming to office in 2003.

This government has put seniors first. I congratulate the government on their efforts and investments.

## FUSION YOUTH ACTIVITY AND TECHNOLOGY CENTRE

**Mr. Ernie Hardeman:** I rise today to recognize the fifth anniversary of Ingersoll's Fusion Youth Activity and Technology Centre.

Five years ago, it started as a two-room centre, with limited programs but a goal of giving youth a safe place to learn and grow. Today it is an example that many communities are looking to follow. They offer programs in music, art, technology, cooking, sports, business and leadership, and even broadcast a radio station from the centre. Today, more than half of the youth in Ingersoll have a membership at the Fusion centre. I want to commend the staff and volunteers who have made this such a success.

On October 14, I was pleased to attend the fifth anniversary celebration. It was an opportunity for the youth members to show off their talents. From artwork to recording video messages, they demonstrated the skills they have learned at the Fusion centre.

It was also an opportunity to celebrate the many people and organizations that have contributed to the success of the centre—from the Royal Bank, who announced a $10,000 donation, to Cory and Tim Parrow, who raised $4,500 through the Harvest Run, to Heart FM, who provided scholarships to help youth continue developing the skills they learn at the centre—and to celebrate the many community partners who were in attendance, including the Ingersoll OPP, board of education, town of Ingersoll, and people who provided counselling and training.

I want to congratulate the Ingersoll Fusion centre, and all the youth who are a part of it, on a very successful five years and offer them best wishes for many more.

## RENEWABLE ENERGY

**Mrs. Liz Sandals:** Thanks to the efforts of the McGuinty government, I am proud to announce that Guelph has recently attracted two solar energy manufacturers: Sustainable Energy Technologies and Canadian Solar Inc.

Sustainable Energy Technologies will create up to 300 direct and indirect jobs, and Canadian Solar will create up to 500 jobs in my community.

Sustainable Energy Technologies is partnering with Melitron, a high-tech Guelph sheet metal fabricator. Melitron will manufacture the boxes and assemble the inverters.

Attracting companies such as these is part of our Open Ontario plan to build an affordable, reliable and clean energy economy which will create well-paying jobs as well as protect the environment for our children and grandchildren.

The McGuinty government has been phasing out coal-fired generation and replacing it with clean alternative energy sources like wind, water and sun. More than 8,000 new megawatts of clean energy have been introduced since 2003. But most importantly, we are entering into an exciting new era for Ontario's economy as we aim to capture a healthy share of the clean energy market.

In fact, both Sustainable Energy Technologies and Canadian Solar chose to open manufacturing plants in Guelph and provide up to 800 Ontarians with jobs because of our Green Energy Act.

### IMMIGRANT SERVICES

**Mr. Ted McMeekin:** Today I rise to speak on the issue of newcomers. The province of Ontario is certainly enriched by the contributions of new Canadians, and the delivery of services by local community organizations is crucial to the success of these newcomers.

In Hamilton, there is an organization called SISO, the Settlement and Integration Services Organization. Since 1993, SISO has provided valuable services to thousands of newcomers, services such as settlement, employment and language assistance.

I'm proud to say that the McGuinty government, through the Ontario Trillium fund as well as the Ministry of Citizenship and Immigration, has been a strong supporter of SISO. We provided an investment of half a million dollars and partnered with the federal government in terms of service provision.

I was deeply concerned to hear that the federal government has now chosen to withdraw funding for SISO. The importance of targeted services for newcomers like those provided by SISO cannot be understated. These services are critical to the success of new Canadians with respect to their transition into their new community, building new lives and, indeed, thriving. Through their work, newcomers and their communities both continue to be enriched.

It's my hope that the leaders of all political parties—especially the opposition—will approach whatever contacts they have in Ottawa to have this situation revisited.

### MISSING CHILDREN

**Mr. Khalil Ramal:** I rise today to comment on every parent's nightmare: a missing child. I know my heart skips a beat to just consider such a thing.

In 2003, the Ontario government launched the Ontario Amber Alert program with its partners in broadcasting and law enforcement to help speed up the return of missing children. Amber Alerts are issued when a child has been abducted and local law enforcement, as well as the Ontario Provincial Police, believe that information being issued to the broader public will assist in the rapid recovery of the child. Since its launch in 2003, 19 activations of Ontario's Amber Alert system have occurred. Of these, 16 Ontario children have been safely returned to their families, at least in part due to the Amber Alert system.

As of 2009, new guidelines were established about issuing an alert. They are:

(1) The law enforcement agency must believe a child under 18 has been abducted;

(2) There must be a belief that the child is in danger;

(3) There is a description of the child, vehicle or abductor that is believed will help locate the child.

This month, the Ontario government teamed up with Facebook to launch an online way of distributing Amber Alerts to the public. Ontario is the third province, joining New Brunswick and PEI, to partner with Facebook for the distribution of Amber Alerts. Through our partnerships like Facebook, we now have the ability to reach thousands of Ontarians.

I applaud our partners and the OPP for their leadership in protecting our youth and helping us to return all the children safely to their parents.

### NOTICE OF DISSATISFACTION

**The Speaker (Hon. Steve Peters):** Pursuant to standing order 38(a), the member for Beaches–East York has given notice of his dissatisfaction with the answer to his question by the Minister of Children and Youth Services. This matter will be debated at 6 p.m. tomorrow.

## INTRODUCTION OF BILLS

### EXECUTIVE COUNCIL AMENDMENT ACT (MINISTERS' ATTENDANCE AT QUESTION PERIOD), 2010

### LOI DE 2010 MODIFIANT LA LOI SUR LE CONSEIL EXÉCUTIF (PRÉSENCE DES MINISTRES PENDANT LA PÉRIODE DES QUESTIONS)

Ms. MacLeod moved first reading of the following bill:

Bill 123, An Act to increase legislative accountability for the Premier and Cabinet / Projet de loi 123, Loi visant à augmenter la responsabilité législative du premier ministre et du Conseil des ministres.

**The Speaker (Hon. Steve Peters):** Is it the pleasure of the House that the motion carry? Carried.

*First reading agreed to.*

**The Speaker (Hon. Steve Peters):** The member for a short statement.

**Ms. Lisa MacLeod:** This bill is similar to a bill put forward by the former member for Toronto Centre. The bill amends section 7 of the Executive Council Act to increase from $500 to $1,000 the daily fine for a minister of the crown who does not attend question period in the chamber on at least two thirds of the days on which question period is held.

The Liberal staff may have taken today off, but we're going to make sure that the Liberal members stay here and work.

**1320**

## PETITIONS

### PROTECTION FOR PEOPLE WITH DISABILITIES

**Mr. Steve Clark:** I have a petition to the Legislative Assembly of Ontario.

"Whereas the picketing of the homes of people with intellectual disabilities alienates people from their autonomy; security; privacy; relationships with staff, neighbours and community; and also causes discrimination and harm to citizens who should be free to enjoy their homes without harassment and intimidation;

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

"To support Bill 83 and prohibit the picketing of vulnerable people's residences during a strike."

I want to support Ms. Jones's Bill 83. I'll sign the petition and send it to the table with page Anika.

### HIGHWAY IMPROVEMENT

**Mr. Norm Miller:** I have petitions to do with paved shoulders on provincial highways.

"Petition in Support of Bill 100 (Paved Shoulders on Provincial Highways)

"To the Legislative Assembly of Ontario:

"Whereas pedestrians and cyclists are increasingly using secondary highways to support healthy lifestyles and expand active transportation; and

"Whereas paved shoulders on highways enhance public safety for all highway users, expand tourism opportunities and support good health; and

"Whereas paved shoulders help to reduce the maintenance cost of repairs to highway surfaces; and

"Whereas Norm Miller's private member's Bill 100 provides for a minimum one-metre paved shoulder for the benefit of pedestrians, cyclists and motorists;

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

"That Norm Miller's private member's Bill 100, which requires a minimum one-metre paved shoulder on designated highways, receive swift passage through the legislative process."

I obviously support this.

### EDUCATION FUNDING

**Ms. Sylvia Jones:** My petition is, of course, to the Legislative Assembly of Ontario.

"Whereas we are the parents, educators and friends of students in the Peel region public school system; and

"Whereas Peel students have historically received less funding per pupil per annum when compared to their peers in other district school boards and, in particular, have inadequate special education resources; and

"Whereas all students in Ontario are entitled to equal opportunities in education;

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

"To recognize and provide for the $18-million learning opportunities grant"—retroactively—"owed to Peel students;

"Implement measures to ensure ongoing funding is based on current census data and other key demographic indicators of student needs to ensure that Peel students receive a fair share of provincial education funding."

I affix my name to it and give it to page Kieran.

### PROTECTION FOR PEOPLE WITH DISABILITIES

**Mr. Ted Chudleigh:** I have a petition to the Legislative Assembly of Ontario from a number of my constituents.

"Whereas the picketing of the homes of people with intellectual disabilities alienates people from their autonomy; security; privacy; relationships with staff, neighbours and community; and also causes discrimination and harm to citizens who should be free to enjoy their homes without harassment and intimidation;

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

"To support Bill 83 and prohibit the picketing of vulnerable people's residences during a strike."

I'm pleased to sign this petition as I support it. I'll pass it to my page, Haadiyah.

### ONTARIO SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

**Ms. Sylvia Jones:** My petition is to the Parliament of Ontario.

"Whereas the Ontario Society for the Prevention of Cruelty to Animals (OSPCA) recently and unilaterally announced that it would euthanize all animals in its care at its Newmarket shelter, citing a ringworm outbreak as justification;

"Whereas the euthanasia plan was stopped in the face of repeated calls for a stay in the Legislature and by the public, but not until 99 animals had been killed;

"Whereas the Premier and Community Safety Minister Rick Bartolucci refused to act, claiming the provincial government has no jurisdiction over the OSPCA;

"Therefore we, the undersigned, petition the Parliament of Ontario to immediately implement the resolution tabled at Queen's Park by Newmarket–Aurora MPP Frank Klees on June 1, 2010, which reads as follows:

"'That, in the opinion of this House, the Ontario Legislature call on the government of Ontario to review the powers and authority granted to the OSPCA under the OSPCA Act and to make the necessary legislative changes to bring those powers under the authority of the Minister of Community Safety and Correctional Services to ensure that there is a clearly defined and effective provincial oversight of all animal shelter services in the province, and to separate the inspection and enforcement powers of the OSPCA from its functions as a charity providing animal shelter services.'"

I affix my name to it and give it to page Harnameh.

HIGHWAY IMPROVEMENT

**Mr. Steve Clark:** I have a petition to the Legislative Assembly of Ontario, which reads as follows:

"Whereas pedestrians and cyclists are increasingly using secondary highways to support healthy lifestyles and expand active transportation; and

"Whereas paved shoulders on highways enhance public safety for all highway users, expand tourism opportunities and support good health; and

"Whereas paved shoulders help to reduce the maintenance cost of repairs to highway surfaces; and

"Whereas Norm Miller's private member's Bill 100 provides for a minimum one-metre paved shoulder for the benefit of pedestrians, cyclists and motorists;

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

"That Norm Miller's private member's Bill 100, which requires a minimum one-metre paved shoulder on designated highways, receive swift passage through the legislative process."

I agree with the petition, will affix my signature and send it to the table with page Jonathan.

HOME WARRANTY PROGRAM

**Ms. Cheri DiNovo:** This petition has to do with extending the Ombudsman of Ontario's jurisdiction to include the Tarion Warranty Corp.

"To the Legislative Assembly of Ontario:

"Whereas homeowners have purchased a newly built home in good faith and often soon find they are victims of construction defects, often including Ontario building code violations, such as faulty heating, ventilation and air conditioning (HVAC) systems, leaking roofs, cracked foundations etc.;

"Whereas often when homeowners seek restitution and repairs from the builder and the Tarion Warranty Corp., they encounter an unwieldy bureaucratic system that often fails to compensate them for the high cost of repairing these construction defects, while the builder often escapes with impunity;

"Whereas the Tarion Warranty Corp. is supposed to be an important part of the consumer protection system in Ontario related to newly built homes;

"Whereas the government to date has ignored calls to make its Tarion agency truly accountable to consumers;

"Be it resolved that we, the undersigned, support MPP Cheri DiNovo's private member's bill, which calls for the Ombudsman to be given oversight of Tarion and the power to deal with unresolved complaints;

"Therefore we, the undersigned, petition the Legislative Assembly of Ontario to amend the Ontario New Home Warranties Plan Act to provide that the Ombudsman's powers under the Ombudsman Act in respect of any governmental organization apply to the corporation established under the Ontario New Home Warranties Plan Act, and to provide for necessary modifications in the application of the Ombudsman Act."

I couldn't agree more, will affix my signature, and I'm going to give it to Harnameh to be delivered to the clerks.

PENSION PLANS

**Mr. Ernie Hardeman:** I'm pleased to rise to present this petition on behalf of a lot of good folks around the province who have signed a petition dealing with defined benefit pension plans.

"To the Legislative Assembly of Ontario:

"Whereas the Pension Benefits Act (PBA) regulations for 'loss of sponsor' of defined benefit pension plans only permit windup and annuity purchase; and

"Whereas in the present economic climate the cost of annuities is at a 25-year high with no relief in sight;

"Therefore the purchase of annuities exacerbates the punitive impact of windup on Nortel pension plan members and others in similar situations, and increases the costs passed on to the taxpayers of Ontario;

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

"To amend the PBA regulations to permit the Administrator and the Financial Services Commission of Ontario (FSCO) to apply other options in the 'loss of sponsor' scenario which will provide more benefits to Nortel pension plan members and others in similar situations, such as the continuation of the pension plan under responsible financial management by a non-government institution."

I affix my signature as I agree with the petition.

WIND TURBINES

**Ms. Sylvia Jones:** My petition is to the Legislative Assembly of Ontario:

"Whereas municipalities have always had control over planning matters in their communities; and

"Whereas community consultation and engagement is essential for successful green energy projects; and

"Whereas local residents should be actively involved in all discussions about wind turbine projects in their community;

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

"That the Liberal government return planning power for renewable energy projects to municipalities and local residents by passing Bill 29, Planning Amendment Act (Renewable Energy Undertakings), 2010, Sylvia Jones, MPP for Dufferin–Caledon."

Obviously, since it is my private member's bill, I support the petition, affix my name to it and give it to Anika.

**1330**

## ONTARIO SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

**Mr. Ernie Hardeman:** I have a petition here to the Legislative Assembly of Ontario.

"Whereas the Ontario Society for the Prevention of Cruelty to Animals (OSPCA) recently and unilaterally announced that it would euthanize all animals in its care at its Newmarket shelter, citing a ringworm outbreak as justification;

"Whereas the euthanasia plan was stopped in the face of repeated calls for a stay in the Legislature and by the public, but not until 99 animals had been killed;

"Whereas the Premier and Community Safety Minister Rick Bartolucci refused to act, claiming the provincial government has no jurisdiction over the OSPCA;

"Therefore we, the undersigned, petition the Parliament of Ontario to immediately implement the resolution tabled at Queen's Park by Newmarket–Aurora MPP Frank Klees on June 1, 2010, which reads as follows:

"'That, in the opinion of this House, the Ontario Legislature call on the government of Ontario to review the powers and authority granted to the OSPCA under the OSPCA Act and to make the necessary legislative changes to bring those powers under the authority of the Minister of Community Safety and Correctional Services to ensure that there is a clearly defined and effective provincial oversight of all animal shelter services in the province, and to separate the inspection and enforcement powers of the OSPCA from its functions as a charity providing animal shelter services.'"

I'm pleased to present this petition on behalf of all the people who sent it to me. I affix my signature, as I agree with the petition.

## EDUCATION FUNDING

**Ms. Sylvia Jones:** "To the Legislative Assembly of Ontario:

"Whereas we are the parents, educators and friends of students in the Peel region public school system; and

"Whereas Peel students have historically received less funding per pupil per annum when compared to their peers in other district school boards and, in particular, have inadequate special education resources; and

"Whereas all students in Ontario are entitled to equal opportunities in education;

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

"To recognize and provide for the $18-million learning opportunities grant retroactively owed to Peel students;

"Implement measures to ensure ongoing funding is based on current census data and other key demographic indicators of student needs to ensure that Peel students receive a fair share of provincial education funding."

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

## MULTIPLE SCLEROSIS TREATMENT

**Mr. Steve Clark:** I have a petition to the Legislative Assembly of Ontario that reads as follows:

"Whereas thousands of people suffer from multiple sclerosis;

"Whereas there is a treatment for chronic cerebrospinal venous insufficiency, more commonly called CCSVI, which consists of a corrective angioplasty, a well-known and universally practised procedure that is low-risk and at relatively low expense;

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

"That the Minister of Health agrees to proceed with clinical trials of the venoplasty treatment to fully explore its potential to bring relief to the thousands of Ontarians afflicted with multiple sclerosis."

I will affix my signature and send it to the table with page Emmett.

## PROTECTION FOR PEOPLE WITH DISABILITIES

**Mr. Ted Chudleigh:** I have a petition to the Legislative Assembly of Ontario.

"Whereas the picketing of the homes of people with intellectual disabilities alienates people from their autonomy; security; privacy; relationships with staff, neighbours and community; and also causes discrimination and harm to citizens who should be free to enjoy their homes without harassment and intimidation;

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

"To support Bill 83 and prohibit the picketing of vulnerable people's residences during a strike."

I agree with this, sign my name and will pass it to page Anika.

# ORDERS OF THE DAY

## SECURING PENSION BENEFITS NOW AND FOR THE FUTURE ACT, 2010

## LOI DE 2010 SUR LA PÉRENNITÉ DES PRESTATIONS DE RETRAITE

Ms. Smith, on behalf of Mr. Duncan, moved second reading of the following bill:

Bill 120, An Act to amend the Pension Benefits Act and the Pension Benefits Amendment Act, 2010 / Projet de loi 120, Loi modifiant la Loi sur les régimes de retraite et la Loi de 2010 modifiant la Loi sur les régimes de retraite.

**The Speaker (Hon. Steve Peters):** Debate?

**Hon. Monique M. Smith:** I am delighted to be able to speak to this bill ever so briefly this afternoon. I will be sharing my time with the member for Kitchener–Conestoga.

Before I hand it over, I'd like to welcome the students who are in the gallery today. It's always nice to have our visitors with us, and I hope you enjoy your stay at Queen's Park.

**Ms. Leeanna Pendergast:** Thank you to the government House leader for your eloquent words and sharing your time. I'd also like to welcome the students in the gallery on the other side. Welcome today, folks. Thanks for being here.

I'm pleased to stand in the House today for second reading of Bill 120, the Securing Pension Benefits Now and for the Future Act, 2010. This act is part of this government's comprehensive plan. It's a comprehensive plan to improve Ontario's retirement income system and to strengthen our employment pension plan through modernization and through innovation.

As you know, making it easier for Ontarians to save for their retirement has been an active file for the McGuinty government, particularly in this past week. Our government has taken significant steps to make it easier for Ontarians to save for retirement. On the provincial-federal-territorial front, this government continues to call for significant improvements to Canada's retirement income system. Thanks to urging by Premier McGuinty, the Council of the Federation endorsed the idea of a national summit on Canada's retirement income system. Federal-provincial-territorial finance ministers are now developing options for reform and will discuss these options at the upcoming federal-provincial-territorial finance ministers' meeting.

Specifically, we are calling for a modest, fully funded, phased-in expansion to the Canada pension plan; tax and regulatory changes to expand the range of institutions that can act as pension plan administrators; and to extend plan coverage to a broader range of people, including the self-employed. Such changes could also help lower the cost of providing defined contribution plans. That's why, this past Monday, my colleague the Honourable Dwight Duncan, Minister of Finance, introduced a motion in this House calling for a modest and gradual expansion of the Canada pension plan. We know how important this is for future Ontario retirees, as about two thirds of all Ontarians do not have a workplace pension, and we hope to receive the support of the Legislative Assembly in passing this important motion.

Indeed, we've been busy on the pension reform file this year. In May of this year, the House unanimously passed Bill 236, entitled the Pension Benefits Amendment Act, 2010. It built upon the recommendations of the Expert Commission on Pensions, and extensive consultations with stakeholders will help the pension system adapt to economic changes while balancing the need for benefit security. Specifically, the reforms enacted in Bill 236 upon the drafting of necessary regulations will make it easier to restructure pension plans affected by corporate reorganizations while protecting benefit security for plan members and for pensioners. It will clarify and extend the benefits to plan members affected by layoffs and eliminate partial windups. It will increase the transparency and access to information for plan members and for pensioners. It will enhance the pension regulator's ability to oversee pension plans and it will improve plan administration and reduce compliance costs.

We've been clear from day one that Bill 236 was the first part of a multi-step process to update and improve the employment pension system, a point we reiterated in the 2010 budget, where we committed to introducing further pension reforms. The introduction of Bill 120, the Securing Pension Benefits Now and for the Future Act, 2010, fulfills that commitment.

This is an appropriate time for me to give some more specific details on the amendments to the Pension Benefits Act that we are proposing under the Securing Pension Benefits Now and for the Future Act, 2010. At present, there are two types of pension benefits that pension plans are authorized to provide under the act. The first is defined benefits, or DB for short, and the second is defined contribution benefits, or DC for short. The Pension Benefits Act also authorizes pension plans to provide other benefits that are called ancillary benefits. The amendments would introduce two new categories of benefits into the act. The first category would be target benefits and the second category, optional benefits.

**1340**

The amendments also relate to the payment of defined contribution benefits. The new section 39.2 of the act would establish that for a benefit to be a target benefit, two criteria need to be satisfied. The first is that the employer's obligation to contribute to the pension fund would be limited to a fixed amount set out in one or more collective agreements. Secondly, the administrator has unrestricted authority under the pension plan to reduce benefits.

The new section 40.1 of the Pension Benefits Act would govern optional benefits. The new rules would provide that if a defined benefit pension plan provides for optional benefits, members could obtain them by making optional contributions in accordance with the pension plan. Optional contributions can only be used to provide optional benefits.

The new section 39.1 of the Pension Benefits Act deals with defined contribution benefits and would govern the payment of pensions and pension benefits under pension plans that provide defined contribution benefits.

Bill 120 also deals with funding requirements. Lower than usual returns in equity markets and low long-term interest rates have left many defined benefit pension plans less than fully funded. This government recognized that if funding rules were strengthened, plans would be better positioned to withstand market downturns and promised benefits would be more secure. The amendments would change certain funding requirements under the Pension Benefits Act relating to the funding of solvency deficiencies of certain jointly sponsored pension plans: the funding of benefit improvements for defined benefits, the authority for contribution holidays and the authority to use letters of credit in specified circumstances.

The amendments include a new subsection 1(2.1) and changes to section 10 of the Pension Benefits Act. These changes would enable pension plans that are jointly sponsored pension plans on August 24, 2010, to cease requiring contributions to be made for solvency deficiencies.

If enacted, a new section 14.0.1 of the act would restrict the circumstances in which a pension plan can be amended to authorize benefit improvements.

The amendments also include a new section, 55.1 of the act, which sets out the circumstances in which employers and members would be permitted to reduce or suspend contributions under a pension plan, otherwise known as contribution holidays. However, contribution holidays would not be allowed if prohibited by the pension plan.

If enacted, a new section 55.2 of the act would prescribe the circumstances in which an employer would be permitted to provide a letter of credit to partially cover contributions under a pension plan that has a solvency deficiency. Multi-employer pension plans would not be permitted to use letters of credit. Also, public sector pension plans, except certain prescribed public sector pension plans, would not be able to use the letter of credit.

