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**Official Report
of Debates
(Hansard)**

Tuesday 22 July 2014

**Journal
des débats
(Hansard)**

Mardi 22 juillet 2014

**Standing Committee on
Finance and Economic Affairs**

Building Opportunity and
Securing Our Future Act
(Budget Measures), 2014

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

Loi de 2014 ouvrant des
perspectives et assurant notre
avenir (mesures budgétaires)

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

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

Tuesday 22 July 2014

Mardi 22 juillet 2014

The committee met at 0901 in room 151.

**BUILDING OPPORTUNITY
AND SECURING OUR FUTURE ACT
(BUDGET MEASURES), 2014**

**LOI DE 2014
OUVRANT DES PERSPECTIVES
ET ASSURANT NOTRE AVENIR
(MESURES BUDGÉTAIRES)**

Consideration of the following bill:

Bill 14, An Act to implement Budget measures and to enact and amend various Acts / Projet de loi 14, Loi visant à mettre en oeuvre les mesures budgétaires et à édicter et à modifier diverses lois.

The Chair (Ms. Soo Wong): Good morning. I'm going to call the meeting to order and I'm going to read some housekeeping stuff, just to remind everybody. As ordered by the House on Wednesday, July 16, 2014, we assemble here today for the clause-by-clause consideration of Bill 14, An Act to implement Budget measures and to enact and amend various Acts.

Pauline Rosenbaum, legislative counsel, is here today to assist us with our work.

The committee is authorized to sit today from 9 a.m. to noon and from 1 p.m. to 5 p.m. A copy of a number of amendments received at yesterday's 6 p.m. deadline is on your desks.

Committee members will know that by 2 p.m. today I'm required to interrupt the proceedings and shall, without further debate or amendment, put every question necessary to dispose of all the remaining sections of Bill 14 and any amendments thereto. From that point forward, those amendments which have not yet been moved shall be deemed to have been moved and any division required shall be deferred until all remaining questions have been put and taken in succession with one 20-minute waiting period allowed.

Do we have any questions before we commence? Seeing none, okay, all right.

You've probably noticed today that Bill 14 is comprised of three sections which enact 32 schedules. In order to deal with the bill in an orderly fashion, we shall postpone section 3 in order to dispose of the schedule first.

Since there have been no amendments filed for schedule 1, are there any questions, comments or discussion for schedule 1? I see none.

I'm going to go through this fairly quickly. Shall section 1 carry? Carried.

Shall section 2 carry? Carried.

Shall section 3 carry? Carried.

Schedule 1, section 1: Shall that be carried? Because this is still with schedule 1, right? There's no amendment. I just heard there's no amendment, no discussion. Schedule 1, section 1: Will that be carried? Carried.

Shall schedule 1, section 2 carry? Carried.

Shall schedule 1 carry? Carried.

Schedule 2, section 1: Is there any debate—because we did not receive any amendments, right? Ms. Forster?

Ms. Cindy Forster: Maybe I'll just speak to the schedule in its entirety, as opposed to speaking to the section.

We're actually opposed to schedule 2. The provisions of this bill relating to the IESO and the OPA merger are inadequate, in our view. The bill does not ensure that the market operations function of the new organization is effectively separated from its procurement and its contract management activities. This bill leaves it up to a board of directors of the new organization to take such steps as it considers appropriate to accomplish the effective separation of functions, and we don't believe that that is acceptable.

The Chair (Ms. Soo Wong): Are there any comments and further debate on this particular schedule? Okay, I'm going to call the question now.

Schedule 2, section 1: Shall it be carried? Carried.

Schedule 2, section 2: Shall that be carried? Carried.

Schedule 2, section 3: Shall that be carried? Carried.

Shall schedule 2 carry? Carried.

Schedule 3, section 1: Shall schedule 3, section 1 be carried?

Interjection.

The Chair (Ms. Soo Wong): Any discussion, comments? Ms. Forster.

Ms. Cindy Forster: I'll speak to schedule 3 in its entirety as well.

We're opposed to schedule 3 actually carrying. This omnibus budget bill does not address the real issues that are concerning Ontarians with respect to affordable housing and home warranties, particularly under Tarion, in Ontario. There are 160,000 people waiting for affordable

housing in this province, and the people need real action, they need real housing actually built to address the housing crisis. Tarion, as we know—and many of you who are new to this Legislature will get numerous complaints in your constituency offices about Tarion—doesn't adequately protect homeowners in this province. For years we've heard from people, from our constituents, who thought that they were covered under the Tarion program, only to find out that they really weren't. When they actually made a claim to Tarion, they ended up with battles in the courts for many years, fighting with the Tarion warranty company which is supposed to be protecting them.