We're also addressing the issue of entitlement to surplus. The Expert Commission on Pensions had this to say: They observed, "Employers, active members and retirees have been engaged in conflicts over surplus use and distribution since at least the mid-1980s." Longstanding debates about surplus entitlement and the costly litigation that often results underline the need to reform a process that the commission called "unnecessarily cumbersome, time-consuming and expensive." If passed, Bill 120 would address these issues for both ongoing plans and plans that are being wound up and provide a binding dispute resolution mechanism to address surplus allocation issues when a plan is wound up.

The amendments that we're proposing today would include changes to the current requirements of the Pension Benefits Act that govern the payment of surplus to employers. Currently, the requirements are set out in sections 78 and 79 of the act. The revised requirements are set out in the new sections 77.11 and 77.12 of the act, as well as in the amended sections 78 and 79.

As it now stands, the act specifies that surplus may be paid to an employer if the employer can establish entitlement or if there is an agreement of the employer and certain specified persons. If Bill 120 is passed, the amendments, along with the corresponding changes to the regulations, would clarify the rules for surplus distribution.

If enacted, a new subsection, 77.11(5), of the Pension Benefits Act would clarify that a written agreement may be used to authorize the payment of surplus to an employer out of a continuing pension plan as well as out of a pension plan that's being wound up in whole or in part. The subsection sets out requirements that would apply with respect to the agreement. If these provisions are enacted, the agreement would prevail over the documents that create and support the pension plan and the pension fund.

The introduction of a new section, 77.12, of the act provides for the use of arbitration to allocate surplus in connection with the windup of a pension plan. The circumstances in which arbitration could be used are specified in the amendments. An arbitration award would prevail over the documents that create and support the pension plan and the pension fund.

In the past few years, the McGuinty government has made great strides to stabilize and to improve the pension benefits guarantee fund, or the PBGF for short. The pension benefits guarantee fund provides protection for Ontario members and beneficiaries of most registered single-employer defined benefit pension plans in the event of a plan sponsor insolvency.

It's the only fund of its kind in Canada, and it operates at a subnational level, unlike its counterparts in the US and in the UK. Participation is mandatory for most registered single-employer defined benefit pension plans, with annual premiums based on per-member and partially risk-related fees.

The Expert Commission on Pensions was established by this government and recommended a study of the PBGF to be undertaken in its 2008 report. The name of the report was, A Fine Balance: Safe Pensions, Affordable Plans, Fair Rules. We heeded the commission's advice, which resulted in the report Looking Ahead: Projecting Ontario's Pension Benefits Guarantee Fund. The primary objective of this study was to evaluate the sustainability of the current PBGF structure. Based upon the recommendations of this report, we're proposing to make amendments to the Pension Benefits Act as part of our four-point plan to strengthen the PBGF over the long term, as we announced in August.

Paragraph 1 of section 85 of the act currently specifies that the fund does not guarantee pensions and pension benefits under a pension plan established for less than three years on the date of the windup; paragraph 2 of section 85 currently specifies that it does not guarantee increases to pensions and pension benefits that take effect within three years before the date of the windup. Amendments would extend these three-year periods to five years.

Additional steps to strengthen the PBGF, such as increases in assessments, would be made in the regulations.

Our proposed amendments contained in Bill 120, the Securing Pension Benefits Now and for the Future Act, 2010, also include changes with respect to the administration of pension plans. The enactment of new section 22.1 of the act would clarify the circumstances in which fees and expenses may be paid from the pension fund in respect to the administration of pension plans. The new section provides that reasonable fees and expenses for the administration of the pension plan and the administration and investment of the pension fund would be payable out of the pension fund. Certain exceptions are specified in the amendments.

Clause 42(1)(a) of the act currently authorizes a former member of a pension plan to require an amount to be transferred to another pension plan if the administrator of the other plan agrees to the transfer. A new subsection 42(1.1) specifies the classes of the pension plan to which such a transfer could be made.

**1350**

Subsections 78(4) and (5) of the act currently provide for the reimbursement of an employer for overpayment into a pension fund. Those provisions would be re-enacted as a new section 62.1.

A new section 80.3 of the act would apply when Ontario public sector employees are transferred as a group to the federal public service. This new section would govern the transfer of assets in these circumstances.

We're proposing in the Securing Pension Benefits Now and for the Future Act, 2010, to make positive changes to improve regulatory oversight and enforcement.

Amendments to section 8 of the act would authorize the superintendent to appoint an administrator for a pension plan or to act as an administrator in certain prescribed circumstances. Currently, section 71 of the act authorizes the appointment of an administrator by the superintendent only in connection with the windup of a pension plan in whole or in part. Section 71 would be repealed.

The proposed amendments also include changes to subsection 87(4) of the act and a new clause 115(1)(h) of the act whereby restrictions could be imposed on the actuarial assumptions and methods that may be used in the preparation of reports about pension plans. Amendments to subsection 87(4) deal with the superintendent's authority to make an order in a particular case, and clause 115(1)(h) would authorize regulations to be made.

Technical changes would be made to the terminology used in section 89 of the act. This section imposes requirements on the superintendent when he or she proposes to make certain decisions under the act.

The superintendent is currently authorized under section 105 of the act to extend procedural deadlines. A new subsection 105(2) of the act would authorize the superintendent to extend deadlines for filing documents, of course subject to certain restrictions.

Finally, this government is proposing changes in Bill 120, the Securing Pension Benefits Now and for the Future Act, 2010, to ensure that Ontario's employment pension plans would continue to evolve and modernize. As we know, prior to the McGuinty government enacting reforms under the Pension Benefits Amendment Act, 2010, which passed the House and was given royal assent in May of this year, there had not been significant pension reform undertaken in the province of Ontario for more than 20 years. We recognize that regular assessment and improvement of pension laws are required in order to ensure that pensions in Ontario remain strong and able to meet the needs of their members and of pensioners. That's why, if enacted, a new section 116 of the act would require the Minister of Finance to initiate a review of the act and the regulations or a review of portions of the act and regulations every five years.

The proposed Bill 120, the Securing Pension Benefits Now and for the Future Act, 2010, would continue our efforts to modernize Ontario's pension system and balance the concerns of workers, retirees and employers. That's why I'm asking for the support of this Legislature in passing this important bill.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Ted Chudleigh:** This is another one of those bills that are put before the Legislature that are highly technical in nature; however, there are no regulations that come with the bill. Whether this bill is effective or not will, of course, depend on what kinds of regulations are put before the House.

The other problem with pensions that we're seeing in the province today is, of course, the Nortel situation, where many pensioners are in jeopardy of losing a lot of the assets that they have built up in their Nortel pensions. That would cause them very great hardship. This government has put together this package which includes this bill. They could have been working on the Nortel situation, which they obviously haven't done. They've promised a review. I haven't heard what that review has yielded yet. I know the Minister of Finance said he wasn't going to review it—any further review—and then the Premier said that he would review it. Under questioning by our member, the Premier said he would review it, give it one more review, and it would fall upon the Minister of Finance to review that pension plan for Nortel employees. Whether or not that is ongoing and whether or not it's going to be a fair review, given the fact that the Minister of Finance said he wasn't going to review it and the Premier told him, "I don't think so. I think you are going to review it"—I wonder what kind of review that would result in.

Pensions are very important to people, especially in the Nortel situation, where they stand in jeopardy of losing a good deal of their pensions. We'll be interested to hear the debate on this bill and to see whether the government is going to come up with anything that is worthwhile.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments.

**Mr. Howard Hampton:** I listened to the highly technical explanations given by my colleague from the Liberal Party. Sometimes, when you get into the highly technical explanations, you can miss the main thrust of what is there and what's not there.

There are three very important things that are not here in this legislation, three things that Professor Harry Arthurs, when he did the pension review for the government, strongly recommended needed to be there. One of his recommendations is that the pension benefits guarantee fund should be increased from $1,000 to $2,500. His reason for that, as he said, is that the figure of $1,000 was set in 1980, 30 years ago. I don't think anyone needs to think very long or very hard to reflect upon how much the cost of living or how much the cost of retirement has gone up in 30 years. Yet this government seems to believe that a pension benefits guarantee amount of $1,000 which was set 30 years ago is still adequate today. I can only say to government members, I hope you never have to call on the pension benefits guarantee fund because I don't think it will be adequate for you, just as it's not adequate for anyone else who is looking at their pension not meeting what was promised to them.

The second thing which Professor Arthurs strongly recommended was the establishment of an Ontario pension agency, an agency which would devote itself to looking after those pension funds that are in trouble. God knows, we need one in Ontario today, but that is nowhere to be found in the legislation as well.

Those are two areas where I think this legislation falls far short of what we need in Ontario today.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments.

**Mrs. Liz Sandals:** I'm pleased to be able to comment on the remarks by my colleague from Kitchener–Conestoga on Bill 120. As my colleague noted, this whole area of pension reform is something that really has been literally stalled for decades until our Minister of Finance asked Professor Harry Arthurs to review pension legislation in Ontario. He wrote a very extensive report, made about 142 different recommendations, and we announced that we would be addressing those in a phased manner. Between Bill 236, which was the first bill that was phase 1 of those reforms, and this bill that we're debating today, which is the second phase, about two thirds of Professor Arthurs's recommendations are now being addressed, so we are making good progress at working our way through this very complex report.

There are a couple of things here that are of particular interest to my constituents in Guelph. One of them is the whole issue around full funding of pensions and what the rules are around that, because one of the major employers in Guelph is the University of Guelph and there have been some issues about the rules around whether it is fully funded and what needs to be done to top it up. So the added clarity that's coming with these new rules will be very helpful to my constituents in sorting out that problem.

**1400**

I also have constituents who will welcome new rules around multi-employer pension plans, because unfortunately, when the multi-employer co-operatives pension plan failed, I had a number of constituents who were affected by that, and they will be pleased to see that we're fixing those problems.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Jerry J. Ouellette:** I appreciate the opportunity to speak on Bill 120.

There is a bit of concern that we haven't had the opportunity to caucus this as of yet to get a full understanding of what is taking place. I certainly hope the Minister of Education comments on it, as she said last week, and gives some more insight into what took place, because I found that the depth was a little bit lacking in the explanation that came forward.

Some of the concerns, of course, are coming from Oshawa and General Motors—what took place in the early 1990s with the pensions and what happened there. They were allowed to use pension funds to reinvest in General Motors itself, as opposed to ensuring that the pension fund was fully funded to a level that would ensure that the individuals working there were secure in their retirement. Of course, there was a lot of concern.

I know that previously, at Algoma Steel in Sault Ste. Marie, there was a lot of concern with what took place with the pensions and the restructuring there because the funds weren't in place. When we had the privilege and honour to govern, we certainly assisted Algoma in ensuring that those individuals had a pension. Mind you, it wasn't to the level that they had anticipated because of the change in the economy and everything else that had taken place within that industry.

Also, the pension contribution aspect is very concerning in that there was a holiday period that took place in the past, when we had the privilege and honour to govern, whereby municipalities were given exemptions because of the investments in what was paying off at that time. Had there been some sort of contribution at that time, it would probably have buffered the downturn in the economy for a lot of other areas and would have been very supportive for a lot of individuals. The individuals who were retired who contributed to the pension and the new ones who were contributing didn't have to contribute, because the investments made by previous individuals were very successful in ensuring that the funds were there.

Hopefully, this bill will go on to elaborate and expand on what can be done to ensure there is consistency within the funds.

**The Acting Speaker (Ms. Cheri DiNovo):** The member from Kitchener–Conestoga has up to two minutes to respond.

**Ms. Leeanna Pendergast:** I'd like to acknowledge the member from Halton, the member from Kenora–Rainy River, my colleague the member from Guelph and the member from Oshawa for their comments.

There are a couple of things I'd like to sum up within the two minutes I have. First of all, the Arthurs report was published prior to the economic downturn and under very different circumstances. I would also like to stress and reiterate what the member from Guelph said: This is the second phase of reforms that this government has undertaken. We have a plan, and we are already addressing almost 40 recommendations from the Expert Commission on Pensions. That means that our reforms to date will have responded to about two thirds of the 142 recommendations in that report, and the remaining recommendations will be considered for inclusion in future reforms. This really supports the fact that we have a plan. We have a long-term plan that we are looking at. The first stage of the plan, Bill 236, passed unanimously on May 5, 2010; the second phase of the plan, Bill 120, is in the House today. Looking at the demographic of Ontario, the baby boomers are looking toward retirement and planning for that in the future.

Ontario is the only Canadian jurisdiction with the PBGF. In fact, the McGuinty government has proposed a broad package of reforms that continue to further strengthen Ontarians' pensions, and continue to address the concerns of workers, retirees, employers and the self-employed; basically, all the people of Ontario.

**The Acting Speaker (Ms. Cheri DiNovo):** Further debate? The member from Parry Sound–Muskoka.

*Applause.*

**Mr. Norm Miller:** A very enthusiastic crowd in here this afternoon—on our side, anyway. Maybe it's a good thing, because we're talking about pensions again, and I'm sure anyone watching—their eyes might be glazing over about now as we discuss pensions once again.

**Mr. Norman W. Sterling:** Not at my age.

**Mr. Norm Miller:** The member from Carleton–Mississippi Mills points out that this is a bill that people his age would very be interested in. It may be a little boring for those watching, but it is important information that we're discussing this afternoon.

We're discussing Bill 120, An Act to amend the Pension Benefits Act and the Pension Benefits Amendment Act or, as it's called, Securing Pension Benefits Now and for the Future Act, 2010. That may be a bit of a lofty title; I don't think the provisions in this bill actually accomplish that particular aim. I'm not sure how any bill could, but this government likes to be creative in the names of its bills. I know that we spent a fair amount of time last week discussing Bill 110, the good government bill, and the opposition certainly had a lot of fun giving examples of less than good government by this government.

When you first read Bill 120, you might ask, "Where's the rest of it?" That is because this is a framework bill and the details are in the regulations. So, you know, the devil is in the details. Of course, we don't see the regulations yet. At some point, when they're done, they will be posted and there will be a 45-day period for the public and interested stakeholders to look at them, but legislators won't get an opportunity to debate the regulations. So, the devil really is in the details. This is just framework legislation.

I might point out that the first government pension bill that was passed was Bill 236, and we're still waiting for the regulations to that bill. In fact, there's apparently a big backlog on processing the writing of these regulations. At some point, if I have time, I will cite a letter that I received from MPAC employees in my riding who are concerned about the split pension issue, which they're anxiously waiting to be addressed by regulations from that bill. So, it very well might be that with this bill the regulations won't be written before the next election, I would hazard to guess.

What does Bill 120 do? According to the technical background or the news release issued in August, this bill will modernize funding rules; look at contribution holidays; clarify surplus entitlements; provide new rules for multi-employer pension plans or MEPPs and jointly sponsored pension plans or JSPPs; address the funding shortfall of the pension benefits guarantee fund or PBGF—we have a lot of various initials here; provide temporary funding relief for the broader public sector, including universities; and a number of other measures, such as permit irrevocable letters of credit to be used to cover solvency liabilities and require that pension legislation be reviewed every five years. I'll go into each of these areas in more detail.

First of all, modernizing funding rules. Due to the fact of low interest rates and investment returns on plan fund performance, the government proposes tightening funding evaluation rules and, in particular:

(1) Restrictions on the averaging of solvency interest rates and smoothing of going-concern assets.

(2) Ensure that the difference between market values and the actuarial value of going-concern and solvency assets is not more than 20%.

(3) Require indexing to be valued in going-concern valuations (it is now optional).

(4) Impose solvency concern restrictions on plans at the 85%, rather than 80% funding level.

(5) Enable the government to prescribe acceptable actuarial methods and assumptions.

(6) Require that benefit improvements be funded over no more than eight years, rather than the current 15 years.

(7) Further acceleration of funding will be required where plans are less than 85% funded on an ongoing basis.

I think that list of requirements is basically tightening up the funding and solvency requirements of defined benefit pension plans, which is a positive thing if you are a pensioner, because obviously if you have worked for a company and you're counting on a pension, then the pension needs to be fully funded if you're going to be able to receive the benefits of that pension.

**1410**

The contribution holidays proposals in the bill:

(1) Expressly permit contribution holidays, unless prohibited by plan documents, only if they do not reduce the plan's transfer rate below 105%. I would say there are probably not too many pensions out there that have a problem with too many assets and too much overfunding.

(2) Require plans to disclose contribution holidays to members, retirees and other beneficiaries of the plan.

There's a section that clarifies surplus entitlement. Proposals:

(1) Require binding arbitration for surplus distribution where entitlement or a sharing agreement cannot be reached.

(2) Allow ongoing surplus withdrawals where there is entitlement or a sharing agreement, provided the remaining surplus is no less than the greater of (i) 25% of

windup liabilities; and (ii) two times the current service costs plus 5% of windup liabilities.

As mentioned, there are also new rules for MEPPs and JSPPs, multi-employer pension plans and jointly sponsored pension plans. That's because they are different than single-employer pension plans, where employees and companies share in the risk.

The new rules will include expert commission recommendations to accommodate different funding rules that recognize the different nature of MEPPs or JSPPs, including a permanent solvency exemption for plans meeting certain criteria, retired member representation in planned governance, and more robust disclosure.

As was mentioned by the parliamentary assistant, there's a section to do with the PBGF, the pension benefits guarantee fund.

The 2010 Ontario budget announced that the government was making a $500-million grant to the PBGF to stabilize the fund. I'd point out at this point that that was actually against the expert advice of, I believe, the Arthurs report, where they said that any monies going to the PBGF should be in the form of a loan, not a grant. But there was $500 million contributed. Coincidentally, there happened to be a by-election going on in Ottawa at the time, where there were a lot of Nortel employees who were quite concerned about this issue, and I'll talk further about that when I get a chance.

The new proposed measures include:

(1) raising the base fee per plan member—this is to do with the PBGF—from $1 to $5. In addition, there will be a minimum assessment of $250 per covered pension plans.

(2) raising the maximum fee per plan member in underfunded pension plans from $100 to $300, with no cap.

(3) extending the exclusion period under the pension benefits guarantee fund to five years. It was three years, so that means the pension plan would have to be in effect at least five years before it could participate.

If these proposals had been in effect last year, the contributions to the PBGF would have been $73 million rather than $43 million; obviously, about a $30-million increase in funding that would have come about as a result of this bill.

There's temporary funding relief for the broader public sector, including universities. I was speaking to a constituent of mine, Tye Burt, who's involved with the University of Guelph, doing some very significant fundraising for the University of Guelph—an ambitious plan; I believe it's over $100 million. He was quite concerned about the rules as they exist now for university pension plans and the constraints they place on universities.

The government confirmed its proposal to extend the time to amortize solvency deficiencies where certain conditions are met. Those are, in fairly abbreviated terms, the areas of the legislation and regulations to address.

As I pointed out, the devil is in the details in the regulations. The bill itself is just framework information. You really need to learn specifics. We'll need to see those regulations.

One of the groups that has a strong interest in pension and retirement living issues is the Canadian Federation of Pensioners. They have taken the opportunity to comment on the backgrounder that was put out in August. I'd like to raise some of the concerns the Canadian Federation of Pensioners sees.

The federation represents some 150,000 members of defined benefit pension plans. Most of these pensioners live in Ontario and are directly affected by the pension legislation and regulations in our province. From their perspective, the success of a defined benefit pension plan is measured by the answer to a simple question: Is there enough money in the plan so that it can meet all of its obligations? If the answer is no, then his or her pension is at risk. If the plan is wound up, say, coincident with the bankruptcy of its sponsor, and the answer is no, then his or her pension will be reduced, as we've seen in the case of Nortel. AbitibiBowater is winding up with an underfunded pension plan. Stelco's pension plan is grossly underfunded, and now even its ownership is in question. Atlas Steel's plan will never be brought back to health.

The Canadian Federation of Pensioners acknowledges that even with strong rules strictly enforced, risks persist, largely because pension plans are subject to the whim of the financial market and its inherent risks. They feel that while government intentions are laudable, proposals for reform fall well short of the mark.

The following are some of the issues they've brought up.

Indexation: The bill does talk a bit about indexation. I'd say that this is one of the areas where we'll need to see the regulations. CFP also comments on the exclusion of indexation from solvency liabilities. They argue that this is directly at odds with the principles of pension reform enunciated in the 2010 Ontario budget. In the section "A Vision for Further Reform," the government stated that the reforms that are the subject of the backgrounder "will be informed by the following principle(s): funding should be required for all benefits that a pension plan provides."

It goes without saying that if a plan is to be capable of funding its promised benefits, then the costs associated with all its promised benefits must be included in the evaluation of the plan's solvency liabilities, and the funding levels must be established on the basis of that valuation. It is unacceptable that the government's funding rules would permit the exclusion of the indexation provision of a plan. Exclusion of indexation provisions would virtually guarantee that the plan would be underfunded to a significant extent.

Plan valuations: The federation also points out flaws regarding the policy that plan valuations be filed only every three years unless the plan has a solvency ratio of 85% or less. I think they've pointed out to me in conversation that many other jurisdictions do annual valuations, and with the new technologies we have, that's not that difficult a thing to do. They argue that triennial reporting masks reality. It permits sponsors to fund a plan as though it were solvent when the reality is that additional funding is required if the pension promise is to be kept.

Recent economic times would seem to support this argument and prove that the financial status of pension plans can move dramatically over very short time spans, mimicking the swings in financial markets. In 2008 and 2009, annual pension plan asset reductions of 20% were not uncommon. If a sponsor is permitted to wait three years before addressing its plan's funding problem, then, at best, resolution of the problem is delayed; at worst, resolution of the problem is not attained and the plan fails, leaving pensioners with reduced pension payments.

Contribution holidays: CFP also calls into question the provision of contribution holidays where plans are funded to 105%. Given the impact of the recession on plan funds, one might ask if it is advisable to permit contribution holidays at all. As I stated before, I think having too many assets in pension funds is not that common a problem. There was an article last week pointing out that, most recently, most of the defined benefit plans are at 87%. In other words, if they were wrapped up today, you'd get 87 cents on the dollar. They aren't fully funded.

These are just some of the comments from the Canadian Federation of Pensioners. They are well worth considering if in fact the McGuinty government's intention is to "secure pension benefits now and for the future."

I'd like to go on and talk more about the pension benefits guarantee fund, as it is a significant part of this bill. As I mentioned, the legislation does touch on the pension benefits guarantee fund, the provincial pension backstop which was established in 1980 under the Pension Benefits Act. The PBGF operates at a subnational level, unlike its counterparts in the US and the UK. We're quite unique in Ontario. We're the only province that has a backstop for these single-employer defined benefit pension plans. The other places that do have it, other jurisdictions, are the United States and Great Britain, obviously covering the whole country.

**1420**

The PBGF covers 1,580 single-employer defined benefit pension plans intended to be self-funding through annual premiums based on per-member and, partially, risk-related fees. The PBGF is mandatory for most single-employer defined benefit pension plans in Ontario. It provides a benefit of up to $1,000. Consideration is given to age and length of service as well. The PBGF covers about 1.1 million plan members. Half of those are active members, 36% are pensioners and 16% are deferred pensioners.

Since its inception, the PBGF has paid $853 million in claims, net of recoveries, which represents 164 claims in respect of 123 companies. Of this total, $536 million was in respect of only two companies.

The Ministry of Finance undertook an actuarial assessment to evaluate the sustainability of the PBGF. The Eckler report was released in June 2010. The Ministry of Finance and the Financial Services Commission of Ontario, FSCO, provided data on the 1,580 plans covered by the PBGF. The Ministry of Finance specified 52 main plans that collectively represent 70% of the current claims exposure to the PBGF. The main plans were those plans where the employer was the sponsor of at least one plan that could have a very large impact on the PBGF, either $500 million in PBGF liabilities or $50 million in PBGF assessment base.

There is a significant concentration in the manufacturing sector, which represents 59% of all plans, 54% of plan members and 87% of the current claims exposure to the PBGF: "Projections estimate that more than 73% of the plan universe was in a deficit position on a solvency basis. The total deficit for plans in a deficit position was $9.6 billion and their average funding level was 87%. Plans with 10,000-plus members accounted for $4.6 billion of the $9.6-billion deficit. The highest concentration is in the manufacturing sector, contributing $6.1 billion to the deficit .... The failure of even one of these very large, underfunded plans could have a significant impact on the sustainability of the PBGF well into the future."

The Eckler report's conclusions go on to say, "At March 31, 2009, the PBGF had assets of $146 million on a cash basis and a deficit of $47 million on an accrual basis.... The PBGF currently has insufficient funds to cover new claims anticipated by the Ministry of Finance in 2010. In the absence of external funding, the PBGF funds will be depleted and unable to cover these anticipated 2010 claims.

"On an actuarial present value basis, if treated as a private insurer, the PBGF would require an upfront reserve net of current claims at January 1, 2010 of between $680 million and $1.023 billion to cover expected future claims, depending on the desired level of margin for adverse deviation.

"With immediate one-time external funding to cover the anticipated 2010 claims, assessments would be sufficient to cover most expected future claims, but would not be sufficient to cover a future catastrophic claim. Hence, current assessments would be insufficient for the PBGF to be sustainable over the long run due to the volatile nature of future catastrophic claims.

"In addition to the one-time external funding to cover anticipated 2010 claims, an increase in overall assessments in the order of 450% could be sufficient over the long run to cover existing funding loan repayments and expected future claims plus expenses at the present coverage level of $1,000. If coverage was increased to the $2,500"—as was recommended by the Arthurs report—"a 650% increase in assessments would be required." I think that is clearly why the coverage level, the benefit level, is staying at $1,000 and not moving to $2,500.

I'd like to also talk about Nortel, which has certainly been in the news a lot. Of course, the most recent development involving the pension benefits guarantee fund is the government's by-election promise to offer relief to Nortel pensioners through the PBGF. To facilitate this, the Ministry of Finance transferred $500 million in taxpayer funds to the fund, of which the Minister of Finance said some $250 million was to cover Nortel interests.

I would like to remind my colleagues that Nortel Retirees and former employees Protection Canada, NRPC, has what they think is a better solution. I would like to read from an open letter to Premier McGuinty which outlines their situation:

"To Premier McGuinty,

"Don't wind up our pension plans!

"On September 30, Nortel's pension plans will be placed in the hands of your government. Twenty thousand former employees across Canada, including a large number who are elderly and in poor health, will be affected by your decisions. We are reminding you that our pension plans represent our retirement savings. It is our money, not the Ontario government's, and we intend to have a say in how it is managed. The time for some fresh thinking and action by your government on protection of pensions and pensioners is long overdue.

"We discovered in 2009 that our pension plan is seriously underfunded. The latest information from Nortel indicates that we will lose at least 35% of our pensions. This estimate may prove highly optimistic for reasons described below. Given a choice in the matter, we would prefer that the assets in Nortel's estate were the main source for reducing our loss, not the public purse. The actions of the federal government in favouring foreign claimants over Canadian workers in bankruptcy court make this unlikely, unless there is a sudden change of heart on the part of federal Minister of Industry, Tony Clement. And now the Ontario government, having already allowed Nortel the opportunity to neglect its funding responsibilities, seems intent on making matters much worse for its retirees.

"Over the past year we have purposefully and consistently asked your government not to wind up our $2.5 billion pension fund and not to attempt to buy us annuities with the proceeds. The negative impact of windup by annuity is recognized in the 2008 report of the Ontario Expert Commission on Pensions when it recommended that your government 'investigate strategies for reducing the cost of annuities and the influence of the annuities market.' It is clear that windup by annuity will erode even more of our pension incomes. Experienced actuaries and academics tell us that liquidating a very large fund like ours could cause a systemic failure of the Canadian annuity market, which typically can only supply between $200 million and $500 million worth of contracts per year. At best winding up our plan will cause a steep rise in annuity prices, which might lead to the purchase of lower-quality products. Furthermore, outrageous as it may seem, we will be forced to pay the costs of this destructive process from our pension fund!

"Windup by annuity is not only punitive to retirees, but it also wastes public funds. In February 2010 many retirees were pleased to hear at last from your finance minister, Dwight Duncan, that the government would honour the commitment of the pension benefits guarantee fund (PBGF). But since the PBGF's obligation is based on the final size of each Nortel worker's pension, windup by annuity will also cost Ontario taxpayers more money. And the impact is not just in Ontario. Thousands of Nortel workers across Canada who did not have Ontario service are ineligible for the PBGF. They face the full pension cutback. So as a result of windup by annuity, the Ontario taxpayer will fund higher PBGF contributions and across every province, Canadian taxpayers will pay the burden of increased social security costs.

"Fortunately there are more attractive alternatives to windup by annuity. The Ontario Expert Commission on Pensions recommended that your government create an Ontario pension agency (OPA) to keep stranded plans out of windup, thereby avoiding costly annuity purchase while also allowing them to benefit from improving economic conditions.

"So in the spirit of Nortel's era of innovation, the people who helped make Nortel a world-beater have a better idea for you: the financial sponsorship model (FSM). The NPRC and its advisers took the premise of the Ontario pension agency to the financial markets and added some improvements. FSM also avoids buying costly annuities but unlike the OPA, FSM would guarantee a minimum income level that is no worse than windup by annuity while at the same time allowing pensioners to share in long-term investment gains. FSM would ensure that PBGF guarantees for Ontario service are met, but at lower cost to the province. The NRPC and its advisers have canvassed strong Canadian financial institutions with the FSM concept and they believe it is a viable alternative. These institutions are currently dedicating major resources in preparation for a formal response. We now need your government to show the same level of innovation and creativity to help us get the FSM over the goal line.

**1430**

"For Nortel pensioners across Canada, FSM provides for the continuation of their pensions without the unnecessary hardships caused by windup by annuity. For the province it offers savings on the PBGF and on social programs, without increased risk. But FSM has other benefits that could prove very significant in the longer term. For Ontario's financial institutions, it provides new opportunities to attract and manage capital. FSM will also be attractive to corporations that offer defined benefit pension plans because it removes unpredictable impacts on their cash flow caused by the need to fund windup by annuity obligations. In no small way FSM could help preserve the existence of defined benefit pensions in Canada. And Ontario would lead the way!

"After September 30, Nortel's pensioners will be on a course towards windup by annuity. But if we start quickly we can chart a different and better course. And we have time for FSM to be put in place simply by amending the regulations associated with the Pension Benefits Act.

"Mr. McGuinty, we need action now!

"Yours truly,

"Don Sproule, national chair, NRPC."

I might add, not just because he's sitting beside me here today, but the member from Carleton–Mississippi Mills, Mr. Sterling, has been very vocal on this issue. In estimates committee he used the opportunity to ask a series of questions of the Minister of Finance on the particulars of the Nortel situation, and he has also, in the Legislature in question period, on many occasions asked questions that have resulted in the Premier, in his last response—the Premier actually met with some Nortel retirees. Whereas the Minister of Finance had been fairly hard-nosed, saying they wouldn't look at it and giving reasons why, the Premier overrode him, I guess, and said that they would take a second look at this proposal, the FSM model. That is, I would say, the last we have heard, and it may have just been the Premier saying something that he doesn't really intend to follow through on—I'm not sure—but right about now we're waiting for an answer, and there's not a lot of time. I'm sure the member from Carleton–Mississippi Mills will probably have an opportunity to speak and will go on further about this particular issue.

What about workers without a pension? Obviously none of what I've touched on addresses workers without a pension, nor does this bill. They represent a significant portion of the population, somewhere between 60% and 70%. I would say that the situation is not good and it's getting worse. A recent TD Economics report indicates that household debt relative to personal disposable income is rising relentlessly. Since the mid-1980s, total household debt as a share of personal disposable income has almost tripled from 50% to 146%. Canadian personal debt has become excessive relative to what economic models indicate is appropriate. The most vulnerable households are at the lower end, holding the highest debt-to-income ratio, about 180%.

A new survey from RBC finds that four out of 10 Canadians over the age of 50 who have assets of at least $100,000 have retired with some form of debt, so they're retiring and they have debt. It's not a good situation. A quarter of those entering retirement are still carrying a mortgage on their primary residence. One quarter of retirees have acquired new debt. This is interesting to note: The report indicates that inflation and taxes are among the top concerns. Here in Ontario, we've certainly had a great example of how the government is making that 60% to 70% of the population who are trying to save for retirement—they're making the situation worse by continually increasing taxes. We had the health tax, a huge tax increase; we've had the HST, of course, another huge tax increase. The worst thing about the HST is that they also apply it on the management fee of mutual funds. That's a cost of some $350 million a year in the province of Ontario. This is coming directly out of savings that those 60% to 70% of people are trying to make. They'll have $350 million less in their nest egg because of this tax, the HST on their mutual funds, as they have a registered retirement savings plan and they try to save for retirement. In my riding, we've had a new tax. The land transfer tax on fractional ownerships is one small tax, a new one brought in. And of course, we had the eco fees that have now been rescinded. But the report points out that increasing taxes is part of the problem. There's a long list of other increases; I won't go into all the increases.

Ultimately, Ontarians can't find the savings in their disposable income to increase their savings for retirement or even save for a rainy day. This is a significant contributor to the impending pension crisis. It's also one of the reasons that the federal government announced it would undertake modest enhancements of the Canada pension plan. There was a motion before the House that was debated last week. I made an amendment to that motion, recognizing that, yes, it's fine to look at modest expansion of the Canada pension plan, but you also need to take into account the state of the economy. The economy needs to be strong to be able to do that.

I note in today's Globe and Mail, actually, there is reference to CPP reform, the title of the article being "CPP Reform Won't Be Easy, Jim Flaherty Warns," written by Bill Curry. In the article, it goes into some of the feelings of the Alberta finance minister as well. It says: "There appeared to be broader agreement at the time on the idea of regulating the private sector to create a new, lower cost, pension option for workers who do not have a pension. It could also be used by small businesses as a way of offering a pension to employees." This is coming from the Alberta finance minister, and it's something that I think makes sense to look at for that segment of the population, the 60% to 70% who need to be on their own looking out for further retirement savings.

"Alberta Finance Minister Ted Morton supports this private-sector option, but remains strongly opposed to enhancing the existing CPP.

"Mr. Morton told the Globe's editorial board earlier this month that he fails to understand why broad enhancements to CPP are on the table when several studies have shown the problem of insufficient retirement savings is primarily limited to middle-income earners who work for small private-sector employers.

"'So why, when you have a fairly narrowly defined retirement-income problem that needs to be solved, why do you come in with a CPP hike that hits everybody?' he asked rhetorically. 'And particularly, why do you do it when we're trying to come out of a recession and job creation is probably the most important thing governments are doing. In the end, it's a payroll tax.'"

I think those are very valid points, and that was part of the reason I brought an amendment to the motion that was debated last week, that the state of the economy absolutely needs to be taken into account. Personally, I like the idea of examining further this private sector option that Mr. Morton was talking about.

As he points out, the lower-level income earners are relatively well looked after by the current CPP old age security and guaranteed income supplement. Those who are at greatest risk are middle-income earners who in retirement may face a significant drop in their retirement income. The question then becomes, is that the job of the CPP to do?

Further in the article, another point that I think is a very valid point made by Mr. Flaherty, the finance minister of Canada, is that we need "to improve financial literacy among Canadians through education." I think that is something that absolutely needs to be done. I hope we look further at that.

In almost wrapping up, I did want to just bring a couple of other issues to the table today: some comment from some of the experts on the pension benefits guarantee fund as to the proposals of this bill. The actuary Marshall Posner of Towers Watson "predicted a mixed reaction for corporations: 'For a lot of employers, it will not change requirements beyond what they are already doing.'"

**1440**

Whereas the union representative Scott Perkin, president of the Association of Canadian Pension Management, "expressed disappointment the province will try to maintain the pension guarantee fund, saying it may provide a false sense of security, while doing nothing for members of strong plans.

"But a leading union official expressed regret the benefit will not be increased to secure pensions of up to $2,500 a month," and I went through that in some detail.

I did want to also get on the record the fact that I've had constituents concerned that Bill 236—the regulations still haven't come out for that. They haven't addressed the split pension issue, and there seems to be some backlog with the writing of those regulations. As I've mentioned, this bill—the details really are in the regulations as well, but there's this split pension issue that affects workers who work for MPAC; it affects paramedics.

I have a long letter here. I won't read the whole thing, because I know the member from Carleton–Mississippi Mills would like to share some time with me and, Madam Speaker, I'm asking that he be sharing my time. He's passing me notes because I know he's quite keen to speak on this. He's chomping at the bit to speak. So I will not read the whole letter, but just the end of it, from MPAC employees, which states:

"As you may recall, after two years reviewing various pension matters, the November 2008 report and recommendations of the Expert Commission on Pensions to the Ontario government at chapter 5, and in particular section 5.3, included and underscored the real need to resolve such long-standing concerns as past divestments in the late 1990s and the ensuing split pension problems of Ontarians such of as these. In its report, the commission's recommendation 5-5 said that the government should promptly address the pension arrangements for groups of public service employees affected by past divestments and transfers.

"We're hopeful"—and this is a letter to the Premier; it's the last bit of a three- or four-page letter—"you can appreciate people's frustration around the long-standing split pension difficulties, and trust you agree that it is neither fair or reasonable that these employees/plan members be adversely affected for the rest of their lives through a government divestiture and pension decisions not of their own making or choice. We all simply want fair pension treatment and to rightfully retire one day without unfair financial or post-retirement insurance coverage worries. We're hopeful you can be of assistance to finally and fairly facilitate a resolve.

"Thank you for your anticipated attention to the foregoing, and we would appreciate a response at your earliest convenience. We trust we can expect your assistance and co-operation to please ensure those indicated (below) also receive a copy of this correspondence."

That was from MPAC employees to the Premier. I might add that in my riding of Parry Sound–Muskoka, I have been hearing from frustrated MPAC workers—some who have postponed retirement because they need this issue addressed before they can retire or it doesn't benefit them. So I would certainly ask that the government look at speeding up the process, to do with the previous pension bill, Bill 236, of getting those regulations written.

In conclusion, I certainly would agree that pension reform is necessary and important. I think those who are counting on a defined—you know, you work for a company and you're counting on a defined benefit pension plan for your retirement. In many cases, you can't make the contribution to an RRSP because that plan counts toward your RRSP limits. Then, if it's not properly funded, you can be in a bad situation when it comes time to retire. I think if you're going to have defined benefit pension plans, then they need to be properly funded.

I do think the private sector world is certainly moving toward defined contribution or target benefit plans, where the company has no liability, where they'll make a contribution and so will the employer. Then it's worth whatever it's worth, depending on how it's invested.

For those who aren't aware, a lot of people expect and think that members of provincial Parliament have a defined benefit plan. That is, in fact, not the case. It is the case in Ottawa, where they have the gold-plated pension plan. That pension plan was actually done away with by a past Premier, Mike Harris. I'm not sure he's so popular with some of the members around here for doing that, but that was a commitment he made, and he did, in fact, follow through. I don't think most people in the public are aware of that.

In fact, the plan that MPPs have is one that most of the private sector world is moving towards, which is where we make a contribution, the employer makes a contribution and it gets invested in a mutual fund of our choice. Its worth is based on the markets and how long you work here. That's what most of the private sector world is moving towards.

One of the consequences of tightening the rules for defined benefit plans, I would guess, would be that companies, particularly for new hires, are not going to be offering defined benefit plans; they're going to be offering defined contribution plans.

I would also comment that, really, we're moving into a situation where the reality of public sector workers is very, very different than the reality of private sector workers. You have this life in the public sector where you have some pretty short time frames and factors to the point you're entitled to get your pension, so you may be retiring at 54, age-wise, and living to be 95. All of a sudden, you work for 30 years and you're retired for 40. If we were looking at it honestly, we'd recognize that that is not sustainable, so something needs to change in the public sector as well, going forward. Remember, it's those 60% to 70% of people who don't have any pension plan at all who are paying for those public sector plans through their taxes as well, so I think that's something.

You just need to look around the world these days: at France, where they're trying to make a change of the retirement age from 60 to 62—there are strikes going on in the streets—or England, which has hit the financial wall fiscally, and it is connected with pensions. They've hit the wall. All of a sudden, they're facing a situation where they're having 20% reductions in their budget, which is having huge consequences in terms of the services they're able to offer and huge consequences for the public service, where they're looking at 500,000 people losing their jobs. That's not a situation I want to see in Ontario.

Unfortunately, the course that the Ontario government is on right now, where they've greatly ramped up spending, where we had a $20-billion deficit last year and we're looking at another $20-billion deficit this year—a plan that goes on forever, I would say, of deficits, where they have not controlled spending at all, where you see irresponsible settlements with unions of 2%, 3%; I've seen one that's on the table right now for this year, two years after we've had an economic falldown or collapse, of 5% for this year—a 5% increase. That's absolutely irresponsible of the government of this day, when we're facing a $20-billion deficit.

If we keep on that course, we'll be England a few years from now, is what I would caution, so we need to change that course. Voters will have a choice to do that next year.

In conclusion, I will simply say that we haven't actually had a chance to caucus this bill yet, because the government just introduced it. We have caucus tomorrow, and we'll be talking about it at caucus to fully discuss the implications.

I will now pass the floor on to the member from Carleton–Mississippi Mills, who I know has comments he'd like to make.

**The Acting Speaker (Ms. Cheri DiNovo):** The member from Carleton–Mississippi Mills.

**Mr. Ted Chudleigh:** It's the Norman and Norman Show.

**Mr. Norman W. Sterling:** The Norm-Squared Show.

I want to say at the outset that Mr. Miller and myself had a briefing from the Ministry of Finance last week. I want to thank them for their very thorough briefing of us. They were quite open and quite good about that briefing, and we all stayed awake during all of it.

I also want to say that this legislation, while being described by my friend from Muskoka as being framework legislation, with a lot in the regulations—I quite frankly don't know, in this kind of legislation, what you can do but take that route.

I will say that this piece of legislation, in my view, has more detail than a lot of the framework legislation we have seen in the past from the government and truly does put forward their intent with regard to reforms in our pension system.

**1450**

This legislation, I believe and as Mr. Miller the member from Muskoka has said, doesn't—we haven't had an opportunity to caucus it. I believe that it will receive a large measure of support.

I like the fact that the legislation is providing some further options for the future; for employers and employees to put forward different kinds of plans going forward. As we know, we have defined benefit and defined contribution plans at the present time. This does a little bit of a turn on that by saying you can now have a targeted benefit plan, which is essentially a defined contribution plan but allows the group that is putting forward the pension for the employees to target what they think the benefits of the plan will be. It's clear in the legislation that that will not be backed up by the insurance of the PBGF, the pension benefits guarantee fund.

As well, another twist to this legislation and another option to people in the future will be the fact that you will have an optional contribution benefit plan on top of what you have at the present time, so that in some cases, some employees in certain circumstances will have an enhanced benefit plan at their own option. That optional portion of the plan, again, will not be guaranteed by the pension benefits guarantee fund. That pension benefits guarantee fund will continue to cover only defined benefit pension plans.

As my friend from Muskoka said as well, there are only three jurisdictions in the world that have a pension benefits guarantee fund: one is Britain, one is the United States and the other is Ontario. Ontario is the only subnational government in the world that has a pension benefits guarantee fund. The other two pension benefits guarantee funds have gone broke as well. None of these examples have actually worked out how you have a pension benefits guarantee fund that is sustained and sustainable going into the future.

In a previous bill, we increased the employer's contributions to the pension benefits guarantee fund by $30 million a year. I don't know whether that is enough, given the fact that over the past seven years, the pension benefits guarantee fund has been enhanced by the general taxpayer to the tune of about $650 million: $500 million most recently and about $150 million in March 2004, when the pension benefits guarantee fund was given a $330-million interest-free loan to purchase annuities for the Algoma situation.

Unfortunately, those people in our province who don't have a defined benefit pension plan are now in debt to the tune of $650 million and are supporting people who have a pension plan, when many of them don't have any pension plan at all. As well, we know that this government put $4.5 billion, a great part of that going to the defined benefit pension plan, into GM. That $4.5 billion, along with the $650 million, means over $5 billion has been paid by general taxpayers, two thirds of whom don't have a defined benefit pension plan themselves.

This problem cries out for a solution. The government is, I must say, in giving them benefit where they have taken some steps, trying to deal with the problem. I'm not sure they're there yet, but it is at least a step in the right direction with regard to these two bills.

As well, one of the parts of this bill which I have some attraction to is that portion of the bill which allows an arbitration process to be brought forward when there is a dispute between the employee group and the employer with regard to surplus contributions to a pension fund. Instead of going to court, there is an arbitration process, which will be quicker, more definite, and has the force of a court order, as well as, I understand, the legislation.

With regard to going forward, though, I would like to see the government take additional steps to allow more flexibility with regard to other pension situations which arise. I, of course, hone in on the Nortel pension situation which we are now experiencing. This pension fiasco, which resulted out of the failure of Nortel, is perhaps the largest failure of a pension plan in Canada's history. It's further complicated by the fact that about 11,000 to 12,000 of the 18,000 to 20,000 pensioners reside in Ontario, and some don't. So it makes it a very difficult problem to resolve and to put forward.

What I have been trying to do on behalf of the pensioners of Nortel is ask the government to use its ingenuity to try to come up with an alternate solution to having the administrator, who is now seized of the $2.5 billion—put an alternative to his only option which he has now, and that is the purchase of individual annuities for all of those pensioners. The problem with that plan is this. The way it is structured, as I understand it, is this: That is that—

*Interjections.*

**Mr. Norman W. Sterling:** No, it is just hard to speak, Madam Speaker.

*Interjections.*

**The Acting Speaker (Ms. Cheri DiNovo):** If the speaker could continue.

**Mr. Norman W. Sterling:** The administrator only has this one choice of buying annuities. As I understand it, as told to me by finance department officials, the purchase of these annuities could take as much and as long as 10 years going out. That's how long it has taken in terms of the Algoma situation. The administrator has to be a clairvoyant as to how this will all fall out. In the end, if he is short money in buying the last pensioner's annuity at the percentage that he has struck as the clairvoyant at the beginning—if there's no money, then he goes to the pension benefits guarantee fund and it must cough up whatever deficiency is there.

There's a great risk, in my view, of the administrator not wanting to be wrong at the end, 10 years hence, and underestimating what in fact he will be able to provide the pensioners in the first instance.

The pensioners put out an RFP to various financial institutions across Canada and have received some interest, as I understand it. Their closing date was October 15. The pensioners believe that the old or the existing system will provide the pensioners approximately 10% less than they could get from a financial institution if they go that route.

People will be skeptical about what will provide what benefit and at what level. I was very happy with the Premier and the finance minister, who said that they would have a second look at another kind of proposal. Now, fortunately, the Nortel pensioners have another solid proposal with numbers and with the backing of the financial institution to go ahead and talk about that in solid, concrete terms.