We've raised this issue time and time again, but the Liberal government has chosen to ignore it, so we think that under schedule 3 you should be dealing with issues that affect real people, our constituents in this province, as opposed to proposing this amendment alone.

The Chair (Ms. Soo Wong): Do we have further debate on schedule 3? Ms. Vernile.

Ms. Daiene Vernile: In schedule 3, it refers to the Architects Act or the Professional Engineers Act, and that has nothing to do with what you've been talking about. You refer to this as an omnibus bill, and I would strongly disagree with you; it is not an omnibus bill. You refer to affordable housing, and there is a provision in the budget with great support for affordable housing, \$43 million. I'd like to be on the record as having submitted that.

The Chair (Ms. Soo Wong): Are there any further comments and questions or debate on this particular schedule 3? So I'm going to go back right from the top.

Schedule 3, section 1: Shall it be carried? Carried.

Schedule 3, section 2: Shall it be carried? Carried.

Schedule 3, section 3: Shall it be carried?

All those in favour of schedule 3, section 3? Can we see a show of hands? Those opposed? Carried.

Schedule 3, section 4: Shall it be carried? Carried.

Shall schedule 3 be carried? Carried.

So now we're up to schedule 4. Are there any comments, questions or debate on schedule 4? Seeing none, I'm going to go through the sections.

Schedule 4, section 1: Shall it be carried? Carried.

Schedule 4, section 2: Shall it be carried? Carried.

Schedule 4, section 3: Shall it be carried? Carried.

Shall schedule 4 be carried? Carried.

All right, schedule 5. Are there any comments, questions or debate on schedule 5 before I proceed? Ms. Vernile.

0910

Ms. Daiene Vernile: I was just adjusting my glasses. Sorry.

The Chair (Ms. Soo Wong): Okay, your glasses.

Schedule 5, section 1: Shall it be carried? Carried.

Schedule 5, section 2: Shall it be carried? Carried.

Schedule 5, section 3: Shall it be carried? Carried.

Schedule 5, section 4: Shall it be carried? Carried.

Shall schedule 5 be carried? Carried.

All right, we're at schedule 6 right now. Is there any discussion or debate on schedule 6? Ms. Forster?

Ms. Cindy Forster: Thank you. We're opposing this amendment as well, although it's a technical house-keeping amendment, according to the details.

This government has had no serious plan for the last year and a half to actually keep its promise of reducing auto insurance rates by 15% across the board. It's another promise made, another promise broken, by the Liberal government. Last week, even the finance minister gave another boost to the auto insurance companies, and he confirmed that the government will not meet its target by cutting auto insurance rates by 8% in August. In fact, average premiums actually increased in the second quarter of this year.

Ontario families need to see real action to reduce those auto insurance rates and we're not seeing it from this government. I think that's where this government should be focusing its attention, making sure that people have more money in their pocket by reducing auto insurance rates, as they promised in the 2013 budget process.

The Chair (Ms. Soo Wong): Okay. Mr. Milczyn?

Mr. Peter Z. Milczyn: Thank you, Madam Chair. What is before us in this clause are simply technical amendments, housekeeping amendments to the act, to allow for better administration of it and ensure there's compulsory automobile insurance.

The Minister of Finance was very clear that most insurance companies have actually reduced their rates over the last quarter. There was one that apparently increased their rates and that threw off the average, but the majority of them were reducing rates. Had there not been an unnecessary election triggered by the opposition, our government's plan to continue reducing rates would have been accelerated and Ontarians would have actually seen more money in their pockets sooner. But we're on track to meet our targets.

The Chair (Ms. Soo Wong): That's great. Any more comments on the debate? Okay, seeing none, I'm going to call schedule 6, section 1: Shall it be carried? Carried.

Schedule 6, section 2: Shall it be carried? Carried.

Shall schedule 6 carry? All right, I hear carried.

Schedule 7: There's a lot more stuff here now. Are there any questions, comments or debate for schedule 7? Seeing none, I'm going to go for it.

Schedule 7, section 1: Shall it be carried? Carried.

Schedule 7, section 2: Shall it be carried? Carried.