**1500**

When we were talking about this present legislation, we were talking about an arbitration process and the fact that we have an arbitrator sitting there and trying to work out particular deals with regard to a particular pension. I believe that regardless of the pension we're talking about, regardless of the employment situation we're talking about, no two will be alike. Therefore I believe that it is incumbent on the government to sit down with the various parties and say, "Hey, can we be innovative with regard to this situation? Can we find a better solution? Can we make legislation at this level, at the federal level, which will not penalize other taxpayers, but will provide a better outcome for a particular group?" And I believe that that can be done in the Nortel situation.

I've talked often with the Nortel group, and the leadership of that group does not want to provide their pensioners with a risky scheme. They do not want to provide anything but a solid, financial-based solution to their existing problem. I really would hope and encourage both the finance minister, the finance ministry and the Premier of this province to listen closely and perhaps use some of the kinds of ideas that they have here in introducing a mediation or an arbitration kind of process. I would prefer mediation rather than any arbitration. But if this process could take place so that the Nortel pensioners could see that the government is being open, listening and evaluating the risk and the benefits that any of the Nortel pensioners might receive or not receive, going the old way or the existing way or going some other new and innovative way that the pensioners have put forward and as some financial institutions, as I understand it now, are putting forward—the Minister of Finance in September initially rejected their request, but he did that because he didn't really have a solid proposal on the table. That solid proposal is now there, and so the finance minister and the government can view and look at whether that is reasonable. As long as they do that in an open, transparent way, then I think the Nortel pensioners will be satisfied. They will be satisfied that they were listened to. They will be satisfied that experts talked about the various risks. Perhaps there can be some options going forward for some pensioners who don't want to take any risk at all and just want to have an annuity, even though it will produce a very low income. But all will be satisfied with the outcome. I think that that's what we're going to have to do as we go forward and we face more and more of these pension crises that may continue to spin out if our economy does not improve.

I would like to say thank you to the government at this point in time for Bill 120. I think there are three or four steps in it which deserve support as well as deserve further discussion. I talked briefly with the government House leader with regard to a committee being struck after so that experts can come forward. I hope that that committee would not go too wide with regard to talking about all of the implications of the Arthurs report but would stick closely to the legislation and the merits of the limits which they have contained in that legislation, and perhaps if there were some compelling arguments that some small parts of it should be changed, the government would see fit to make those changes.

**The Acting Speaker (Ms. Cheri DiNovo):** Before we go into questions and comments, I just want to acknowledge that we have the government whip from the government of Nova Scotia, Mat Whynott, in our west gallery today.

Questions and comments?

**Mr. Howard Hampton:** I listened with great interest to my two colleagues from the Conservative caucus. I note that they have identified some of the same problems with the government's legislation that New Democrats feel are there.

There are some good aspects to this legislation, but by and large, while we have a pension crisis in Ontario, this legislation tinkers around the edges.

What I had hoped to hear from my Conservative colleagues was more of a statement of what they believe needs to be done to tackle the pension crisis in Ontario. It's not just the Nortel pension plan that is in grave difficulty. The AbitibiBowater pension plan, which affects thousands and thousands of retirees, is in serious difficulty. The Canwest Global pension plan, which, again, affects thousands of retirees, is also in serious difficulty. Yet there is virtually nothing in this legislation that addresses that.

Similarly, over 65% of Ontarians have no workplace pension plan—65% of Ontarians. I think many of those people, just like the folks from AbitibiBowater or Canwest Global, were led to believe that this legislation from the government was going to address some of their issues.

I think they deserve to be told there is almost nothing here to address their issues. But I was hoping, though, that my Conservative colleagues would launch into some of those issues in greater detail.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mrs. Maria Van Bommel:** Certainly, I'm pleased to be able to participate in this debate.

Most people, as we get older, we start to look at our pensions. In discussing this with my own children, most of them are sort of, "That's nice, Mom," but they don't really concern themselves. This is something that we need to do to make sure that there are pensions for them in the future, but they're not always paying a lot of attention to this.

Certainly, as was said earlier, to a great extent the large part of this is dependent on the regulations and what comes out in the regulations.

In my own riding, I have seen, on a number of occasions, people who have come through my office about pensions that were underfunded; in particular, the pensions of the co-operative movement and their employees. One of the saddest things to see is people who go into retirement anticipating a certain income, and that doesn't come because the funds don't have the proper funding and the strength they need to be able to support those payments. I certainly have seen that in my own particular riding for myself.

My husband and I have traditionally walked on our pensions. That's what farmers do. We wait for the next generation. My pension depends to a great extent on the success my son has as a farmer—what he is able to send to his mom and dad in terms of pension is what we will have—and what we have done ourselves in terms of savings to RRSPs.

But for those constituents who are part of pension plans, we need to make sure that there is strength there for them, and that's what this legislation will do. As I said earlier, I do have a number who haven't got the pension funds that they were promised and are now suffering as a result.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mrs. Christine Elliott:** I am pleased to add just a few comments with respect to Bill 120, Securing Pension Benefits Now and for the Future Act.

I did listen very carefully to the excellent comments that were made by my colleagues the member from Parry Sound–Muskoka and Carleton–Mississippi Mills. I think that they've made some good comments with respect to this.

This is a sort of structure and framework piece of legislation that basically sets out the intent and purpose of the act, but of course the devil is in the details. A lot of the meat, putting the meat on the bones, is going to be coming from the regulations that will come afterwards.

It all comes down to, is there going to be enough money around, for those people who do have pensions, within their pension plans? Will there be enough money in the plan to serve their needs when they get to the time when they intend to retire?

**1510**

I know there have been a number of different groups that have expressed their concerns about this. My colleague from Parry Sound–Muskoka referenced the Canadian Federation of Pensioners, which represents some 150,000 members: pensioners with defined benefit pension plans. Again, they're concerned about whether there are going to be enough resources available within the plan. They also raised a couple of their concerns with respect to reviewing the adequacy of the plans every three years instead of annually, believing that that's a relatively easy thing to do and that's something that we should stay ahead of to make sure that the plans, as we have them, will continue to meet the needs of all the benefit holders.

They're also concerned about indexation: that indexation isn't going to be included in the evaluation of the plan's solvency. Again, that's something that we need to be concerned about because the cost of living is going up. We need to make sure that the plans aren't going to be good enough just for today, but that they're going to be able to survive for tomorrow.

Last, but not least, we of course need to be concerned about all those people out there who don't have any pension plans at all.

We're going to be participating and looking forward to this with great interest as it unfolds.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Paul Miller:** I'd just like to start off by saying that the government has made some moves on administration changes, windup rule changes and other things they've tinkered with as far as administration goes. But I heard my colleague from the official opposition say that he was concerned about the 65% of Ontarians contributing to the defined pension plan protection under the PBG fund and how they don't get anything for it.

Well, the NDP had an answer for both of them. We had the Ontario pension plan, which fell on deaf ears; which would have helped the 65% of Ontarians who don't have a pension plan so they wouldn't feel left out of the process. We also would have improved the PBG fund for the defined pension plans, which their own expert, Mr. Arthurs, recommended to go to $2,500 from the present $1,000, which was in place in 1980. Things have changed in 30 years. Things have gone up. The cost of living has gone up, but the benefits haven't gone up. There was an influx of some money into the pension plan, but trust me, if a major corporation went under next week that fund wouldn't last three years. Gone: and that's 30% to 40% of people's hard-earned pensions they worked their whole life for and their negotiated deferred wages.

If you look at these two bills they've brought forward, there is absolutely nothing for money. It's all tinkering with administration: Who can run it, who can't; when it can wind up, when it can't; what the rules are to wind up. It has done absolutely nothing to give money back to the pensioners who will and have lost their money. It does nothing to protect them in the future. They keep passing the buck to the feds. Well, in my hour presentation I'll tell you what the feds are doing, and it certainly isn't looking too rosy.

**The Acting Speaker (Ms. Cheri DiNovo):** The member from Parry Sound–Muskoka has up to two minutes to respond.

**Mr. Norm Miller:** I'd like to thank those people who commented on the speech today: The member from Carleton–Mississippi Mills, of course, shared my time, but the member from Kenora–Rainy River; the member from Lambton–Kent–Middlesex; the member from Whitby–Oshawa; and the member from Hamilton East–Stoney Creek.

I would like to comment that the member from Carleton–Mississippi Mills did make a number of good points in giving information about the new aspects of Bill 120. The targeted benefit plan: that is really in recognition of these new defined contribution plans, where there is a target benefit that's sort of a goal, but it's not necessarily backed up by either the company, the employer or the pension benefits guarantee fund. As I commented in my remarks, that is, I think, the way that a lot of the world is moving, towards these targets that you're aiming for through defined contributions.

He also made a good point talking about some of the other aspects of the bill: the fact that the bill allows an enhanced plan that once again is not backed up by the pension benefits guarantee fund.

I think he also made some good points about the question—really, about the fact—that the general taxpayers are putting money into the pension benefits guarantee fund. He talked about how last year's budget was $500 million and there was $150 million was put back in from general tax revenues to deal with the Algoma situation, and $4.5 billion toward GM, and really the question of whether it's fair to general taxpayers, most of whom do not have a pension plan but who are contributing toward those who do. I think that is a very valid question that the member from Carleton–Mississippi Mills brought up. I'm sure the member from Hamilton East–Stoney Creek will have lots to say in his speech, coming up next.

**The Acting Speaker (Ms. Cheri DiNovo):** Further debate?

**Mr. Howard Hampton:** I ask for unanimous consent that I do 20 minutes on behalf of the NDP caucus. My colleague Mr. Miller would like to do the full leadoff later on this afternoon, if members are in agreement with that.

**The Acting Speaker (Ms. Cheri DiNovo):** I would ask the member to always refer to Hamilton East–Stoney Creek and not to the name.

The member has asked for unanimous consent to defer the lead. Is that the pleasure of the House? Agreed. Thank you.

The member from Kenora–Rainy River.

**Mr. Howard Hampton:** I want to speak to this bill because, like the member for Carleton–Mississippi Mills, I have literally thousands of people in my constituency who are dealing with this issue right now. I'm talking about people who still work for AbitibiBowater, or people who worked for many years for AbitibiBowater or one of the sister corporations. These are people who contributed to their pension plan, some of them for 25, 35 years, and were told they were going to have a decent pension when they retired. Now, many of them are facing what could only be described as the possibility of a very serious haircut in terms of their pensions.

I know the government wants to pretend that this bill is going to do something to address their issues, just as I think the government has tried to pretend that this bill is going to do something to address the issues of the Nortel pensioners and the Canwest Global pensioners. But in fact, this bill is not going to address their issues at all.

I want to say to the government members that there are some good things in this bill. In some areas, you are doing some good tinkering around the edges. But that's all it is: tinkering around the edges.

There are at least three serious pension problems in Ontario today. One serious pension problem is the fact that we have pension plans that are basically abandoned; the company that was a co-sponsor of the pension plan is out of business, out of existence in Ontario. I guess you could call them orphaned pension plans, and these pension plans need a home. They need some serious work and effort in terms of looking after benefits, continuing investments and the costs of administration.

When Professor Harry Arthurs did his report for the government, he came directly to wrestle with this issue. He said that Ontario needs an Ontario pension agency to look after these orphaned pension plans. He spoke to it very, very directly. He said you need to look after the pooling of the assets, the administration, the investing and the dispersing of stranded pensions. I'm sure we have hundreds of thousands of people across Ontario who need this exact thing to happen. The sad reality is that it's not in this bill. It is nowhere to be found in this bill.

So you have pensioners, such as Nortel pensioners, trying to put forward proposals about how to deal with their pension plan, which is essentially orphaned and stranded. You have AbitibiBowater retirees who may not be in exactly the same situation but are very worried that they're going to be in that situation, and Canwest Global retirees who are in the same situation.

I had hoped that we would see an Ontario pension agency, because anybody who reviews the state of stranded, orphaned pensions in Ontario today knows we certainly need one. But alas, it is not here.

**1520**

The second issue is, while we have some pension plans that are not stranded or orphaned, while they're not in that part of the crisis, they are certainly in a crisis in the sense that they are underfunded. The underfunding is to such a level that you actually have not only people who are retired but people who are continuing to work threatened with a reduction in their pension benefit. That's why the pension benefits guarantee fund was established: to ensure that retirees don't suddenly face a situation where they were promised $3,000 or $2,500 of a defined pension benefit plan, they deferred their wages, they paid into the pension plan, they did their job, and now all of a sudden they're short.

I've heard some of the government spokespersons say that the pension benefits guarantee fund is going to be improved—well, not according to this legislation. The pension benefits guarantee fund only guarantees $1,000 of the pension benefit. So if your pension was $2,500 a month and now you're being told that it's going to be cut back to, say, only $1,200 a month, the pension benefits guarantee fund will only cover part of that. That $1,000 limit was set up in 1980, 30 years ago. I don't need to tell everyone how much inflation has eaten into things in 30 years. If the government were really going to address the pension crisis, it would address this. Professor Arthurs said the pension benefits guarantee fund, just to keep pace with the inflation that has happened since 1980, needs to be set at $2,500. That should be the guaranteed level. But alas, that's not in the legislation.

I think the other pension crisis we're facing is 65% of people in Ontario have no workplace pension. Think about it this way: Think about somebody who was born in 1960, went to work in 1985 at 25 years old, and now, in the year 2010, is 50 years old. Sixty-five percent of those people in Ontario have no workplace pension. They're dependent, essentially, on Canada pension, old age pension, and whatever they've been able to set aside as RRSPs. They're not going to make it. We've got a serious problem that is going to become more serious. I look in this legislation to see what is there. What is there to start to address this? Sadly, nothing. Again, lots of tinkering around the edges but a failure to deal with what I think are the three most serious problems: stranded orphaned pensions, pensions that are not going to be able to meet what they guarantee people, and the issue of the 65% of Ontarians who have no workplace pension.

New Democrats have proposed on this latter issue a solution. It is modelled similar to the Canada pension plan but we call it the Ontario retirement plan. It seems to me that we should be addressing this, that we need to address this, that if we really care about the issue of pensions in Ontario and people not retiring in poverty this has to be addressed.

I want to be very clear about one of the benefits of a retirement pension plan. One of the things we know—and we're told this by actuarial scientists, mathematicians who have looked at pension plans, who say to us that the most efficient pension plans, the pension plans where you get the most cost effectiveness, are pension plans like the Ontario Teachers' Pension Plan, the hospitals of Ontario pension plan, the Colleges of Applied Arts and Technology Pension Plan and the Canada pension plan, where you have a broad base of workers and they're sharing, they're pooling in terms of the cost of administration, the cost of investment and so on. These are very cost-effective plans.

What we propose is exactly that for Ontario: an Ontario retirement plan where those 65% of Ontarians who have no workplace pension would be able to pay their contribution, it would be matched by a similar employer contribution, and the whole system would be managed broadly the same way the teachers' pension plan is, the same way the hospital pension plan is, or the same way the Canada pension plan is. It would be managed so as to ensure the greatest benefit for that large pool of workers.

Let me just tell you where a lot of money would come from for this. One of the things we know is that, using 2007 Statistics Canada estimates, it's estimated that Canadians are spending almost $15.6 billion a year to have their retirement options managed by private entities out there: banks and insurance companies. The bulk of this is spent for retail management fees of various sorts levied by banks, insurance companies and their wholly owned mutual funds. What if millions of these people who want to save for their retirement could, instead of paying these retail rates which the banks want—and by the way, I don't think the banks need any generosity. Banks are doing quite well in terms of their profit levels. Most of the insurance companies are doing quite well. They pay their executives huge bonuses, not to mention huge salaries. I don't think the banks or insurance companies need any looking after here; they're doing fine. It is all those people who are struggling trying to find a secure retirement who need our help.

Imagine if all those people who were paying the exorbitant management fees demanded by the banks and the insurance companies and some of these mutual funds could actually be part of a very cost-effective Ontario retirement plan. If those contributors could pay the wholesale administrative costs that you find with the larger public pension plans like the teachers' pension plan, or the hospital workers' pension plan, the fees that they're now paying to banks and insurance companies would be reduced by $8.4 billion a year. Equivalently, the money that could be set aside for their retirement would increase by $8.4 billion a year. That's $8.4 billion a year going into people's retirement funds rather than going to bank fees, mutual fund fees and insurance company fees. That's what we think we should be doing—very cost-effective. Again, the actuarial studies have shown, over and over again, the efficiency benefits, the cost-effectiveness of these broadly based pension plans.

To put it differently, what you get if we set up a broadly based Ontario retirement plan which is run on a not-for-profit basis, which doesn't charge these exorbitant mutual fund fees, bank fees, insurance fees that you see out there right now operated by Bay Street: The resulting 1.2 percentage point reduction in annual costs is equivalent to a 24% boost in the ultimate pension that the retirement savings can purchase. So you're only taking 1.2% away from the fees of banks, insurance companies and mutual funds, but you're adding 24% to the retirement benefits of people who don't have retirement benefits or whose retirement benefits are grossly inadequate.

This raises the important question of why all retirement savers should not have the opportunity to pay wholesale pension fees rather than the retail pension fees that are now being charged by banks and mutual funds. Addressing it requires recognizing that the private financial services industry is the beneficiary of the current annual $11.2-billion retail cash flow which, calculations show, would fall by $8.4 billion to $2.8 billion with wholesale pricing such as you could get from the Canada pension plan, the teachers' pension plan or the Ontario retirement plan.

**1530**

I can also show that this wouldn't bankrupt the banks, it wouldn't bankrupt the insurance companies and it wouldn't bankrupt the mutual fund industry. They would still do fine. They would do very well. But, boy, would it ever go a long way to helping out those people who have no workplace pension at all and those people who have entirely inadequate retirement benefits and who are looking toward trying to retire in 10 or 15 years, or who know that they will be retired by the market in 10 or 15 years in terms of the so-called workplace or labour market.

I think these are the things we really should be addressing and debating here today, because these are the real pension issues. This government can tinker around the edges, as it's trying to do with this legislation, and pretend that it's really doing something, but I think anybody out there who is nearing retirement age or anybody who is in one of those stranded orphan pension plans—such as Canwest Global or Nortel or anyone who is dealing with a pension plan like the AbitibiBowater pension plan, where they're being asked to take a haircut in terms of the pension benefit—would agree with me that this legislation doesn't come anywhere near doing what needs to be done.

If I may, Speaker, I think this is one of the most significant economic security, financial issues that people in Ontario face today. Part of me wonders why the government scheduled this debate on municipal election day. I think it's something that deserves much broader discussion. I wondered when I saw the schedule if the government was hoping to sort of duck this debate in behind or below municipal election day, because this debate deserves broad discussion, debate and cross-examination across Ontario.

One of the things that the so-called private insurance or the private retirement business tells you is that people who put their money in mutual funds, bank funds or insurance funds get the benefit of ongoing, day-by-day advice and evaluation and the opportunity for liquidity and so on and so forth. Well, for somebody who is trying to play the stock market on a day-by-day basis, those may be valuable things. But I don't know anybody who is trying to save for their retirement who's interested in trying to play the stock market on a day-by-day basis.

Many of the services that the private investment industry says they give or provide to people who are trying to save for their retirement, like day-by-day valuation, opportunity of liquidity and so on—frankly, I don't think those things are really of value to people who are trying to save for their retirement. I don't think they're really valuable at all.

I come back to what I think is the real issue: How can we best help millions of Ontario retirement savers who want adequate pensions at affordable savings rates but who don't want to get mired in the complexities of investing, who don't want to be on the computer screen for an hour every day looking at this issue and that issue?

The best way to do that is through an Ontario retirement plan to duplicate the success of the Canada pension plan, to duplicate the success of the teachers' pension plan, the hospital workers' pension plan—the most cost-effective, efficient way to do this for people. Alas, it's nowhere to be seen in this legislation.

I've listened to the principal government spokesperson get up and speak and listened to other people get up and comment for the government, and none of them wants to go anywhere near this. They're all happy with a piece of legislation that frankly only tinkers around the edges and doesn't address the three principal issues of pension plans in Ontario today, of inadequately funded pension plans in Ontario today and the fact that 65% of Ontario workers have no workplace pension at all. Those are the things we should be dealing with here today. I feel badly for those people who have an orphaned pension plan, because they heard nothing much in this debate from the government.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Jeff Leal:** Certainly, I think the member from Kenora–Rainy River made an excellent contribution to the debate today. There's no question that one of the biggest policy issues that all of us in this Legislature, indeed across Canada, are going to have to deal with is the whole issue of pensions, when you think that by 2017 there will be more people in Ontario over age 65 than people under age 15. We know this is an issue that we're all going to need to address.

Interestingly enough, I just got a quote from the recent Australian study that was done by Mercer, one of the largest international actuarial firms. They rank Canada's pension fifth among 14 countries, ahead of the United States, the United Kingdom and France, recognizing that more needs to be done in this area. They had a global pension index score that looked at adequacy, sustainability and integrity. But I say again, this is an issue that is going to take a lot of discussion.

My characterization of Bill 120 would be perhaps a little more generous than "tinkering," but I think it's a piece of legislation that indeed will be among a number of other pieces of legislation that I think will come forward to look at the whole issue of pensions. I know that in my particular case, I have introduced two private member's bills dealing with pensions.

I also would recommend to members a report that was released just last week by the Senate standing committee on banking, trade and finance—I have a copy—under the leadership of the Honourable Michael Meighen. It addresses one of the concerns raised by the member from Kenora–Rainy River. I reference page 47, where Mr. Keith Ambachtsheer—I apologize for the pronunciation of his last name—who is with the Rotman International Centre for Pension Management, indicated the cost for private plans versus public plans. I'm going to be able to speak to this issue in a day or so.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Norman W. Sterling:** I enjoyed listening to my friend talk about this particular issue, and I agree with him: there are many issues left open that need to be resolved. But if we can't fund a fund that provides for a maximum of $1,000 from the pension benefits guarantee fund, who is going to fund one that has a pension benefit fund for $2,500 into the future?

I hope the member is not going to say that the general taxpayer is going to have to pick this up with regard to that enhancement if two thirds of general taxpayers don't have a defined benefit pension plan. As well, when you talk about orphaned plans, you eventually come down to the question, "Who is going to pay?" I don't think that the general taxpayer has any obligation to pay for those orphaned plans. I just don't believe that.

If the union and the company made deals and didn't fund their particular pension fund to adequate levels to keep it properly funded, I don't believe the rest of the population should be required to step up and fill the coffers, because they don't have any pension fund. They don't have any defined pension fund.

**1540**

I agree that it would be nice to have other plans or other options. I believe the federal Minister of Finance is trying to expand the CPP but is not getting much help from provinces like Alberta, which I'm sorry to see. We do have to move forward, but we have to figure out who's going to pay the piper.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Paul Miller:** I'd like to thank my colleague from Kenora–Rainy River for his comments. It was interesting to hear the official opposition talk about where we are going to get the money and why should people who don't have pension plans contribute? That's a good argument. However, of the 65% of Ontarians who don't have a defined pension plan, a lot of them could end up on social services, and where's the money going to come from then? It's going to come from the taxpayers.

I might point out to the member that as our investigations continue in here, there are hundreds of millions, probably billions, of dollars that are wasted on projects, consultants, things like that, over a year that would more than fund the pension plan. I'll just take eHealth, for example. I believe it was 66% of the money spent in the last five years on eHealth—out of $388 million, 66% went to consultants. Some $288 million in five years—one ministry. Multiply that by the 22 major ministries, and it could even go a lot higher, into the billions.

Where's the money coming from? Government waste, consultant waste—and it would more than help the poverty in this province. It would more than help to pave the roads. It would put a lot more people back to work, and it would also secure the pensions of people who have worked their whole lives on deferred wages and have negotiated pensions honestly and upfront rather than taking raises from the employers. Employers should honour their commitment to the union people and non-union people, and they don't. They roll up plans and leave the country. They fold factories and leave us holding the bag. Unacceptable, and there are lots of answers to where money goes.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Kevin Daniel Flynn:** It's a pleasure to rise today and respond to the comments from the member from Kenora–Rainy River. It wouldn't surprise anybody that people bring different perspectives to this issue, and that's what the House is for.

I listened intently to the comments that were made. I think it's important that we frame our remarks around what is exactly included in Bill 120. It's a broad package of reforms that are designed to strengthen Ontario's pensions. We've had one of the worst recessions—certainly in my lifetime—we have all been through in the past few years, and we're taking a phased approach to this, in my estimation.

We had the first phase go through the House in May of this year that was endorsed by all members of this House. Everybody supported that, as I understand it. Members of the public, I think, should be aware of and those who are involved in the pension plan in a more intimate way will be aware of the fact that before we started to make these changes back in 2009, largely the rules for pensions in the province of Ontario had not been changed for about 20 years. The world had definitely shifted under our feet in that time.

The second stage of reform would address about 40 of the recommendations that came forward from the expert commission. That commission made about 142 recommendations after studying this issue at some length and with some depth. So that will bring us up to, with the passage of 120, if it passes—and I certainly hope it does pass because it moves the issue further ahead—it may not move it to the point where the member from Kenora–Rainy River wants it to be right now. Hopefully, it will get there in the future as we include future reforms, but it provides a framework, for example, to the multi-employer pensions, something that's of particular interest to some organizations that are in my riding and really concerned about the impact of proposed changes on their members. I think this moves us ahead and is worthy of support of all members.

**The Acting Speaker (Ms. Cheri DiNovo):** The member from Kenora–Rainy River has up to two minutes to respond.

**Mr. Howard Hampton:** I thank my colleagues on all sides of the House for their comments. I want to respond first to my colleague from Carleton–Mississippi Mills. I think we would all agree that in terms of defined pension benefit plans, all defined benefit plans should in effect contribute to the pension benefits guarantee fund, that defined benefit plans collectively should provide the insurance for defined benefit pension plans.

As he knows, there have been times over the last 30 years where different governments have had to step in and put money into the plan. But by and large, if you reflect on that, when that has happened, in the longer term, government has gotten a lot of that money back; a lot of that money has come back. So, providing that insurance fund for defined benefit plans, I would argue, has been very successful social and economic policy.

Where do you find the money for the $2,500? In fact, when you sit down and do the math, a pension benefit guarantee level of $2,500 is not going to require exorbitant contributions from employers and beneficiaries. It will require some contribution, yes, but I think the way we get there is to phase it in over a period of years. But the failure to deal with it, in my view, is just inexcusable, given the number of pension funds that are in trouble.

I want to follow up on the comments from my colleague here from Hamilton East–Stoney Creek. One of the problems, one of the issues, is, I look at the Nortel pension plan and I remember all the executives at Nortel who, in the late 1990s and early 2000s, were making off with bonuses—$10-million, $20-million, $30-million bonuses were not unusual. There is a lack of justice to that—

**The Acting Speaker (Ms. Cheri DiNovo):** Thank you.

## ROYAL ASSENT

## SANCTION ROYALE

**The Acting Speaker (Ms. Cheri DiNovo):** I beg to inform the House that, in the name of Her Majesty the Queen, His Honour the Lieutenant Governor was pleased to assent to certain bills in his office.

**The Deputy Clerk (Mr. Todd Decker):** The following are the titles of the bills to which His Honour did assent:

Bill 65, An Act to revise the law in respect of not-for-profit corporations / Projet de loi 65, Loi modifiant des lois en ce qui concerne les organisations sans but lucratif.

Bill 68, An Act to promote Ontario as open for business by amending or repealing certain Acts / Projet de loi 68, Loi favorisant un Ontario propice aux affaires en modifiant ou en abrogeant certaines lois.

Bill 103, An Act to proclaim the month of June Italian Heritage Month / Projet de loi 103, Loi proclamant le mois de juin Mois du patrimoine italien.

Bill 191, An Act with respect to land use planning and protection in the Far North / Projet de loi 191, Loi relative à l'aménagement et à la protection du Grand Nord.

## SECURING PENSION BENEFITS NOW AND FOR THE FUTURE ACT, 2010

## LOI DE 2010 SUR LA PÉRENNITÉ DES PRESTATIONS DE RETRAITE

**The Acting Speaker (Ms. Cheri DiNovo):** Further debate on Bill 120?

**Mr. Ted Chudleigh:** On a point of order, Madam Speaker: I'd like to ask for unanimous consent that the Legislative Assembly of Ontario call upon the government of Ontario to release the details of the province of Ontario's agreement with Samsung.

**The Acting Speaker (Ms. Cheri DiNovo):** Is it the pleasure of the House that this motion carry? No.

Further debate on Bill 120.

**Mr. Yasir Naqvi:** Thank you for giving me the opportunity to speak on Bill 120. I believe I have 20 minutes to talk about this very important bill.

Before I get into the context of the bill, I just wanted to talk about the circumstances, which are important to discuss, as to why reform of our pension system is extremely important. I think one of the most looming situations, and my colleague the member from Oakville alluded to it, is that we have seen some significant changes and shifts taking place in our economy. This recession which we are in the process of living through has been extremely grand in scale. It has been devastating to economies around the globe. I think we know what's happening in Europe in many countries. It's very monumental in terms of the way the economies are being shaped. But it has obviously had a huge impact on our economy as well across Canada and Ontario in particular. As a result we're seeing that our systems, which were designed some time ago—and, as I understand, in the case of our pension system, nothing has been done for the last 20 years or so. Our assumptions have been challenged. It is extremely important that we make a systematic review of our pension system to ensure that we put in place reforms that bode well for Ontarians moving forward, but also reforms or changes that ensure that future generations' needs are met.

**1550**

The other point, I think, in terms of the context around this debate is the fact that most Ontarians—I believe 60% of Ontarians has been alluded to before—do not have a workplace pension. I am one of those people: All members here do not have a pension. But I can also say that from my previous employment, before being elected to the Legislature, I never had any pension, nor did I have any illusions that I would have a pension.

In many instances, for my generation, I would argue, the debate is quite different. It's not about how to protect our pensions, how to make them more secure and how to grow them because we never had any pension. My assumptions, my economic planning for the rest of my life, are not based on a defined pension plan. And I'll be very honest with you: neither am I planning to have a pension. My focus is more on post-retirement income.

And I'm not the only one. I actually was having the same conversation a few days ago at a United Way event in my riding of Ottawa Centre with some people of a similar age. We were having this discussion as to pensions and no pensions. I think they were federal government employees, and they were discussing their plans and how the focus for them, as they're planning their lives, is not the pension but other aspects of post-retirement income.

My hope is that as we are reforming the pension system, we also look at and keep in mind creating a more vibrant and strengthened post-retirement income system so that those of us who may not have a defined pension plan will still be able to save money, grow that money and be able to use that in our retirement—which is some time away, but it is important that we start planning for that.

The background to this debate is extremely important. As has been mentioned a few times, the government of Ontario is in the process of a multi-phase reform of the Ontario Pension Benefits Act. The idea is to modernize the legislation and strengthen regulation of workplace pension plans in Ontario. The Minister of Finance, the Honourable Dwight Duncan, tabled a bill before—part 1 of the reform, the Pension Benefits Amendment Act, 2010, which was unanimously passed by this Legislature—which did a few things. It extended the benefits of plan members affected by layoffs and eliminated partial windups, which means more people will get more pension benefits in more circumstances. It also made it easier to restructure pension plans affected by corporate reorganization so coverage can continue for affected workers. Lastly, it increased transparency and access to information for plan members and pensioners.

I recall in that debate that there was a general consensus that those were important changes and they should be supported, and all members did support that.

Bill 120 deals with what I like to take as more complicated situations now, which were part of the recommendations by Mr. Arthurs on pension reform. Now it's starting to take a little bit more contentious issues and address them as we strengthen and modernize the Pension Benefits Act.

What are we doing in the second stage of reform? The bill is addressing almost 40 recommendations from the Expert Commission on Pensions, which was led by Mr. Arthurs, which means that the reforms to date will have responded to about two thirds of the 142 recommendations in the report, which is extremely significant. I understand that the remaining recommendations will be considered for inclusion in future reforms, so I guess part 3 of this bill, looking at other aspects, other recommendations that were outlined in the Expert Commission on Pensions.

In broad strokes, what is Bill 120 trying to do? It's strengthening Ontario's pension funding rules by requiring more sustainable funding of promised benefits and stronger funding standards for benefit improvements. It's also trying to provide a framework to permit more flexible funding rules for certain multi-employer pension plans and jointly sponsored pension plans. It is clarifying pension surplus rules and providing a dispute resolution process to allow members, retirees and sponsors to reach agreements on how surplus should be allocated on wind-up.

Lastly, it is providing a more sustainable pension benefits guarantee fund, which from time to time I will refer to as PBGF, by implementing a strategy to build reserves; increasing revenues; limiting current exposure and reducing risks to taxpayers in the future; and lastly, further extending regulatory oversight and improving plan administration.

No doubt it's extremely complicated stuff. I regret not taking pension law while I was in law school because I think I would have better understood the changes that are being made, but nonetheless, I think it speaks to how complicated the system is. We need to make sure that system really reflects the changes that are taking place in the economy, in our corporate structures, changes that will ensure that those who have defined pension plans—that those pension plans are protected.

I really want to focus on the pension benefits guarantee fund, the PBGF aspect of it. The reason I want to focus on that is that's something I have been exposed to a fair bit in conversations around the windup of the Nortel pension plan, something, as you may know, I have been quite involved in. Coming from Ottawa and representing Ottawa Centre, I have a lot of Nortel retirees who reside in my riding, and I've been able to work with them and learn from them as to various circumstances that arise out of the windup of pension plans like that of Nortel. Again, it's an extremely complicated issue, multi-layered both in terms of the financial circumstances but also in terms of jurisdictions that are involved. You've got the federal bankruptcy insolvency legislation involved; you've got, provincially, the pension benefits guarantee fund. You've got, of course, in a situation of a windup, courts involved as well, court-appointed administrators, part of the bankruptcy and solvency process which has to work through the windup, on and on. But most importantly, in situations like Nortel, you've got people's lives, people's livelihoods that are very much part and parcel. There is a fair bit of emotion that is part of the exercise. Obviously, in the course of the last few months, almost a year now, having conversations with Nortel pensioners, I've been able to understand all those aspects.

I think the goal at the end of the day is the same for everyone, be it the government, government agencies like FSCO, the administrator, I'm sure, and the pensioners: to ensure that those pension plans are protected to the degree they can be in a very difficult situation where a company, a viable company in the past, a Canadian icon, has gone bankrupt; to make sure that those incomes that are generated through that pension plan are protected to a large extent.

Of course, there are various ideas that have been thrown around. One important one which has been championed by the Nortel pensioners is the idea around the FSM, or the financial services model, which will allow, basically, to take the defined pension plan, put it in the marketplace—in the private market—and be able to then, hopefully, grow and generate income for pensioners.

Now, of course, I fully admit that I am perhaps oversimplifying the proposal, but that's the gist of it. The issue around this is, and what makes this issue extremely complicated, is that balance between having a guaranteed income versus the risk associated with this big pension fund—I believe the Nortel pension fund is in the range of $1.2 billion right now in the marketplace—when markets are still quite fragile and unstable. Now, one of the things the government did, which was something Nortel pensioners had asked, and I'm very happy and proud that the government followed on that, is to ensure that the PBGF, the pension benefits guarantee fund, is there for Nortel pensioners. The Minister of Finance, some time ago, about a year or so ago, announced that PBGF is being funded to the tune of about $500 million. That's half a billion dollars to protect those pensioners and to make sure that the guarantee that PBGF provides by way of a backstop—and that's essentially what it is—is there. In the case of Nortel pensioners, that's about $250 million dollars being put aside to ensure that Nortel pensioners get a minimum of $1,000. That is a very important step that the minister took in light of a very difficult situation to ensure that Nortel pensioners are not left aside.

**1600**

I understand—and I've had many conversations with Nortel pensioners—that they very much appreciate the government extending the funding to PBGF and putting that money to ensure that there is a baseline that is guaranteed for pensioners. The issue becomes: Do we still move ahead with the FSM model and how do we reconcile that tension that exists between risk and guaranteed income? If you go to the FSM models—there's some debate about that, and I totally acknowledge that—it could jeopardize having some sort of a guaranteed pension for pensioners and to what extent should we take that challenge.

The minister had made a preliminary decision but that's being reviewed. The Premier had some opportunity to look into that. I commend both the Premier and the Minister of Finance for taking this issue very seriously, the reason being that we all want the best for Nortel pensioners. There is some detailed analysis that is going on by way of the Ministry of Finance to ensure that we come up with some sort of a right balance in what's being proposed and what is done through the government, through PBGF.

The question becomes—and I'm looking at the clock; I've got limited time—moving forward, how do we make PBGF more sustainable? That is one of the things I wanted to focus on in Bill 120, because it is something that has existed for some time. The pension benefit guarantee fund is something unique in Ontario. As I understand it, the other provinces do not have such a guarantee, and it is unique in Ontario that we have it.

I think the member from Kenora–Rainy River was mentioning that all governments in the past have not really done a good job, regardless of the political stripe. I think they equally have taken the same policy decision not to fund this guaranteed fund properly, making it unsustainable. We came into this type of situation in 2009-10 because of the recession, so extra money had to be put in.

What do we do in the future to maintain the PBGF and how do we make it sustainable? That, I think, really becomes the question. There are some key aspects that I included in this legislation to meet this.

The Expert Commission on Pensions recommended that PBGF be self-financing. The current PBGF assessments are as low as $1 per plan member per year, with minimum assessment per pension plan. There's also a

$100-per-member maximum and a $4-million maximum assessment for pension plans with deficits.

These maximums have enabled some plans with significant solvency deficits to benefit from PBGF coverage at a reduced rate. To mitigate the financial risk and place the PBGF on a more sustainable financial footing, the government, through Bill 120, is considering a four-part strategy that recognizes the need for participation by all stakeholders.

This is what has been suggested: one is to build the PBGF reserves. A $500-million grant to the PBGF, which I was talking about earlier, helped to stabilize the fund and address financial pressures arising from recent plan windups. Number 2: Increase the PBGF revenue. Make assessments more consistent for covered plans with similar funding levels and raise assessment levels by establishing a minimum assessment level of $250 for each pension plan covered by the PBGF; raise the base fee per plan member from $1 to $5—that's another step that has been taken; raise the maximum fee per plan member in underfunded pension plans from $100 to $300; and eliminate the overall assessment cap for underfunded plans.

If these proposals had been in effect last year, when we ran into the troubles—the crisis—this would have raised about $30 million more in assessments collected in 2009. That's a significant amount of money.

The third thing the bill is doing in terms of making the PBGF more sustainable is it's extending eligibility deferral periods; it's recommended by the commission. It's extending the exclusion period from PBGF coverage for new plans and benefit improvements in existing plans from three to five years, consistent with solvency deficit funding requirements.

Lastly, a big aspect is to reduce the risk as part of this reform package, to implement stronger funding rules to reduce the risk and size of pension deficits in covered pension plans.

All in all, this is an important step to ensure that we can mitigate the kinds of circumstances and situations we experienced through Nortel. I think that's an important step and reform that has been taken in Bill 120, as recommended by Mr. Arthurs and his expert pension commission, to ensure that, moving forward, we've got a more sustainable, strong PBGF, pension benefits guarantee fund, available for situations where we need it.

Those are the points I wanted to cover, so I will end at this, and I look forward to hearing from my other colleagues and wrapping it up in the last two minutes.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Ted Chudleigh:** With all this discussion on pensions, it gets a little demoralizing when you realize that—most of our pensions in this province, this country and, in fact, most of the western world are designed to provide income to retired people. That income is developed through their contributions, and it's also developed through a reasonable return on the investment that is in the pension fund.

In the past, of course, those investments had to be very, very safe, because they're designed to provide funds for retired people. In the past, those funds could probably be invested at something between a 5%, an 8% in some years and perhaps even a 10% return on investment. In the world that we're living in today, that's gone. We're looking at safe investments now in the range of a 1%, 2% or 3% return on investment.

This evolvement in the financial world has placed all pensions in great peril. We look around the world and we see in Japan, for instance—where they went into the recession of 1991 and never really came out of it—that they've had this situation where they've had very low returns. There are very low interest rates in their country, and we've seen the stagnation that has happened in that country.

It's a very worrisome situation that all pension plans find themselves in, and it seems to me that the responsibility for this should rest with the pension plans as opposed to any particular government. Governments should be there to uphold the rules and to make the rules, but not necessarily to guarantee those rules.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Paul Miller:** The member from Ottawa Centre made an elaborate presentation. I don't necessarily agree with his synopsis. I can remember several years ago working for the United Steelworkers in Ottawa in nine different campaigns, trying to change the mind of the government on pensions. We warned them then, and the reality is coming home now. For 10 years we've been warning them that defined pension plans are in trouble, that multiple pension plans are in trouble.

Look at what's going on in France right now. The people have taken to the streets. There are riots in Paris and Marseille. Most of the large French cities are in disorder right now. They're calling for the government to resign. What's the topic? Pensions. Pensions and agriculture are the two things that the French people are upset about.

I'll tell you right now that this government has done some fine-tuning on administration, which was needed. It certainly was done. They've done some on windup and they've done some things on administration of the funds—that is good—but they've done absolutely nothing financially to put money in these people's pockets who had defined pension plans. If a major corporation like Chrysler or GM went under tomorrow, the pension fund that's there now, the PBGF, would be dried up in three years. Those people negotiated those plans over a period of 50 years. I'll tell you that if I was putting into a plan for 30 or 40 years of my working life and deferring wages and they said to me at the end of the day, "You only get 40% of what you put in there," I'd be upset too.

**1610**

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Bob Delaney:** What is this bill all about? Perhaps you're watching this at home, and you're thinking this is a little abstract. Pension legislation is usually a wonderful non-prescription sedative, but in fact this probably affects you a great deal, particularly if you're in that cohort that was born between 1946 and 1966, because the first of our baby boom generation turns 65 next year. By the time we baby boomers are ourselves seniors, for every senior alive today there will be two at our time. By the time we baby boomers are into our 80s, for every octogenarian alive today there will be three.

It's important that, right now, Ontario gets pensions right, and that's what this legislation aims to do. It aims to strengthen Ontario's pension funding rules by requiring more sustainable funding so that the taxpayer isn't left picking up the tab for a private sector pension plan.

It aims to provide a framework to permit more flexible funding rules for certain multi-employer pension plans and jointly sponsored pension plans, all of which is to say that when a person retires, the money they think is in their pension account actually is and they can be paid a living wage.

It aims to clarify pension surplus rules and provide a dispute resolution process to allow members, retirees and sponsors to reach agreements on how a pension surplus should eventually be allocated if it's wound up.

It aims to provide—and this is very important—a more sustainable pension benefits guarantee fund by implementing a strategy to build reserves, to limit future exposure and mostly to reduce the risk to taxpayers in the future.

That, in a nutshell, is what the member for Ottawa Centre was describing. This is a very strong bill and one that deserves the support of all members.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

The member from Ottawa Centre has up to two minutes to respond.

**Mr. Yasir Naqvi:** Let me first thank the member from Dufferin–Caledon for telling me to fix my collar; I appreciate her advice on that. Thanks to the members from Halton, Hamilton East–Stoney Creek and Mississauga–Streetsville for their constructive comments on, again, a complicated area of a technical nature. I look forward to hearing from the member from Hamilton East–Stoney Creek, who has had experience in this area. I'm sure he will instruct the debate on this important issue.

I know, from my experiences working with Nortel pensioners in my riding of Ottawa Centre, how complicated the issue is, especially when a company like Nortel, which was a giant in our economy and our country, had to go bankrupt and the challenges associated with winding up that particular plan. Of course, we won't want to be in that situation in the future, so I hope our economy continues to grow stronger and we don't have to face that. But if, for some reason or other, pensions have to be wound up, we need to make sure that our rules are up to date, modern and reflective of the new economy.

I think that is what the government is trying to do through the last bill, which is now the law, this bill and the ones that will come in the future, to ensure we've got a strong pension plan. But I also want to urge again that we, as a country—not just one province, but the federal government and all the provinces and territories—need to sit down and start talking about post-retirement income as well. There are a lot of people like myself—I don't want to be selfish, but I do speak for one demographic that does not have a pension—and we need to make sure there are strong rules around post-retirement income.

The last point: Those who are watching, please make sure you go out and vote in the municipal elections. It's an important day. Call your friends and family members and encourage them to vote as well.

**The Acting Speaker (Ms. Cheri DiNovo):** Further debate?

**Mr. Ted Chudleigh:** This is indeed a difficult piece of legislation to understand and to comprehend. I'm sure that there are many people listening at home. I see that the time is a quarter after 4, and I would remind them that Oprah is on.

This has been a fairly dry debate—and it's about to get a lot drier, I might add.

**Hon. John Wilkinson:** Like a good wine, Ted; like a good wine.

**Mr. Ted Chudleigh:** Like a good wine. Unfortunately, it's not maturing.

I mentioned a few minutes ago that pension reform is something that is extremely important. I think that it's something that we can't be very short-sighted about. As I mentioned before, pension incomes come from the people who manage pension funds; their income comes from investments. In the past, those investments might have made something in the area of a 6% to 8% return. Today, that is extremely difficult to achieve, particularly in a so-called "safe" investment. That places pension management fund organizations in a situation of having to manage traditional pensions with a very low return of something in the order of 1%, 2% or 3%. That leaves, at the end of the day, a shortfall in the pension fund. This bill, as I have scanned it and have read some of the comments on it, attempts to close down or to ensure that some of that security is maintained for people who have important pension plans, and that, I think, is a good thing. It's a good objective.

What I don't see in the bill is the ability to make up the difference that fund management plans are no longer able to deliver, particularly on defined benefit programs. Granted, defined benefit programs are becoming more rare. You're not seeing as many of them as you used to. Most pension plans today are defined contribution plans in that you make regular contributions and you end up with whatever you end up with. If it's a return on that money that you contributed, it could be something that you can live on, something that you might expect; otherwise, it may not be.

This bill provides for the plan administrators to set targets, and I think that's a positive thing. The difficulty with setting a target is that it becomes an expectation. Given the financial future that we may be looking at over the next 15, 20 and 25 years, those targets may be extremely difficult to achieve, if not very difficult to set.

As I mentioned earlier, I think the country of Japan has gone through some of the experiences that perhaps we are just entering into. Japan has had extremely low interest rates, extremely low returns on investments, ever since the recession of 1991, which they never really came out of. They've been in a stagnation or in a reduced growth factor in their country for the last 20 years. That may be something that we, in the world economy, are looking at.

At least in the near future, I don't see interest rates beginning to climb, although the cost-of-living index last month was a worrisome 2.9%, I think, in Canada. That would indicate a certain amount of inflation creeping in, which may indicate a rising interest rate, which may indicate all kinds of difficulties for the Canadian economy. Given the competitiveness of the Canadian dollar at the current time, that may cause some serious difficulties for Canada participating, as it has in the past, in international trade markets. Canada is more susceptible to international trading markets' trading than other countries. I think fully 33% of our GDP is export, whereas in most countries, like the United States, for instance, about 2% of their GDP is developed through exported goods. That puts Canada, and particularly Ontario, in a vulnerable position when taken to low interest rates and keeping yourself competitive in the international marketplace.