Schedule 7, section 3: Shall it be carried? Carried.

Schedule 7, section 4: Shall it be carried? Carried.

Schedule 7, section 5: Shall it be carried? Carried.

Schedule 7, section 6: Shall it be carried? Carried.

Schedule 7, section 7: Shall it be carried? Carried.

Schedule 7, section 8: Shall it be carried? Carried.

Schedule 7, section 9: Shall it be carried? Carried.

Schedule 7, section 10: Shall it be carried? Carried.

Schedule 7, section 11: Shall it be carried? Carried.

Schedule 7, section 12: Shall it be carried? Carried.

Schedule 7, section 13: Shall it be carried? Carried.

Schedule 7, section 14: Shall it be carried? Carried.

Schedule 7, section 15: Shall it be carried? Carried.

Schedule 7, section 16: Shall it be carried? Carried.

Schedule 7, section 17: Shall it be carried? Carried.

Shall schedule 7 be carried? Carried.

All right, so now to schedule 8. Are there questions, comments or debate for schedule 8? Seeing none—

Ms. Ann Hoggarth: Excuse me.

The Chair (Ms. Soo Wong): Yes, Ms. Hoggarth?

Ms. Ann Hoggarth: On page 13 of the one we just did—

The Chair (Ms. Soo Wong): Schedule 7.

Ms. Ann Hoggarth: —is there not a section 18, 19, 20, 21, 22 and 23?

The Chair (Ms. Soo Wong): I'll check with staff.

Ms. Ann Hoggarth: No?

Interjection.

Ms. Ann Hoggarth: No, it goes to section—

The Chair (Ms. Soo Wong): The Clerk's going to bring the—

Ms. Ann Hoggarth: It goes to section—

The Chair (Ms. Soo Wong): It ends at 17. According to—

Interjections.

Ms. Ann Hoggarth: Okay. Thanks for the clarification.

The Chair (Ms. Soo Wong): We're on to schedule 8. Are there any questions, comments or debate on schedule 8? Seeing none, I'm going to read it through.

Shall schedule 8, section 1 be carried? Carried.

Shall schedule 8, section 2 be carried? Carried.

Shall schedule 8 be carried? Carried.

Now we have schedule 9. Are there any questions, comments or debate on schedule 9? None.

Shall schedule 9, section 1 be carried? Carried.

Shall schedule 9, section 2 be carried? Carried.

Shall schedule 9, section 3 be carried? Carried.

Shall schedule 9, section 4 be carried? Carried.

Shall schedule 9, section 5 be carried? Carried.

Shall schedule 9, section 6 be carried? Carried.

Shall schedule 9, section 7 be carried? Carried.

Shall schedule 9, section 8 be carried? Carried.

Shall schedule 9, section 9 be carried? Carried.

Shall schedule 9, section 10 be carried? Carried.

Shall schedule 9, section 11 be carried? Carried.

Shall schedule 9, section 12 be carried? Carried.

Shall schedule 9 be carried? Carried.

Okay, we're on schedule 10. Are there any questions, comments or debate on schedule 10? Seeing none, I'm going to call it.

Schedule 10, section 1: Shall it be carried? Carried.

Schedule 10, section 2: Shall it be carried? Carried.

Shall schedule 10, section 3 be carried? Carried.

Shall schedule 10, section 4 be carried? Carried.

Shall schedule 10, section 5 be carried? Carried.

Shall schedule 10, section 6 be carried? Carried.

Shall schedule 10, section 7 be carried? Carried.

Shall schedule 10, section 8 be carried? Carried.

Shall schedule 10, section 9 be carried? Carried.

Shall schedule 10, section 10 be carried? Carried.

Shall schedule 10, section 11 be carried? Carried.

Shall schedule 10, section 12 be carried? Carried.

Shall schedule 10, section 13 be carried? Carried.

Shall schedule 10, section 14 be carried? Carried.

Shall schedule 10 be carried? Carried.

Thank you. All right.

I've received notice from staff that a PC notice notified the committee that there is some information. So, Mr. Fedeli, do you want to comment?

Mr. Victor Fedeli: Yes. This is on schedule 11.

The Chair (Ms. Soo Wong): That's right, schedule 11.

Mr. Victor Fedeli: This is the Gasoline Tax Act. We're recommending that we vote against schedule 11. May I ask the Clerk a question? Do I read the reason for the notice rather than the motion? Do I read that paragraph or just get into my comments?

The Clerk of the Committee (Mr. Katch Koch): It's not necessary; just debate the—

Mr. Victor Fedeli: Thank you, then, Chair.

So we are recommending that this committee vote against the Gasoline Tax Act. We've heard from speakers who spoke rather passionately yesterday about the ill effects to the aviation sector that this will have. They spoke about the fact that increasing from 2.7 cents to 6.7 cents over the coming four years—a penny increase a year—is going to be very harsh on the sector. They talked about their calculations of 292,000—another professor talked about 400,000—passengers being affected. I brought up the comment that this not only affects passenger travel, which includes holiday travel, of course, but important business travel and medical travel. All will have increased costs. This is where the 292,000 passengers will be affected. They talked about the fact that this is an economic stimulus for the Buffalo airport and for other airports in northern US border cities.

0920

I am particularly concerned with the cargo aspect of it as well. Many of our goods that are manufactured in Ontario are shipped by air. Materials that we receive are also shipped in by air. This makes the cost of selling and the cost of buying more expensive to the consumer.

When you look at what's happening in other jurisdictions, particularly here in Canada—the British Columbia model, for instance, where they've eliminated the fuel tax on international flights. I've never seen a tax that creates business, but we do know that higher taxes hurt business. When British Columbia eliminated the fuel tax on international flights, the Vancouver airport ended up with 22 new international carrier flights in and out of Vancouver airport, which creates excellent economic development for their repair and overhaul facilities, for their passengers who are doing the travelling and for their ground crews. More people are hired to accommodate 22 additional international carrier flights.

Higher taxes don't create jobs; lower taxes create jobs. As a businessperson, a lifelong entrepreneur, I can tell you I've never found a tax that has caused businesses to jump up and down and rush to Ontario. This is a tax that

will cost jobs in Ontario, and that's why we will be voting against this.

I will ask for a recorded vote on this one. Thank you.

The Chair (Ms. Soo Wong): All right. Any questions or comments? Mr. Milczyn.

Mr. Peter Z. Milczyn: Yes. It's really clear that the purpose of this is to bring some more equity back into the equation of how we fund transportation. This particular sector has not seen any change in the tax on aviation fuel in over a dozen years now—actually, closer to 20 years—

Interjection: Twenty-two years.

Mr. Peter Z. Milczyn: —at a time when the price, as a percentage of the cost of the fuel—that tax has become really a marginal component of it. So it's not unreasonable to want this one sector of the transportation economy to pony up a little bit more money to help fund the other improvements to transportation that we need that actually help the aviation sector. This government's investment in the Union-Pearson air-rail link is an example of something that will actually move more people more easily to Pearson, to make that a more accommodating airport hub for business, and even tourism and leisure travel.

What we also know is that one of the key drivers for high costs in our local market in terms of aviation is the exorbitant landing fees that the federal government charges Pearson airport, making Pearson one of the most expensive airports in the world to land at. That's thanks to the federal government, which has been petitioned repeatedly to bring more equity and to actually bring Pearson's fees more in line with other airports across the country. It seems to be another example of the federal government treating Ontario differently than it treats some of the other provinces.

But in any case, we know that Pearson airport actually is attracting more and more international travel, including more and more Americans using Pearson as the key point for them to travel internationally. So yes, we lose some travellers to Buffalo airport for the \$90 flights down south, which are really as a result of the greatly deregulated US airline industry that doesn't have the same safety features and the other safeguards that we do, but yet for the higher value-added travel we're attracting Americans to fly through Pearson, to fly to Asia, to fly to Europe and to fly to South America in some cases. There are two sides to that story.

The other aspect of that that I want to touch on is, when we talk about southern Ontario travellers going to Buffalo—

Interjection: Flint.

Mr. Peter Z. Milczyn: Or Flint—the US federal government greatly subsidizes the operations of the airports. The Canadian model is actually that the airports pay their way and they are not subsidized by taxpayers. They operate as stand-alone businesses—maybe with the exception of Pearson, which is gouged by the federal government with exorbitant landing fees, but otherwise that is also a key difference between American airports and especially

the small American airports that benefit from US-style, pork-barrel politics of great subsidies for marginal regional airports.

Back to this point, Madam Chair: It's important that this government find ways to fund transportation and public transportation improvements that will actually help with promoting Pearson and other airports as good modes of transportation and integrating it altogether to make it easier for people to access airline travel and reduce the carbon footprint of us on the ground before we go up in the air by having less traffic going to Pearson airport, perhaps less traffic going to other airports elsewhere in Ontario where we're also going to be making significant improvements in public transportation. Thank you, Madam Chair.