**1620**

Over the last 30 years, Canada got very used to operating with a 70-cent dollar—a 92-cent dollar for quite a while, a 70-cent dollar, 68-cent dollars. That was a huge benefit to us in our world trade and it developed huge manufacturing opportunities. Those days are gone with an even dollar or a 90-, 95-, 96-, 97-cent dollar. That's probably in the ballpark of where our dollar belongs vis-à-vis the United States, although the Americans are doing everything they can to drive their dollar down. As long as they continue to do that, interest rates will continue to be low, and that will put emphasis and extra pressure on pension plans.

I was interested to learn from the member for Carleton–Mississippi Mills today that there are only three jurisdictions in the world that guarantee private pension plans: Britain, the USA and Ontario, Ontario being the only subnational government in the world that guarantees private pension plans. That is of concern to me. The pension plan in Britain, if it's not bankrupt, it is nearly so. The government in Britain is bringing in a budget that is going to revolutionize that country. We have seen riots in the streets of Paris. I think we may very well see riots in the streets of London when they bring in their campaign. They're running at about a 20% deficit as far as their finances are concerned, and it will have to be a very extreme budget or at least have some extreme measures in it long into the future in order to bring their house into order.

The United States is in the same kind of situation where their guaranteeing of pension plans is a very difficult position for a government to be in, especially when such a large portion of the population doesn't have a pension beyond social security or, in Canada, the Canada pension plan, the old age benefits. When so many of our people who have worked and built this country don't have a pension plan, to ask them to bail out, through their tax dollars, the people who do have a pension plan—generally those working for larger companies; by and large they've worked for higher wages throughout their working life—it just seems that there's a tremendous incongruity. You have this one level of worker who is asked to bail out a level of worker that may very well be making more money than they were through their working life. It just doesn't seem like the citizens of a jurisdiction, be it Ontario, the United States or Britain, would be very happy about that situation.

We saw the situation where Stelco employees had a problem with their pensions over the past little while; I think that problem began in about 1992-93 or so. It seems to me that the pension plan should have been agreed upon between the company and the workers as to whether or not the funding of that pension plan could have been put off or had a pension contribution holiday. That should have been an agreement between the company and the workers, but somehow the workers and the company got the province of Ontario to agree that Stelco was too big to fail and therefore they could take a tax holiday. The province of Ontario taking that position, I think, also gave them a liability, gave the people of Ontario liability in that area, and I wouldn't like to see, through this act or through this—and I'm not suggesting this act is going to do that, but I would not like to see the government of Ontario get into that situation on a broader scale going forward into the future. I think we should be very, very careful that pension plans that are agreed to by companies and employees should be worked out between those two parties without the province of Ontario taking any liability or responsibility for any shortfalls.

What the province of Ontario should do, as I see it, is set very stringent standards, keeping in mind the new world that we're dealing with, the world of low returns, and no one is sure how far into the future those low returns are going to continue. We'd all like to see a recovery and get back to the kinds of returns that we saw in perhaps the late 1990s, the halcyon days of the late 1990s, or even into the first four or five years of this millennium. We saw nice returns on investments, whereas those have now dried up. We don't know how long this is going to continue. I think the government should be very cognizant of the fact that there's going to be a lot of pressure placed on governments when and if these plans don't pan out exactly as they are.

So the regulations that the government puts in place to administer these plans should be very, very conservative—small-c conservative—in nature, and they should be very, very safe going forward because that's something that no government wants to face, as far as being put in the position of charging people without a pension to pay for people who do have a pension. It just seems that that would be a very, very difficult situation for any government to face, and this bill attempts to do some of that.

It also attempts to create some other opportunities. The contribution holidays, for instance, it does tend to tighten that up in that it—although it expressly permits contribution holidays, unless prohibited under the plan; that would be under the plan that the employees and the employer have agreed upon. Unless it's prohibited under the plan, they may have a contribution holiday, but only if the transfer ratio is below 105%. Again, 105% sounds very conservative, but I would again suggest to the government that what has been conservative in the past may not be conservative in the future. I wonder if 105% is indeed the right number going forward. If we were talking about 15 or 20 years—as Japan has seen—of low returns, that 105% may evaporate very quickly and those tax holidays could come back to bite the people in the plan in a very negative way.

It also requires the plans to disclose contribution holidays to members and retirees, and the benefits of the plan as prescribed, and file annual statements with the regulator to confirm eligibility. It's a little eye-opening to see that, in the plan, the contribution holidays must be disclosed to the members. To think, in this day and age of transparency, that a contribution holiday could take place without the members knowing it, is really somewhat worrisome, when that has to be even in the legislation.

They also talk about: to clarify surplus entitlement for the proposals; to require binding arbitration for surplus distribution when entitlement or a sharing agreement cannot be obtained. This is when we have excess funds in the plan, I suppose. The government is seeking comment regarding how much time should be permitted before requiring arbitration and what members' consent should be required for an arbitration, given that we may never get, as in the Nortel situation, 100% agreement from members as to which way the settlement should go. Therefore, the government is seeking comment as to what is required in that area to come up with something that is fair and equitable to all concerned, and whether the arbitration rule ought to apply to existing plan windups. I would suggest that that might be a moot point, given the situation that this province, and indeed the western world's economies, may be looking at in the very near future.

**1630**

It also allows ongoing surplus withdrawals, whether as entitlements or as a sharing agreement, provided the remaining surplus is no less than the greater of 25% of windup liabilities or two times the current service costs plus 5% of windup liabilities. Again, those numbers seem generous. However, going forward, given 10 or 15 years of the Japanese experience, I wonder if they're generous enough.

The pension benefits guarantee fund: If a pension plan goes into arrears, this is the fund that makes up the difference from taxpayers' dollars. This is the fund that I have a great deal of difficulty with. I think there's an element of fairness here that is in huge jeopardy with the people of Ontario, particularly as people become more and more aware of their responsibilities under their pension funds and pension administration.

Again, the riots in France: I'm not saying that I totally understand those riots. I have heard in the news, like everyone else, I suppose, that the retirement age for the public service in France is now 60 years of age, and the government has proposed to move that to 62. For those two years of extra work, or extending your working life for two extra years, there are riots in the streets of every major city in France. I've got to think that there's something else involved. I can't conceive that people would take to the streets because they have extended their working life from age 60 to 62. Even in France, I don't believe they would do that. I think there must be something else in the agreement that we're not hearing about. But be that as it may, it's a small measure of the degree to which people feel concerned for their future. It may be that people feel that is the thin edge of the wedge as to how they may be treated in the future. That being the case, it is again a great example of how deeply people feel about their pensions and how deeply they feel about governments that might change, alter or attempt to change those pensions. I think that's something that the government should take to heart and be very careful about in how they adjust pensions today and in the future and how this bill might affect them.

There are all kinds of other parts of this bill that introduce flexibility to the pension act. It allows for, as I mentioned earlier, the targeted benefit plans. It allows multilateral agreements within pension plans. It introduces—

**The Acting Speaker (Ms. Cheri DiNovo):** Excuse me. Could you stop the clock for a minute? I would ask members, if they're going to have a conversation, that they take it out into the lounge. Thank you very much.

The speaker may continue.

**Mr. Ted Chudleigh:** Thank you, Madam Speaker. I warned the members earlier that this was a dry subject, and I did tell you that Oprah was on. So if you want to go out in the lobby, I know you can change the channel out there. You can probably get Oprah. It's her last season, so you don't want to miss that.

Where was I? Oh, yes: There are lots of other introductions of different types of options in the pension agreements, such as multi-layered agreements and targeted benefit plans. Again, I would urge caution on behalf of the government. These can be positive attributes, positive things to add to a pension plan; however, they can also increase the difficulty that people might have with their pension plans in the future.

I look forward to the rest of the debate on this subject. I look forward also to hearings on this subject, because I think we need a lot of input—

**The Acting Speaker (Ms. Cheri DiNovo):** Thank you. Questions and comments?

**Mr. Paul Miller:** I'd like to thank the member for Halton for his submission. Hopefully, we can crank it up a notch and make it a little more exciting so you don't have to watch Oprah.

This is probably the most important thing that has happened in Ontario in many, many years, and I'm a little disappointed, to say the least, that we are talking about this on election day. To me, that's a diversion. To me, they didn't want to have a lot of people watching this today, because there are some good things in this but there are a lot of things missing. In the next 45 minutes to an hour, I'll point out what's wrong with this bill. I'll also have some wonderful facts that may not have been presented before and may be of interest to members so they don't have to run out and watch Oprah.

The member from Halton says he is concerned that the people who don't have pension plans have to donate to the PBGF. I understand his concern. But the NDP brought forth the Ontario pension plan, which would have addressed the 65% of Ontarians who don't have a pension plan, so they could be part of the process. What the member doesn't realize is that those people who are in defined pension plans, if they're not honoured and they lose part of their pension plan, they could become a social problem. They could be on social assistance when they're 80 or 84 years old because their pension plans failed. Then what is the government going to do? They're going to have to support everybody. I don't think they've got enough money to do that. They claim they don't even have enough money do what they're doing now.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Wayne Arthurs:** I'm pleased to have a couple of minutes to respond to the member from Halton's comments and the comments with respect to Bill 120.

Maybe this is a little dry. Pensions tend to be a little bit dry, and it's a challenge to make them exciting. I know that from Bill 236, and I appreciate the work of the parliamentary assistant, the member from Kitchener–Conestoga, who has taken on the challenge of seeing this legislation through this process.

These are important discussions we're having; I think everyone is acknowledging that. It's important to those who are currently in the workplace, those who have pensions and want to see those pensions protected. It's important because of the economic climate we've been in, in the past couple of years, whether it's the General Motors of the world or, more currently, the Nortels of the world.

The government generally has taken a far more active interest in a file that went untouched for more than two decades. The first time it was really touched was Bill 236, and this is the second part of that process now. But it's the likes of economic upheavals that occur in the automotive industry, as an example, that are so critical to this province, or in the technology sector in the case of Nortel, that drive us to pay attention to pension issues broadly and retirement income adequacy.

I think that if you pay close attention to the minister in his comments, you'll see as much, in my view, the discussion being around what role government plays, in addition to the private sector and the individual, in ensuring a level of retirement income adequacy. Pensions can be a part of that; they're not the whole picture. But certainly this builds on the earlier bill. It builds on the multiple recommendations of the Harry Arthurs commission—this goes a long way to bringing a lot of those into play. It's not doing the whole job, but it's doing most of it.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Jerry J. Ouellette:** I appreciate the opportunity to comment on the member from Halton's remarks. He mentioned many things, such as the impacts of the economy in Japan in 15 years and what has taken place, and about how Ontario is the only non-national jurisdiction that provided guarantees and what takes place in low-return situations and how the plan pans out when the payouts and the funds aren't there.

**1640**

I've personally done quite a bit of research on an Ontario pension plan. There are so many aspects that need to be discussed in moving forward with anything regarding a potential one. For example, what happens if a person lives in Ontario but works outside the province? Do they contribute or do they not contribute towards a provincial fund? In that situation, does the employer contribute as well as the employee? What happens if a person lives outside of Ontario and works in Ontario?

There are so many different aspects, and quite frankly I believe that pensions are a topic of concern to a lot of individuals. As they move forward and closer to retirement age, they start to look and say, "What have I got now and what am I going to do in these situations?"

Quite frankly, Ontario, once upon a time, had a huge advantage in the employment sector with the Workers' Compensation Board when it was established over 100 years ago in the impacts and how that was able to draw employment into the province of Ontario. The same with OHIP. When OHIP came into being in Ontario, we had another competitive advantage. I believe that pensions may offer that same opportunity for employers in the province of Ontario, if it's handled right.

I look forward to our caucus actually discussing this tomorrow to find out how we're going to position ourselves on this, as we have not. I look forward to more debate.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

The member from Halton has up to two minutes to respond.

**Mr. Ted Chudleigh:** In my last two minutes, I'd just out point that I think it's very incumbent on the government, when they are setting rules around pension plans, to be as careful and prudent as they can to ensure that pension plans are indeed protected and that they will indeed deliver what employees are expecting. After all, we're dealing with setting rules around other people's money. When you're dealing with other people's money, I suggest that it's incumbent on all public figures to be as cautious and as concerned about it, even more so than when dealing with their own money. Personally, I would take chances with my own money that I would never take when administering someone else's funds.

That being said, it's an issue that I think all governments have wrestled with from time to time. When we do, we should be very prudent and treat this with the utmost seriousness, which I tend to sense from the discussions in the House today.

**The Acting Speaker (Ms. Cheri DiNovo):** Further debate?

**Mr. Paul Miller:** Before I get into the details of my presentation, I'd just like to make a few comments. Over the last year and a half, approximately, the Minister of Finance has gotten up in this House and avoided our Ontario pension plan, avoided some of our submissions on it. He seems to want to go with CPP enhancements. He is betting the house on CPP enhancements. He attended a meeting out west, he attended one in PEI and I believe he's attending another one on pensions.

An interesting article came out today in the Globe and Mail. CPP reform "won't be easy," Flaherty says. "The federal government is having a difficult time negotiating changes to the Canada pension plan with the provinces that would mean higher premiums for Canadians but also increased benefits. Alberta, for example, is opposed to any increases and feels a private sector option is preferable."

He also "played down expectations of a wide-ranging deal on pension reform this fall, acknowledging he's not sure Ottawa has the support of enough provinces to move ahead with changes to CPP.

"'This is not something that will happen quickly,' he said....

"Reforming CPP requires the support of two thirds of the provinces representing two thirds of Canada's population."

At last count, Ontario represents over a third of Canadians: quite an influence, I would say, at the table for Mr. Duncan.

"Alberta Finance Minister Ted Morton supports"—

**The Acting Speaker (Ms. Cheri DiNovo):** I would ask that the member refer to the member's position or riding.

**Mr. Paul Miller:** A little picky, but okay: finance minister.

"Alberta finance minister Ted Morton supports this private sector option, but remains strongly opposed to enhancing the ... CPP.... Mr. Flaherty suggested things are moving more quickly toward a joint plan to improve financial literacy among Canadians through education." I'm not quite sure how that helps pensioners. I'm not quite sure how that puts money into the pockets of workers who have been ripped off. He's going to educate them; I guess they'll be smarter so they'll know they've been ripped off. That's good.

"And there are those who continue to argue that 'don't fix what isn't broken'"—what isn't broken? Well, you might want to tell some of my former members in Hamilton who are in jeopardy, or Nortel workers, or AbitibiBowater, or all the ones who have lost 30% to 40% of their pensions. It's not broken? It's smashed.

"And that we should ... focus our attention fully on the 'private pension innovation' path"—another bad mistake. I don't remember too many insurance companies volunteering to give me any rebates on my payments or any money coming back to me from insurance companies. I don't recall that.

But the thing that bothers me the most is that the finance minister is diverting attention, because he's responsible for over 70% of the pension plans in this province, by blaming the CPP. He even convinced the CLC to go on board to increase CPP. Well, this article today doesn't give me a warm feeling that the government's going to move, if at all—or very little—on CPP enhancements, but that was what he based his whole argument on for the last 18 months: that CPP is the way to go.

We said, the NDP, that we should supplement the CPP and old age security with an Ontario pension plan for the 65% of Ontarians who don't have a pension plan. Speaker, I don't know about you and what you deal with, but I certainly deal with elderly people in my riding and CPP, if they worked enough in their lives to receive any, plus old age security doesn't cut it. Some of them are getting $100 for CPP and $500 for old age security. That's $600 a month. Their spouse is dead, they have no other visible income and they've gone through their savings. They have to sell their house, move into a one-bedroom apartment and eat peanut butter, if they're lucky. That's not what I'd call protecting the elderly people of this country and province.

Now, into the meat of the discussion. Harry Arthurs came up with a number of good suggestions regarding strengthening the existing pension system. Unfortunately, a number of his most important recommendations are nowhere—I repeat, nowhere—to be seen in this legislation. Here are three that absolutely should have been in the package that aren't.

Firstly, at only $1,000, the level of monthly pension benefits eligible for protection by the pension benefits guarantee fund is completely inadequate. We believe that over time, the monthly guarantee covered by the PBGF "should be increased to a maximum of $2,500"—this comes from Mr. Arthurs, who was appointed by the Liberal government to study pensions—"to reflect the effect of inflation on the original maximum of $1,000," which has been in place since 1980: 30 years ago. My goodness. It's the same as it used to be.

While the NDP agrees that the basis on which the levy would be paid by the plan sponsors is certainly a complex matter and that a phase-in period would absolutely be necessary, we're extremely disappointed that the key Arthurs recommendation is nowhere to be seen in the first package of pension reform legislation.

The government likes to talk about the fact that just to allow for solvency under the present $1,000-a-month limit, the premium had to be raised 500%. What they don't make clear is that the 500%, in real terms, is an increase from $1 per plan member per year to $5 per plan member per year. Only $5 per year; not a lot of money.

Also, the minister says that to implement the full Arthurs recommendation of $2,500 a month would mean a 1,000% increase. That only means $10 per member per year, particularly if it was phased in. We in the NDP simply do not think that this is too much to ask if it means guaranteeing the pensions of Ontarians. If the way to prevent future Nortel disasters is to phase in an increase of $5 per year per member over the new rates, the government should just do it.

**1650**

Secondly, the NDP supports the Arthurs recommendation for establishing an Ontario pension agency. We believe that pooling, administrating, investing and disbursing stranded pensions would be an important role for this agency to oversee. In our opinion, an Ontario pension agency would pretty much solve the problem that Nortel pensioners face—and AbitibiBowater, Canwest Global etc., etc. All could benefit from an Ontario pension agency. The government seems to think that the pension agency, as conceived by the Arthurs report, runs the risk of making the government responsible for any downside potential involved in managing pension assets. That's simply not the case. And if that's not the case, you have to wonder why the government won't pursue this very solid idea.

Finally, Arthurs recommended the adoption of an emergency indexation provision; in the event of another surge in inflation, fixed pension benefits will, we know, be inadequate. At the same time, inflation may deliver high nominal returns to pension funds. High nominal returns due to inflation should not be permitted to produce high surpluses at the expense of fixed-income pensioners. Now is the time to address this concern with limited indexing provisions before inflation has become a serious issue. We very much think the government should act on this now.

To give the government some credit, there are a number of solid provisions in the legislation. Most of the constructive proposals follow closely the recommendations of Professor Arthurs. It's too bad that by ignoring three of the most important recommendations, the government threw away the opportunity to pass some really landmark pension legislation here.

I want to talk about the specific provisions in the legislation. It's pretty technical stuff, and I look forward to going clause by clause through the bill at committee, but here are some of the NDP's initial thoughts on it.

Funding: Firstly, on the funding front, in broad strokes, we think the government is on the right track because they are basically following Arthurs's recommendations. We were pleased to see that Ontario's legislation will, in the future, treat different types of pension plans differently in regard to funding.

In general, pension plans that are jointly sponsored and governed by a board that is independent of the employer, at least half of whose members are appointed by trade unions, will be treated differently than pension plans that are sponsored and governed only by an employer. We applaud this step, and we believe that it marks an important transition to a more stable employment-based pension system in our province. At the same time, we do have specific concerns in regard to the proposed funding rules for general application as well as those that are applicable specifically to multi-employer plans.

Plan improvements: With respect to the section on plan improvements, we note that the government proposes to limit the ability to improve plan benefits by requiring that any improvements be funded more quickly than is now the case. In particular, the government proposes eight-year, going-concern funding for benefit improvements in normal course, and where a plan's funded ratio is 85% or less, an immediate lump sum payment followed by a five-year amortization period. While these rules have merit in cases where the cost of the improvement is large in comparison to the underlying sponsor's payroll or financial capacity, these rules are unnecessary in other cases and many, indeed, unduly restrict the ability of a plan to provide decent pension benefits to its members.

Contribution holidays: We also note that the government's stated intention to require disclosure of contribution holidays is a very positive step toward stable funding. As you know, there have been a number of documented cases in which lengthy periods of time on contribution holidays have been followed by severe—I repeat, severe—underfunding. On balance, employment-based pension plans would be in a much better position today if contribution holidays had been prohibited in early years.

In the absence of an outright prohibition on contribution holidays, it is very important that members and retirees understand the long-term consequences of contribution holidays for their plans, and that the disclosure of contribution holidays and their potential long-term implications be very explicit.

MEPPs are multiple-employer plans. Target benefit MEPPs are one of the important success stories of the employment-based pension world. While they have been buffeted by the financial crisis, as have all plans, the incidence of windups in MEPP sectors has been very low and coverage levels have been maintained or increased.

I'll give you an example of a defined pension plan in Ontario. It's called HOOPP, which is the hospital workers' plan. Even through the downturn and the recession, they were over 95% funded because they had excellent accountants, excellent actuaries and solid, not-so-risky investments. HOOPP is probably the poster child for pension plans. It's an excellent plan. When people say that defined pension plans are a way of the past, that's nonsense. They can work if you've got the right people running them.

While we agree with the policy thrust that underlines proposed reforms to MEPPs, we do have concerns over some of the language used in describing their implementation. For example, we agree that jointly sponsored multi-employer target benefit plans should be exempt from solvency funding. On the other hand, the proposed legislation would apparently restrict eligibility for this exemption to MEPPs, all of whose members are employed in jurisdictions that also offer permanent solvency funding exemptions. Unfortunately, no other jurisdiction in Canada is currently proposing permanent solvency reliefs for MEPPs. This means that any MEPP with members in more than one jurisdiction, which is quite common, will not be able to secure solvency funding relief. This is not a desirable outcome and is in many ways worse than the current provisions of the PBA, which provide temporary relief to eligible MEPPs whether they are multi-jurisdictional or not.

The NDP supports the extension of solvency funding relief to MEPPs with for-profit and not-for-profit participating employers. We see no relevant distinction between these types of employers for the purposes of pension funding.

Target benefit plans are proposed to be subject to stricter disclosure requirements. These are quite welcome, as you know. MEPPs have greatly improved their disclosures over the course of the past decade and will continue to do so for the benefit of their plan members. On the other hand, it is also important that other pension arrangements that may directly compete with MEPPs, especially those sponsored by the insurance industry, also be required to make full disclosure as to their costs and risks. Insurance companies don't necessarily like doing that. It's like pulling teeth to get them to disclose. I haven't seen in my lifetime too many insurance companies going under in Canada; in fact, probably none. So certainly, the profits are good.

**Mr. Jeff Leal:** Confederation Life.

**Mr. Paul Miller:** That's one.

It would be tragic for the successful MEPPs sector of Ontario's pension industry to be subject to onerous disclosure and risk reporting while inferior products offered by the financial services sector are not required to disclose their costs or the adequacy of the benefits their products may deliver.

Surplus: As you know, it is the NDP's position that all the assets in a pension plan belong to the plan members. If a surplus is to be paid out on termination and from ongoing plans in accordance with the legal entitlement criteria, it is important that current entitlement criteria, as articulated by the Supreme Court of Canada in Schmidt v. Air Products, be properly codified. We are not convinced that this legislation does that. We look forward to a closer examination of the surplus provisions at committee level.