The Chair (Ms. Soo Wong): I also have Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you, Chair. I don't know any government that has left something alone for 22 years and not raised it. I do not think that this is going to be a terrible imposition on the airlines. I believe that it is indeed time to look to the federal government to reduce the exorbitant taxes that they put on the airlines, and perhaps that could help them.

The Chair (Ms. Soo Wong): Ms. Vernile.

Ms. Daiene Vernile: Chair, I would just like to add a few comments, adding to what my cohorts here have said, and that is to look at the comparisons. We're talking about 6.7 cents per litre, and when you compare that to what you see happening around the world, that is considerably less. So Paris, Chicago, New York—Heathrow is charging almost 70 cents per litre on fuel taxes. So under seven cents, which is what we are proposing, is considerably less. Again, this money is going to go to funding long-term economic growth and job creation.

I'd also like to state that the Minister of Finance has said that he would work with the Ministry of Transportation to provide relief to vulnerable communities, especially those in remote areas in northern areas of Ontario.

The Chair (Ms. Soo Wong): Any further comments? Mr. Bailey.

Mr. Robert Bailey: Yes, I'd like to support my colleague's opposition to this. I've talked to the Sarnia airport operations. This is something that they're opposed to as well. They're a small airport. They're trying to maintain service. It's fine to talk about these big airports like Toronto; you're not going to lose that many passengers I'm sure, but in Sarnia, to maintain it there, for the industry and the tourist community that travel back and forth between southwestern Ontario—and I'm sure the London airport; I'm sure my colleagues from the London area will have something to say about this as well.

I'm opposed to this. As my colleague noted a few minutes ago, yesterday it took 23 minutes to—

Interjection: Actually, it was 17.

Mr. Robert Bailey: —17 minutes to blame the federal government for something that they're having to do; today, it only took 23. Anyway, I'll be opposed to this as well.

The Chair (Ms. Soo Wong): Mr. Fedeli.

Mr. Victor Fedeli: Thank you, Chair. I did want to respond to a couple of things that were stated. You said that you're not sure about any airports that operate without taxpayer funds. Actually, you said that airports operate without taxpayers' funds specifically—what I wrote is, “operate without taxpayer money.” I have to remind you that most airports in Ontario are owned by the municipalities, and they are fuelled and fed by the taxpayer. Virtually every airport in Ontario operates under taxpayer money. So I would look to correct that statement.

Also to mention that the airports in the United States are not safe: This was quite a shocking revelation worth following up on, to look at what is referred to by the member on the US safety record. I'll be questioning that a little later, perhaps in the Legislature, as well.

0930

And to hear that because the tax hasn't been raised since 1992—“What taxes haven't been raised since 1992?” was another comment. We'll also be looking at that question: What taxes haven't been raised? Does that mean that the Liberal government will be raising other taxes that have not been raised since 1992? We'll have to look carefully at what other taxes have been left untouched that are now coming under threat by this government. By that very comment, we are going to be questioning what other taxes will be raised.

I thank the Chair for the opportunity to comment on the three comments that were made that I found alarming, accusatory or incorrect.

The Chair (Ms. Soo Wong): Mrs. Albanese?

Mrs. Laura Albanese: I would just like to put on the record that this budget reflects the platform that we ran on and it does not include any tax increases.

At the same time, Madam Chair, I would ask you to put the question at this point.

The Chair (Ms. Soo Wong): I do have one more speaker.

Mr. Milczyn?

Mr. Peter Z. Milczyn: Just to Mr. Fedeli's remark: I do apologize because I'm not familiar with every airport in the province, and I take his point that there may be a number of smaller airports in the province that might be municipally owned and perhaps they get municipal support. When I was speaking about the Toronto experience, the larger airports across this country, the key gateways like Pearson, Trudeau, Vancouver airports—all of them operate on strictly a business model where they pay for themselves and there are no taxpayer subsidies. I may stand corrected about certain smaller airports. It wasn't my intention to mislead anybody or make an incorrect statement.

The Chair (Ms. Soo Wong): Thank you. I heard earlier that Mr. Fedeli wants the schedule to be a recorded vote, so I'm going to ask the committee's indulgence. Instead of reading each section, I'm going to lump them as sections 1 to 4 and ask for a recorded vote, which means that everybody has to raise their hand. I just want to make sure of that.