**1700**

Those are the NDP's initial thoughts on Bill 120. Now I would like to address the issue of providing coverage for the 65% of working Ontarians who lack a workplace pension. First, with only 35% of Ontarians covered by an occupational pension plan, there's a clear need for expanded coverage for pensions for Ontarians. Ideally, the way this would be done would be to significantly increase the benefit levels of the Canada pension plan. This would draw on existing economies of scale, risk-sharing and administrative efficiencies of the plan. I'll reiterate: Again, ideally, the way to go would be the Canada pension plan. The finance minister has been touting this for a year and a half. What appears in today's article is, as I predicted, that now the federal government and its minister are doing the moonwalk. We're going backwards: "I'm not sure; maybe; I don't know." That kind of blows the tire on the finance minister's car that was rolling along the road down to Ottawa. He seems to have had a couple of blowouts on the way.

He's having another meeting coming up. They're claiming that two thirds of the provinces representing two thirds of the Canadian population have to agree to this. Well, we've got over a third of the population right here in Ontario for the whole country, so that's a nice start. Even if Alberta and, say, Quebec have a problem with that, we could still pass it. I don't know why they're backtracking here. This is another backtrack, and that will give the government a chance to blame the feds. The feds will say, "Well, you guys didn't do anything to help us," and they'll just throw the ball back and forth. And who pays the price? The working people of the province who negotiated their contracts over the years for deferred wages. They also negotiated that when they made the deal, a deal's a deal: "I will do this now, and 30 years from now I'll have a decent retirement so I won't have to go on the dole or on social assistance because I can't afford it."

So what do they do? The government sits by when all these companies pull the rug out from their pension plans and run south, run to other countries. Why is that going on? Because this government and the government in Ottawa eroded our base industries, sold us down the river. We don't own anything in our own country anymore. All the major steel industries, forestry and mining are foreign-owned. How do you expect us to have a decent pension plan? Unbelievable.

Let me be clear: The NDP don't think that merely a modest increase to the CPP benefit is adequate, and I don't even know if that's going to happen. If that means a 10% or 20% increase, it won't cure the problems. That's where we think the McGuinty government is going, and that's not good enough for the two thirds of Ontarians who lack a workplace pension plan.

They talk about the money they stuck into the defined pension plan under the PBGF. That was good. How about the 65% of people, as the opposition pointed out, who don't have a pension plan who are contributing to that and feel left out? We gave them an opportunity to include those people. They wouldn't even talk about it; they wouldn't even deal with it, wouldn't even mention it in this House. Heaven forbid, we don't want to help the 65% of Ontarians who pay in to help the defined pension plans. We don't want to help them; we want to leave them stranded. They want the whole country to carry their burden. "CPP will fix it all." Well, according to this—and there will be more of these coming out—they'll be backtracking for the next year, and when the minister goes to his meeting in the fall or spring, it will be, "Well, you know, we can't get a consensus and we can't"—you'll hear all the excuses. But they'll promise you everything just before the election next year, and it won't happen.

We urge the McGuinty government to take the message to the next federal finance minister that the two thirds of Canadians who lack a plan need more than just a modest increase to CPP. But they're not taking that message. They're not doing anything for the 65% of Ontarians who don't have a pension plan. They're going and saying, "CPP should pay for everybody in the country. We don't want to be involved. We think you should do it," and here are the feds saying, "Sorry." This is page 1 of probably a bunch of them that'll be coming out of backtracking: "Oh, we can't do it and we can't get consensus." This is just the start. There are more coming. Then all the people will say, "What happened?"

The McGuinty government was pushing—sorry.

*Interjection.*

**Mr. Paul Miller:** That's okay, "the McGuinty government." The McGuinty government was pushing CPP. The Minister of Finance stood up—and he has done it several times: "We think the answer is in Ottawa." It looks like Mr. Harper and his friends have a different idea after saying it was good. They talk a lot. They have meetings all over the country. But all I know is, the people in Hamilton and the people in my riding are losing their pensions right, left and centre. There's no money coming to them. All they can say is, "We're talking about it and we've changed the rules on governing it." No money going into their pockets. Of course, they'll say, "We lowered your residential taxes. We did this. We gave you a break here, a break there." It doesn't cut it. These are negotiated monies that were taken in place of wage raises over the years. They're deferred wages, and these wages were supposed to go to the people at the end of their working years. They're pulling the rug out, and they're not doing anything to protect them.

I should also add that the Ontario NDP supports an increase to the GIS and reform of Canada's bankruptcy laws so that pension plan members are ranked above creditors in bankruptcy proceedings.

I can remember being in Ottawa fighting the government of the day, which happened to be a Liberal government at the time, to say, "Why don't you move workers up on the list of creditors so that workers would be number one?" A "workers first" bill. Move the workers up before the banks, before the insurance companies, before everything, and let them put liens on the assets of the company so they could pay their pension plan obligations.

This message that's being sent in Canada is pretty scary. They're saying, "You negotiated with me 30 years ago, and I promised you $2,000 a month when you retire. You keep working for me, keep making me profits. I'll keep putting in," which they don't—too big to fail—and then they get to the end and they say, "Oops. Sorry; the deal's off. You don't get your $2,000. You might get $1,000. You might get $800. You might get nothing." To me, that's robbery. To me, that's illegal. To me, that's fraudulent. That's theft. That's their money that they're playing with, that they worked hard for, and they deserve it.

That said, the issue of expanding pension coverage is an urgent one. We in the Ontario NDP do not believe that the Harper government, not to mention the Alberta government—and Quebec is not so on this, either—is going to move significantly to expand coverage under the CPP. Therefore, we believe that there's an important role to be played at the provincial level in greatly expanding workplace pension coverage.

We know how we wanted to do that. The NDP's Ontario pension plan wasn't discussed, was ignored by the finance minister, was ignored by that side of the House. They didn't want to talk about it; can't do it. I just showed you some of the numbers, how easy it would be to help. It may not help me at my age; it will certainly help our kids and grandkids so they don't have to be on welfare because they can't afford to retire or they have to work till they're 80 years old.

What's going on in France right now? Look at the riots there. They're upset about, what, two years adding on before you can acquire a pension and other issues? They're worried now, and it's not just the baby boomers and middle-aged people; the students are backing them. The students have clued in that, "Hey, one day I'm going to need some help. One day I'm going to need money to see my elderly years through." Even the kids are starting to get it.

You can talk a good game. You can change a few administration things. You can fix and flex and do these things. It certainly doesn't put money in the pockets of the people who need it most, and that's now. As the baby boomers age and get closer to retirement, it's going to double and triple. We're not ready for it. They're not ready for it in Ottawa, and they're not ready for it in Ontario, because they're not doing what they should be doing. They're not moving ahead.

**1710**

We know where we stand. It's called the Ontario retirement plan. I don't have any idea where the McGuinty government stands. What we're worried about is that it will cave in Ottawa, and I think there's been some indication that they've already caved to the insurance lobby here. I think there's a private member's bill that got brought forward to make insurance companies control pension plans. That's a scary thing.

The Ontario retirement plan: The NDP believes that Ontario should move ahead with other provinces and develop a publicly run, supplemental, employment-based pension plan for all working Ontarians who presently lack occupational coverage.

Now, the opposition member got up and said, "I'm concerned about who is going to pay it if I move out of the province." We don't expect an employer to pay for somebody who moves out of the province, because they don't work for that employer, unless they're still working for that employer in another province; certainly they should continue to pay their pension. But if they decide to leave this province and move, they'll be entitled to what they earned in their pension plan and it could be transferred to the other province and into their plan. So you don't lose a dime; you don't miss a tick on the clock. It follows you where you go. The Canada pension plan follows you where you go. Why can't an Ontario pension plan or a Quebec or Manitoba pension plan? Why can't it follow you? I don't see any reason.

First, and most obviously, the Ontario retirement plan would provide a modest retirement benefit to the roughly 65% of Ontarians who presently have no workplace-based pension coverage.

Secondly, in the Ontario retirement plan the band of income that the contribution rate would be assessed against would be different from that of the current CPP. A broader band of income that the contribution would be based on would allow for a higher benefit for plan members earning over $47,000, the current CPP upper limit. We believe that an upper limit in the range of $65,000 to $70,000 makes sense. This responds to exactly the kind of middle-income replacement rate issues that pension expert Bob Baldwin identified in his report to the finance minister, which was tabled in Whitehorse in December.

Thirdly, an Ontario retirement plan could be used to further the consolidation of a fragmented workplace-based pension system. For example, Ontario has over 6,500 workplace plans, many of them very small. Many might elect to integrate into a large Ontario plan that has as its base two thirds of the workforce. Bigger is better in this case.

Fourthly, an Ontario retirement plan would allow for the transfer of RRSPs, which could be used to purchase past service credits for the basic benefit. This means that if you are 45 years old and your pension plan is in jeopardy, you can transfer your RRSPs, which are separate from a pension plan, into the Ontario pension plan to buy credits to give you a fixed amount of money when you retire so you don't miss a beat. This would allow older workers who would not ordinarily be able to earn the full benefit to receive more than they would otherwise.

Here is how it would work. An Ontario retirement plan would be a publicly run targeted defined benefit plan much like the Ontario Teachers' Pension Plan, the Healthcare of Ontario Pension Plan and the Colleges of Applied Arts and Technology Pension Plan.

*Interjections.*

**Mr. Paul Miller:** Members might want to listen to this. This is good stuff. A lot of sidebars here.

In order to maximize participation, every employee not enrolled in a workplace pension plan would be automatically enrolled in the ORP. But the plan is not mandatory. If you have a better way to plan for your retirement, you don't have to take part in the Ontario retirement plan. And if, after opting out—

*Interjections.*

**The Acting Speaker (Ms. Cheri DiNovo):** Just stop the clock for a minute. I've said it before this afternoon: If members would like to have private conversations, they should take them into the lounge. Thank you.

The member should continue.

**Mr. Paul Miller:** Come on, Ted. I listened to you yesterday.

And after opting out—

**Mr. Ted Chudleigh:** You're up against Dr. Phil.

**Mr. Paul Miller:** Yes, I know—you decide that the Ontario retirement plan turns out to be something you can use, you can opt back in. Employees and employers would be expected to contribute equally to the new plan and a minimum contribution rate would be established. Contribution rates for employees and employers should be phased in over a five-year period, and depending on economic circumstances, a somewhat longer phase-in might be considered for small business employers.

Unlike a defined contribution plan or a group RRSP, the assets of the plan would be invested for the plan as a whole and not on an individual basis. This results in far more security for plan members.

The maximum benefit of the plan would likely be between $650 and $700 a month in 2010 dollars. It certainly would help. It certainly might pay that crazy hydro bill or put some food on the table and help you out with your monthly situation on a fixed income. That $700 or $800 a month can make a big difference in a person's life, like whether they can stay in their home or be forced into a one-bedroom apartment.

It's a big difference for elderly people. It's quite a serious situation to be forced out of your house when you're elderly, out of your comfort zone, because of economic conditions or because of a lack of pension plans or lack of an income; that you're forced into a situation that we certainly wouldn't want to see our parents in, but it happens every day in every city in this province.

Like I said before, 20% of the people in my riding live below the poverty level, so you can imagine how many elderly people come into my office upset. They can't pay their hydro bill. They can't pay their monthly bills on utilities, because with their meagre old age security and whatever they've gone through in their money and their small CPP, if they worked, they can't even buy food. It's pretty scary.

Because many current members of the workforce would not have sufficient years in the plan to receive the maximum benefit, plan members would be able to increase their normal benefit through a retroactive purchase of past service credits. It could make a big difference at the end of the day, and if you're in your mid-40s and your pension plan's in trouble and you're not overly confident that the Ottawa government or the provincial government is going to help you out, it might be good that you could buy into a plan that was sponsored by a then-government that would assure you a little more money. If you do get CPP—a lot of people don't—plus your old age pension, plus an Ontario pension plan, you might be able to get by. You certainly won't be living high off the hog, but you can certainly get by, maybe, and you wouldn't be forced out of your house. Because I don't think any member in this chamber could live on $1,500 a month. They can't, and I challenge them to try it.

I wanted to try it. I went on a diet with several of my members, a food bank diet. By the third day I'd run out of food, and the food I got was not exactly nutritious. Day four and day five, I'd be starved or I'd be out standing on a corner trying to get money to buy a hamburger or a hot dog. A lot of people are living like that in our province, but not one member in this House has ever had to do that. You've got to live it to do it.

We challenged them. We challenged the official opposition to do it, and no takers. Five NDPers did it. Interesting. They say they're for the people, they're for the working people, they're for the people of Ontario; well, take a ride on the Reading. Do what they've got to do for a week. You might have a change of thought. You might have a change of heart. You might try to do something for the people in this province who are suffering.

We believe that the Ontario retirement plan would be an extraordinarily cost-efficient vehicle for retirement savings. This is why we would keep all investment management activities in the public sector, either by farming these activities out to an existing large-scale public plan or by putting together a consortium of such plans.

**1720**

I don't want the private industry running my pension plan. I don't want it. I just don't feel comfortable with it. I want to know that I can trust my government. I want them to know that I'm going to get the plan at the end of the day. I know the cheque is going to be in the mail. I don't want fast-talking investors taking my pension plan—from the private sector—and investing in things that are losing, filling their own pockets, and at the end of the day, Paul is out of luck. That's happened; happens all the time.

We think the Ontario retirement plan is the most cost-effective, practical plan that could be out there to protect every Ontarian, but clearly, unfortunately, the Ontario retirement plan proposal is only one proposal amongst many being discussed at the present time. There are tens of billions of dollars annually in new retirement savings that would be triggered by a new comprehensive retirement saving regime, and the banks and insurance companies don't want to lose those management fees. They want a piece of the action; they certainly want to get us again. There are members who favour insurance companies. Therefore, they are becoming increasingly aggressive in pushing their preferred options.

I'd like to talk a bit now about why these options should be rejected. Using 2007 Statistics Canada estimates for an accumulated retirement savings, it is estimated Canadians are spending almost $15.6 billion per year, or 9% of retirement savings, to have their retirement savings managed; $15.6 billion to manage it.

How did we make out? Take a look at the world recession. Take a look at the investments some of these guys made; pretty risky, some of them. I'd say most people in this room probably lost between 20% and 40% of their investments and they blame it on globalization. I blame it on bad money managers. I blame it on bad investments. But not one of those managers lost his paycheque. In fact, I think they got a piece of the action, too. I think they got a bit of it because I know every year they get a bit of the action. They get a few shares off each one of your funds they manage, and it doesn't go down; it goes up. They don't take a loss. When we take a loss, they still take their management fees.

I haven't recovered yet. In six years, seven years I still haven't recovered. I'm down. I thought you were supposed to take money and invest it to make money; at the end of the day they take their little share, that they're doing a good job, that you're making money. But when you lose money, they still take their money. They don't take a hit like you do. Maybe some of those rules should change, too. If you don't perform and the fund doesn't make money, you don't get paid. Well, that wouldn't happen. That won't happen.

Some $15.6 billion; my goodness, we could feed a lot of people with that. We could probably save a few jobs. We might even encourage a few companies to come to Ontario; $15.6 billion, I can't believe that. The bulk of this is spent for retail management fees of various sorts levied by banks, insurance companies and their wholly owned mutual funds. Get that: The fox is watching the henhouse. Let me repeat that: Banks, insurance companies and their wholly owned mutual funds. Wow. You control what comes in, you control what goes out, and you still get your money—that's interesting—even if things are bad.

What if the millions of retail channel savers could pay wholesale rates essentially provided by the public pension funds? If contributors were paying the wholesale administration costs offered by these larger public pension funds, their fees would decline—get this—under public pension funds, by $8.4 billion a year. Wow. That's interesting. Their retirement savings would grow by an additional $8.4 billion per year. Stated still differently, the resulting 1.2% reduction in annual cost is equivalent to a 24% boost in the ultimate pension the retirement savings can purchase.

This raises the important question of why all retirement savers should not have the opportunity to pay wholesale fees. Addressing it requires recognizing the financial services industry is the beneficiary of the current annual $11.2-billion retail channel cash flow which calculations show could fall by $8.4 billion to $2.8 billion with wholesale pricing. The financial services industry argues that surveys show their clients are satisfied with the current arrangements. Well, I'm not, for one. I'm not happy with my broker. I'm not happy with the investments that are going on. He's in an industry where he has to struggle with all the other money managers. I don't think he's doing it to me personally. If you put money in, after six or seven years you expect to have more than you put in, but it's not happening

It's unavoidable costs; daily valuation and liquidity goes on all the time. More importantly, the money buys their clients valuable advice and almost unlimited choice.

Valuable advice: It doesn't take a rocket scientist to read a profit-and-loss statement or a stock portfolio. How did that stock perform? How is it going to perform? I think more people should learn more about this and manage their own portfolio, because somebody's making an awful lot of money on the backs of us.

In response, we in the NDP question why long-term retirement savers should have to pay for services they do not need: daily valuations and liquidity. The "valuable advice" argument would be more persuasive if there was evidence that this advice is actually producing higher risk-adjusted returns for clients. In fact, the evidence points the other way. Studies in Canada, the United States and Australia have confirmed what theory predicts: the higher the average costs of investing, the lower average net returns. Finally, behavioural studies confirm what common sense tells us: Retail investors have far too much choice. In fact, most do not want to choose at all.

So from a design perspective, the question is clear: How can we best help millions of Canadian retirement savers who want adequate pensions at affordable savings rates but who don't want to get mired in the complexities of investing?

We in the NDP say the answer is obvious: a large, public, multi-employer benefit plan like our proposed Ontario retirement plan.

But we're afraid, very afraid, that where the McGuinty government is going is something like the private member's bill tabled by the member from Peterborough, who is favouring insurance companies to administer pension plans—a scary proposition. No, thank you. Insurance companies have made enough off me in the last 50 years. No, thank you.

Defined pension plans are signed agreements between working people and their employer, some of them 30 and 40 years ago. Several contracts: Every three, four years, they sign a contract. The employer agrees to make contributions to the employees' pension plan in lieu of financial raises or other benefits. The union, or the government working union, signs on the dotted line. They will continue to work, continue to make profits or whatever they do for that employer, continue to work under his regime, his rules, to better his lifestyle, better his situation. All they ask in return is, "Give me what you promised to give me for all these years of dedicated service, all these years that my family now have to rely on me, when I'm 65 or 70, to provide for them or help them or whatever I'm doing"—a whole lifetime of working, paying the taxes, doing what the system tells you to do, honouring your end of the bargain.

What do these employers do, some of them? "Sorry; we made bad investments in the market. Sorry; we're liquidating. Sorry; we don't have the money to put in your pension plan for the next 10 years like we promised. Sorry; you're going to get 30% or 40% of what you were entitled to." That's wonderful. You're 65 years old, ready to retire, and you're going to get 30% of what you're entitled to.

I guess they broke their promise. I guess they broke a contract. Let's talk about contract law. Let's talk about what they were supposed to do. The employee lived up to his end of it and the employer didn't. What is this government doing to stamp on the employers who aren't living up to their obligations? Under the present rules, they allow them to make investments in—to use some of the money in the pension plan for whatever; surpluses, for use wherever they want. They shouldn't be allowed to use surpluses in bad times because that makes it worse if the bad times get even worse, and they allow them to do it.

**1730**

The rules have to change. Certainly, they've made some administrative changes. I guess through pressure, media attention and the opposition hammering them every day, they finally had to move on pensions. But they moved an itty-bitty little bit for administration. They did nothing to put money back in the pockets of the people who negotiated their contracts with these companies and these employers in good faith—good faith bargaining: "I did my job. You made your profits. You bought your little resort in the Bahamas. We did that to help you do that. And now I'm asking for $2,000 or $1,500 so I don't have to get booted out of my house, so I can put food on the table for my wife and I and whoever else I'm helping out, because a lot of our kids can't get jobs."

A lot of kids are staying at home a lot longer. Have you noticed? Some aren't leaving until they're 35 because they haven't got the wherewithal to have their own apartment and their own car. They can't afford to leave home, and they can't afford to get married, unless you have four people working in the house to pay the bill. I don't know how these people can afford to live in Toronto. I know the people in my community can't pay $2,500, $3,000 in rent a month. Where are people getting the money? Our society is in debt. Those plastic cards that came out many years ago have put a lot of people behind the eight ball, and they continue to do so.

Our kids, most of them, unless they come from a wealthy background, are living on credit. If one of them gets sick, they lose the house. I go down the street and I see people who are 35 years old—or 32, even younger—with two brand new cars in the driveway and a $350,000 house with no furniture. They're living in a shell. Not one of them can get sick. If they miss a week's work, the bank is knocking on the door: "You missed your mortgage payment," or "You missed your payments."

This government has to get a handle on this. They have to get a handle on pensions. They have to get a handle on our economy. They have to produce more jobs. We're on a downslide, and they stand up, day in and day out—I get a headache. I hear, "We've created 600,000 jobs, 50,000 green venture jobs." Where? It certainly isn't in my community. There were 27,000 jobs lost last month. In fact, Siemens, one of the last major employers in Hamilton, next to Dofasco and Stelco, is leaving.

I could go through a list of 70 to 80 major companies that have left Hamilton in the last 20 years. Some 47,000 manufacturing jobs have left our city. I haven't seen—600,000? I haven't seen 2,000 come to the city. They've sunk some money into the medical end of it, and that's good for medical research, but that doesn't give John the truck driver, Bill the forklift driver and Joe the barber any money. It gives to some bureaucrats, some administrators, some researchers and some doctors, yes, but they're at the high end. They're making good money. How about all the people in the middle? How about the people below that? No answers.

The desperation in my community is getting worse by the week, and they stand up and say, "Everything's okay. Everything's fine. It's getting better." Nonsense. It's not getting better; it's getting worse by the day. More people are unemployed, more people are—our food banks are empty. People can't even afford to give to the food banks. The three major food banks in Hamilton are almost empty. That certainly isn't a sign of good times. That certainly isn't a sign of protecting people's jobs, their pensions, their economy.

As I said before and as I've said for 10 years, in Ottawa and Ontario there has been an erosion of our base industries. We don't own anything anymore. Our three major steel companies—Algoma, Stelco, Dofasco—are foreign-owned. They were formerly Canadian-owned.

Ninety-two per cent of our forestry—you wonder why all the places are closing in northern Ontario—are foreign-owned; 90% of our mining. If you don't own your mining, don't own your forestry—next, it will be our water—and you don't own our manufacturing, you wonder why there's a pension crisis? You wonder why people are leaving Ontario? You wonder why people are leaving this country with their firms? They don't want to pay Paul the welder $45 an hour. They want to pay him $4 an hour in Mexico. And we allow it to happen.

We are creating a welfare state. That's what we're creating in Ontario. And it's not just this government; it's other governments too. I'm not going to put the whole blame on them. It has been going on for 20 years. You can't see the forest for the trees. That's what's going on, and we have done it to ourselves. We've done it to our kids and we've done it to our grandkids.

With the—how would I put it?—the grey area of, "Things are going to get better; foreign investment is good, globalization"—I hear the Premier stand up all the time: "We're in a global market." Well, how are we making out? Most of the people in my city are unemployed. The government brags about the 140,000 jobs they created. They sure did—10 or 11 bucks an hour, 14 bucks an hour in service industries, most of them, and some small factories. The $30- and $35-an-hour jobs are gone for good.

Don't tell me things are good. Don't tell me you've created 600,000 jobs. Don't tell me there are 50,000 green venture jobs. Nonsense. Is that why you signed a contract with Samsung? That's certainly not going to get my people jobs. It might help them; it's not going to help my people.

Here we are: pensions. Pensions come from good-paying jobs. We've got a government—let's take Siemens in Hamilton. We have 400 to 500 workers who are now not going to have a job. We've got the factories; we've got the infrastructure; we've got the employment; we've got the skill sets; we've got tradespeople sitting at home twiddling their thumbs who could pass on knowledge to our young people for trades, and that company is going to close and leave because of high hydro costs, because they want cheap labour in another country. They want to build it cheaper in the States or Quebec or wherever they come from, and we're out of luck.

When I used to drive to work on Burlington Street in Hamilton for over 30 years, some days I had trouble getting a parking spot. You could fire a cannon off on Burlington Street and not hit anybody right now. Talk about brownfields. Holy mackerel. Brownfields? I've got hundreds of factories in trouble. Nobody there. Lots of parking spaces; I can park anywhere I want. I can park in the former CEO's spot because he's gone too.

We'd better smarten up because, I'll tell you, if we don't fix these pensions and we don't start bringing jobs to Ontario, we are going to be a social welfare state, relying on our friends from the south to bail us out, or England or somewhere else. There is still hope; there's still an opportunity to change it and protect people's pensions, but we certainly aren't going to do it by throwing the ball back and forth from Ottawa to Toronto: "Oh, you fix it." "No, you fix it." "No." "CPP: We'll raise it." Don't hold your breath. Maybe, after push comes to shove, they might get a 2% or 3% raise, which might be 10 or 12 bucks a month. It certainly isn't going to change anybody's life in my community or anyone else's community.

We've got to get with it. We've got to make substantial, meaty changes, not half-assed efforts.

**Hon. Kathleen O. Wynne:** Is that parliamentary?

**Mr. Paul Miller:** Half-assed.

**The Acting Speaker (Ms. Cheri DiNovo):** I would ask the member to withdraw that last comment as unparliamentary.

**Mr. Paul Miller:** All right. I will remove the second part of it.

It's brutal. It's absolutely brutal what's going on. All they care about—they sit there for an hour and a half and don't say anything. Because I said a word that wasn't quite protocol—not a word about pensions; not a word about changing the economy; all they're worried about is that I said one little thing wrong. Pretty pathetic.

*Interjection.*

**Mr. Paul Miller:** Pathetic. Do you know what, Speaker? I've seen this so many times over the last three years that it's beyond comprehension. It's beyond trying to understand. Everyone's walking around with a bag on their head. They don't get it. You don't get what's going on out there.

**1740**

Come to Hamilton. I'll be glad to show you a tour of my area. People can't afford to eat, can't pay their hydro.

I've got single mothers coming into my office with nowhere to go because this government's creating 600,000 jobs and 50,000 green venture jobs, and they're going to do all this. Trust me, public, it's all double talk. It's not happening. They don't want to fix your pension plan. They're blaming the feds. The feds blame them. Nothing's getting done. It's all tinkering.

**Hon. Kathleen O. Wynne:** What's your plan, Paul? Tell us about your plan.

**Mr. Paul Miller:** I did. You weren't listening. I talked about the Ontario plan.

**The Acting Speaker (Ms. Cheri DiNovo):** I would remind the member to speak through the Chair. Minister of Transportation, please speak to the Chair.

**Mr. Paul Miller:** I'd be happy to show you our plan. Maybe they don't understand it; I don't know. Or maybe they don't want to touch it with a 10-foot pole; I don't know.

You know what? I could go on and on about the waste of money in this province. I said this morning—they showed the electronic cards they wanted to create. Five years to create the card; they spent $388 million dollars in five years for hardware, software, programs, how they want to do it—$388 million. Over $200 million went to consultants. Almost 48% of the budget went to consultants. That's one ministry—one ministry. Twenty-two ministries—if I added it up over the 22 ministries—and that's not counting the other 300 agencies and commissions that this government oversees—I think I'd be fair to say it's in the billions that they've wasted.

I'll tell you what I could do with a couple of billion dollars in Hamilton. I could put a lot of people to work, feed all the poor, help create some kind of activity marketing-wise. We could do a lot with that money. They waste billions every year, and if people could actually understand what's going on here and really could see what's happening, they would be shocked. I keep raising the alarm bells. I keep telling them, "Waste, waste, waste." They don't believe it. Well, what can I say? Hopefully one day when we're all having problems paying our bills, when most of us are unemployed in this country because of the way it's going—the only thing we have good about us is that we have some good natural resources that could still save us.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments?

**Mr. Mario Sergio:** I have been listening for the past 60 minutes to a very heartwarming rendition of Bill 120, but with all due respect to the member from Hamilton East–Stoney Creek, in all of his 60 minutes I haven't heard that he's saying that he's supporting the workings, the content of Bill 120. I wish he would have said something with respect to that.

In answer to that, I have to say that the bill comes forth from the action of the government. It is the government that has to recognize the existing situation that we are in thanks to the economic situation of the last few years. The government has recognized the need to make some immediate improvements, some changes, to the pension system, and here we are today. If it wasn't for the economic situation of the last few years, I can tell the House that we wouldn't be here today discussing this particular bill.

The member said a couple of things right—I agree with some of the others. One is that it's not the fault of this government. Was it perhaps the previous one or the previous one? We went over 20 years, over two decades, where nothing has been done. But I have to say, and I think it would be very nice if they recognized it from the other side, that this government has recognized the need, given the particular situation, to act and bring some long-term stability to the system for the employer, workers, retirees and pensioners that we all care for.

I can hear the passion with which the member is talking about that, but it's also very passionate to speak about "Let's support the government that is willing, wanting to do something," and that is why we have this piece of legislation here today. We all know that unless something is done, the future will remain uncertain, and it will not be sustainable any longer for our employers, employees and the government at large. So I hope that we'll all support Bill 120.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments.

**Mr. Ted Arnott:** I listened to the contribution this afternoon by the member for Hamilton East–Stoney Creek to Bill 120. It was an interesting speech, and he spoke at some length—for an hour, I believe. I thought he outlined his particular ideas and concerns, obviously, in a very effective way, as he always does.

I had the chance to visit Hamilton on October 3 to actually tour the HMCS Haida, which is a Canadian destroyer that is now there as a tourist attraction for all to see. I was obviously very troubled by the economic situation in Hamilton. I think the member is quite right to bring forward the concerns of his constituents with respect to the economy and jobs. He focused on the fact that if we don't have good jobs, how can we save for our retirement, whether it's through our RRSPs, through pensions or even through the CPP?

It's interesting that there is an article in today's Globe and Mail concerning the CPP reform. It indicates that the Minister of Finance for Canada, the Honourable Jim Flaherty, is working with the other Ministers of Finance towards trying to see if there is a consensus around enhancements to the CPP. It would appear that there isn't unanimity, but significant reform of CPP apparently, from what I'm told, requires the support of two thirds of the provinces representing two thirds of Canada's population.

Clearly, in my riding certainly, there are many thousands of families who are facing the future with a great deal of anxiety, because they would like to be able to save more for their retirement. The cost of living and high taxes make it more difficult for them to do so. Those who are lucky enough to have a pension, and ideally a defined benefit pension, are very, very fortunate and privileged. Some of us don't have that, of course. As we know in this Legislature, we have a defined contribution plan. But at the same time, I think it is incumbent upon the government to bring forward modern pension legislation that enhances retirement security for Ontarians, and I would encourage them to do so.

I hope that Bill 120 will go to committee so that we can discuss this issue further.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments.

**Mr. Wayne Arthurs:** I'm pleased to have just a couple of minutes to respond to the member from Hamilton East–Stoney Creek during the hour that he had available as the leadoff.

With the number of members in the House who were paying very close attention to what the member said, I must say I was disappointed that as he was closing off his remarks, he was in some way trying to suggest that those of us here today, taking the time to listen carefully, somehow weren't engaged in what he was saying. I would suggest we were. I'm saddened by the rendition he has for his riding and for what he sees happening in Hamilton East–Stoney Creek. We probably have members on this side who will view their community a little bit differently, and I look forward to them having the opportunity on another bill to speak to the exciting and important growth opportunities that are occurring in Hamilton and what makes it one of the great cities in this province, one which will yet again find its place among the leading cities as our economy changes.

The bill itself, though—we have to remember what this is about. This is about issues such as strengthening the rules that require more sustainable funding for those benefits that have been promised and stronger funding standards for benefits improvements, so really two things there. You've got to have the rules in place so that those promised benefits are going to be realized. As people finish their work careers, they have expectations. We've seen situations where they're not realized, so we need to strengthen those rules. This legislation will do in part what's necessary.

There are opportunities in the legislation for the funding standards, for benefit improvement. It's not just about maintaining the status quo; it's giving an opportunity to take a look and see, are there ways and measures by which the benefits can actually be improved on a go-forward basis for future generations on retirement?

The bill will have a number of very specific issues, many of which will get addressed during the regulatory process. But this dialogue around retirement income adequacy and pensions is an important one in this province and across the country.

**The Acting Speaker (Ms. Cheri DiNovo):** Questions and comments.

**Mr. Jeff Leal:** I did listen intently to the speech this afternoon by the member from Hamilton East–Stoney Creek. I, for one, as one member of the House, recognize his passion and his experience in this particular area.

**1750**

I know in my own case, I'm not an expert on the manufacturing base of Hamilton, but I can reflect on Peterborough. In the last 24 months, we in our community developed a manufacturing renewal strategy. It's led to significant investments in GE Canada, Quaker, Tropicana and Gatorade—anybody who had breakfast with Quaker Oats this morning had that product from Peterborough.

Siemens, which has a large operation in Peterborough, 400-plus employees, just announced that they're repatriating jobs to Peterborough from the United States operations. McCloskey Brothers, which manufactures trommels for the aggregate business, is building two new plants in Peterborough. So there are good examples where communities are working together to come up with a manufacturing renewal strategy to put in place to support pensions.

The member is quite right. The Canada pension plan is an interesting vehicle, of course, brought in in 1964-65 by then Prime Minister Pearson. It was set up because they had to bring in a Quebec option to placate the interests of the province of Quebec at that time. It was set up that any amendments to the CPP down the road would have to be done through a constitutional amendment: seven provinces representing 50% of population.

Ontario's position, I believe, is quite clear. We'll be one province that will be supporting changes to the CPP. The Ontario voice, all of us in this Legislature, should be talking with our colleagues and other provinces across Canada to get them on board to come up with the necessary amendments.

I recommend to the member, too, to read the recent publication from the Senate of Canada under the chairmanship of Senator Michael Meighen, which talked about pension reform in a very comprehensive fashion. It's a great document.

**The Acting Speaker (Ms. Cheri DiNovo):** The member has up to two minutes to respond.

**Mr. Paul Miller:** I'd like to thank the members from York West, Wellington–Halton Hills, Scarborough East–Pickering and Peterborough.

In reference to the member from Scarborough East–Pickering, I'm sorry that he was not happy with my last three minutes, but standing up here for an hour being frustrated and realizing what's going on in my community—I'd like to give him a tour of my community; come and see what's going on. There are people who go into my office on a daily basis, crying, upset, nowhere to go. I'm not quite sure he faces much of that in his area. Twenty per cent of the people in my riding are living below the poverty level. So when the member says that he's upset about a couple of sentences, I'm glad to hear he was listening to the rest, but he didn't mention the good stuff.

The member from Peterborough—very knowledgeable in your comments. I compliment you for your understanding of the circumstances with Siemens. I'm not quite sure that bringing jobs from the States to Peterborough is helping me, but—

**Mr. Jeff Leal:** I just wanted to make a point.

**Mr. Paul Miller:** That's a point; you know, any jobs are good. I hope they're not American citizens coming up here to work for the firm.

**Mr. Jeff Leal:** No, no.

**Mr. Paul Miller:** That's good. The member from York West—you know, not everything is doom and gloom; he's right. But if he had listened at the beginning of my presentation, I did compliment the government on some of the things they're doing to change administration in the bill. I did compliment them.

Let's face it, it boils down to money. It boils down to the money that's going out of people's pockets and the money that's not coming in for pensions that they're entitled to. That's the frustration. I don't see any of that. I don't see any money coming back into people's pockets from their pension plans that have been stolen. So I really am frustrated. You're right.

**The Acting Speaker (Ms. Cheri DiNovo):** Further debate.

**Mr. Joe Dickson:** I'd like to make some comments on Bill 120. I appreciate the opportunity to speak. I would just make a comment as to the previous speaker. I think the previous speaker from Hamilton has perhaps unintentionally maligned a number of people here. I don't know anyone in this place where we are today who does not work hard with the poor. That's from all parties, whether it's the government, the opposing party or the third party. Absolutely everyone here does that. But I understand his frustration because he works very hard, too.

I know he thinks that, because he's done a stint with living for a couple of days off food donations—my wife and I spend half a year running a special project that contributes significantly to 10 food banks in my area. That includes St. Vincent de Paul, Ajax-Pickering Salvation Army and a large Anglican food bank. I just mention that because I think we all are of the same ilk. We all bend over backwards to help everybody else.

Bill 120—I have to tell you, I'm pleased to speak on it. We as a government are taking significant steps towards pension reform. It's perhaps overdue. We now have two major government bills in front of us: of course, Bill 236 and Bill 120. The two bills comprise the first major improvements to our pension system in Ontario for over 20 years. We must focus on protecting what we have and improving upon that as well.

The challenges before us are pretty well known to all of our members here: a fluctuating economy witnessing the largest economic recession since the 1930s. Who would have dreamt that Great Britain would be on credit watch? Who would dream that General Motors and Chrysler would be in trouble, and the other travesties that are occurring in the world? There is pension underfunding. Our population of seniors aged 65 and older is nearly going to double, and that is in the near future.

What have we done? Well, there's been steady progress. In November 2006, our government created the Expert Commission on Pensions chaired by expert Harry Arthurs—no relation to the member from Pickering–Scarborough East. In November 2008, the Expert Commission on Pensions released its report, A Fine Balance: Safe Pensions, Affordable Plans, Fair Rules.

On April 27, 2009, I had the pleasure of putting forward a resolution on pensions. It was debated and it was carried with unanimous all-party support—and that's back a year and a half ago. On December 9, 2009, the finance minister—I guess I can't say the name Dwight Duncan, so I won't—introduced Bill 236, the Pension Benefits Amendment Act, 2010. On December 17 and 18, there was a national pension summit. The Ontario Minister of Finance attended, along with finance ministers from other jurisdictions from all across Canada. That, I believe, was in Whitehorse.

On March 25 of this year, under our provincial budget, some $500 million—a half a billion dollars—went as a grant to the PBGF, the pension benefits guarantee fund. I know that has been mentioned more than once today. Approximately $250 million was set to benefit the top-up of Nortel's pension. So we have been there, responding to the crises as they unfold.

The stakeholder round table consultations began in Ottawa on May 6. This was to gain stakeholder input on pension reform. On May 18, royal assent was given to our Bill 236—our very first bill. That was approved. On August 24 of this year we released a technical backgrounder concerning Bill 120—that's our newest bill—and through this paper invited more stakeholder input.

I'm concerned when I hear that there's not an opportunity to debate. I look around, and we have one person from one party and two people from another party here. If there certainly isn't an interest for them to sit—

**The Acting Speaker (Ms. Cheri DiNovo):** Stop the clock, if you will. I would remind the member not to refer to the absence or presence of members in the House. Thank you.

**Mr. Joe Dickson:** Madam Speaker, what did I say wrong?

**The Acting Speaker (Ms. Cheri DiNovo):** You referred to the number of people in the opposition parties. I would ask that—yes. Thank you.

**Mr. Joe Dickson:** Thank you very much. I won't reference the numbers again. Thank you, Madam Speaker.

The announcement of proposed pension reforms are now forthcoming this fall, in 2010. That meeting took place in Ottawa on August 24.

On October 18, Finance Minister Duncan tabled a motion to address Ontarians without workplace pensions, endorsing a modern expansion of CPP, which is of course our Canada pension plan. That is, and I think it's worth reading again, "that the Legislative Assembly of Ontario acknowledge that about two thirds of Ontarians do not have a workplace pension and that providing a secure future for retirement is important. It therefore endorses a modest and gradual expansion of the Canada pension plan (CPP), as the majority of provinces and the federal government agreed to at the last federal-provincial-territorial finance ministers' meeting in the summer of 2010, and that the province continue to work with the federal government and other provinces to move forward on the expansion of the CPP."

On October 19, Finance Minister Dwight Duncan delivered a statement in the House regarding the introduction of Bill 120, the Securing Pension Benefits Now and for the Future Act, 2010.

That brings us up to date. We're debating the second significant piece of legislation from our Ministry of Finance. Our government is making the first changes to pension legislation in over 20 years.

This is what Bill 120, the Securing Pension Benefits Now and for the Future Act, sets out to accomplish. It will make much-needed amendments to the Pension Benefits Act. It will strengthen Ontario's pension funding rules. It will provide stronger funding standards. It will clarify pension surplus rules and it will provide a binding dispute resolution process in the event of a pension windup. With this new proposed legislation, our government's reform to the pension system will have responded to the majority of the 142 recommendations outlined in the expert commission's report to the Ontario government. The remaining recommendations will be considered for inclusion in future reforms, such as Bill 120, which is before us today.

Why do I support this bill? I support this proposed legislation because I believe it will provide increased pension security, as it intends. The ultimate goal here is to protect the money going to pensioners so that they remain financially secure. We must protect what we have in those pensions now and ensure that future pensions are also secure, that we don't encounter the kinds of problems we are seeing today, with the example of Nortel. As I mentioned before, about half of the $50-million pension benefits guarantee grant from the 2010 budget is going directly to address Nortel's pension shortfall. Bill 120's proposed amendments to existing pension legislation will strengthen the pension system and prevent future pension crises.

At this point, we are making significant progress in addressing the expert commission's 142 recommendations. With this bill, our government will have responded to approximately two thirds of them. As the third party member from Hamilton East–Stoney Creek mentioned—

**The Acting Speaker (Ms. Cheri DiNovo):** I would ask that the member save his comments for the next day of debate.

*Second reading debate deemed adjourned.*

**The Acting Speaker (Ms. Cheri DiNovo):** It now being six of the clock, I declare that this House stands adjourned until tomorrow morning at 9 a.m.

*The House adjourned at 1803.*

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| **Smith, Hon. / L'hon. Monique M. (LIB)** | Nipissing | Minister of Intergovernmental Affairs / Ministre des Affaires intergouvernementales<br>Government House Leader / Leader parlementaire du gouvernement |
| Sorbara, Greg (LIB) | Vaughan | |
| Sousa, Charles (LIB) | Mississauga South / Mississauga-Sud | |
| Sterling, Norman W. (PC) | Carleton–Mississippi Mills | |
| Tabuns, Peter (NDP) | Toronto–Danforth | Deputy Third Party House Leader / Leader parlementaire adjoint de parti reconnu |
| **Takhar, Hon. / L'hon. Harinder S. (LIB)** | Mississauga–Erindale | Minister of Government Services / Ministre des Services gouvernementaux |
| Van Bommel, Maria (LIB) | Lambton–Kent–Middlesex | |
| **Wilkinson, Hon. / L'hon. John (LIB)** | Perth–Wellington | Minister of the Environment / Ministre de l'Environnement |
| **Wilson, Jim (PC)** | Simcoe–Grey | First Deputy Chair of the Committee of the Whole House / Premier vice-président du comité plénier de l'Assemblée |
| Witmer, Elizabeth (PC) | Kitchener–Waterloo | |
| **Wynne, Hon. / L'hon. Kathleen O. (LIB)** | Don Valley West / Don Valley-Ouest | Minister of Transportation / Ministre des Transports |
| Yakabuski, John (PC) | Renfrew–Nipissing–Pembroke | Opposition House Leader / Leader parlementaire de l'opposition officielle |
| Zimmer, David (LIB) | Willowdale | |

**STANDING COMMITTEES OF THE LEGISLATIVE ASSEMBLY**
**COMITÉS PERMANENTS DE L'ASSEMBLÉE LÉGISLATIVE**

**Standing Committee on Estimates / Comité permanent des budgets des dépenses**

Chair / Président: Garfield Dunlop
Vice-Chair / Vice-président: Robert Bailey
Robert Bailey, Gilles Bisson
Jim Brownell, Kim Craitor
Bob Delaney, Garfield Dunlop
Phil McNeely, John O'Toole
Maria Van Bommel
Committee Clerk / Greffier: Douglas Arnott

**Standing Committee on Finance and Economic Affairs / Comité permanent des finances et des affaires économiques**

Chair / Président: Pat Hoy
Vice-Chair / Vice-présidente: Laura Albanese
Laura Albanese, Toby Barrett
Bob Delaney, Kevin Daniel Flynn
Pat Hoy, Norm Miller
Leeanna Pendergast, Charles Sousa
Peter Tabuns
Committee Clerk / Greffière: Sylwia Przezdziecki

**Standing Committee on General Government / Comité permanent des affaires gouvernementales**

Chair / Président: David Orazietti
Vice-Chair / Vice-présidente: Helena Jaczek
Steve Clark, Helena Jaczek
Kuldip Kular, Dave Levac
Amrit Mangat, Rosario Marchese
Bill Mauro, David Orazietti
Joyce Savoline
Committee Clerk / Greffier: William Short

**Standing Committee on Government Agencies / Comité permanent des organismes gouvernementaux**

Chair / Président: Ernie Hardeman
Vice-Chair / Vice-présidente: Lisa MacLeod
Laura Albanese, Michael A. Brown
Donna H. Cansfield, M. Aileen Carroll
Howard Hampton, Ernie Hardeman
Lisa MacLeod, Leeanna Pendergast
Jim Wilson
Committee Clerk / Greffier: Katch Koch

**Standing Committee on Justice Policy / Comité permanent de la justice**

Chair / Président: Lorenzo Berardinetti
Vice-Chair / Vice-président: Reza Moridi
Bas Balkissoon, Lorenzo Berardinetti
Ted Chudleigh, Mike Colle
Christine Elliott, Peter Kormos
Reza Moridi, Lou Rinaldi
David Zimmer
Committee Clerk / Greffier: Trevor Day

**Standing Committee on the Legislative Assembly / Comité permanent de l'Assemblée législative**

Chair / Président: Bas Balkissoon
Vice-Chair / Vice-président: Yasir Naqvi
Bas Balkissoon, Joe Dickson
Sylvia Jones, Amrit Mangat
Norm Miller, Yasir Naqvi
Michael Prue, Mario Sergio
Maria Van Bommel
Committee Clerk / Greffière: Tonia Grannum

**Standing Committee on Public Accounts / Comité permanent des comptes publics**

Chair / Président: Norman W. Sterling
Vice-Chair / Vice-président: Peter Shurman
Wayne Arthurs, M. Aileen Carroll
France Gélinas, Jerry J. Ouellette
David Ramsay, Liz Sandals
Peter Shurman, Norman W. Sterling
David Zimmer
Committee Clerk / Greffier: Trevor Day

**Standing Committee on Regulations and Private Bills / Comité permanent des règlements et des projets de loi d'intérêt privé**

Chair / Président: Michael Prue
Vice-Chair / Vice-président: Paul Miller
David Caplan, Kim Craitor
Jeff Leal, Gerry Martiniuk
Paul Miller, Bill Murdoch
Michael Prue, Lou Rinaldi
Tony Ruprecht
Committee Clerk / Greffier: Katch Koch

**Standing Committee on Social Policy / Comité permanent de la politique sociale**

Chair / Président: Shafiq Qaadri
Vice-Chair / Vice-président: Vic Dhillon
Vic Dhillon, Cheri DiNovo
Rick Johnson, Sylvia Jones
Jean-Marc Lalonde, Ted McMeekin
Shafiq Qaadri, Khalil Ramal
Elizabeth Witmer
Committee Clerk / Greffière: Susan Sourial

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