Schedule 11, section 1 through section 4, inclusive: Shall they be carried?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Carried.
Shall schedule 11 be carried? Recorded vote.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Schedule 11 is now carried.

Now we're on schedule 12. Are there any debates on schedule 12? Ms. Hoggarth?

Ms. Ann Hoggarth: Could I just ask a question? I notice that our friends from the third party did not vote one way or the other. Will that be recorded as an abstention? I just want everyone to know they were in the room when this was done.

The Chair (Ms. Soo Wong): No.

Ms. Ann Hoggarth: No?

The Chair (Ms. Soo Wong): They have a right to abstain. We don't record—

Ms. Ann Hoggarth: So when people read this, they would think that they're not even in the room?

The Chair (Ms. Soo Wong): Well, they would know that they're in the room because—they just didn't vote for schedule 11.

Ms. Ann Hoggarth: Okay. Thank you.

The Chair (Ms. Soo Wong): We just don't record abstentions.

We're now on schedule 12. Are there any questions, comments or debate on schedule 12? Seeing none, shall schedule 12, section 1 be carried? Carried.

Shall schedule 12, section 2 be carried? Carried.

Shall schedule 12, section 3 be carried? Carried.

Shall schedule 12 be carried? Carried.

All right. So we're now on schedule 13. Are there any questions, comments or debate on schedule 13? Ms. Forster.

Ms. Cindy Forster: Thank you, Chair. So, once again, this is just another technical amendment when we really should be addressing the issue of the child care crisis in this province and expanding safe, affordable non-profit child care. This government refuses to acknowledge that there's a crisis in this province.

Unfortunately, this budget and this bill do nothing to address the lack of child care spaces in the province and the impending closure of child care facilities in 18 communities across the province. For that reason, I will be opposing this particular schedule.

The Chair (Ms. Soo Wong): Okay. Are there any further comments or debate on this particular schedule? Seeing none, I'm going to go forward with it.

Shall schedule 13, section 1 be carried? Carried.

Shall schedule 13, section 2 be carried? Carried.

Shall schedule 13 be carried? Carried.

Schedule 14: Any questions, comments or debate on schedule 14? All right. I'm going to call it.

Shall schedule 14, section 1 be carried? Carried.

Shall schedule 14, section 2 be carried? Carried.

Shall schedule 14, section 3 be carried? Carried.

Shall schedule 14, section 4 be carried? Carried.

Shall schedule 14, section 5 be carried? Carried.

Shall schedule 14, section 6 be carried? Carried.

Shall schedule 14, section 7 be carried? Carried.

Shall schedule 14, section 8 be carried? Carried.

Shall schedule 14 be carried? Carried.

Okay. Now, I notice that we have, from the PC Party, notice of a motion. Right? Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much, Chair. So this is the interim appropriation. Basically, this schedule enacts the appropriation authorizing the expenditures. Chair, I would like to read a couple of sentences from Don Drummond, because they apply specifically to this spending.

Don Drummond outlined some big-ticket reforms that he said would be "an important turning point in the province's history." He called for a "sharp degree of fiscal restraint." He said, "The government must take daring fiscal action early," and "act swiftly and boldly." To balance the budget will require "tough decisions," the treatment will be "difficult," and "most of the burden ... must fall on spending." He called for "a wrenching reduction from the path that spending is now on."

Here we are, Chair, more than two years later, and the Liberal government are now implementing an expenditure review to study whether to take any of that urgent action that was recommended by their own economist.

So, Chair, this authorizes major expenditures, which is exactly what Don Drummond recommended against. Therefore, we will be opposing this schedule 15.

The Chair (Ms. Soo Wong): Okay. I have—

Mr. Victor Fedeli: And I'll ask to record again.

The Chair (Ms. Soo Wong): Recorded vote, okay.

I have Ms. Hoggarth first.

Ms. Ann Hoggarth: Well, I would ask our honourable opponents—I have seen this—

Mr. Victor Fedeli: We're not really opponents; we're colleagues.

Ms. Ann Hoggarth: All right, colleagues.

Mr. Victor Fedeli: Thank you.

Ms. Ann Hoggarth: Sorry. That's a newbie error.

I've seen on the TV, mainly from the USA, where this kind of—if we are not doing this, passing this motion, it

means that probably we would be willing to shut down government, stop salaries and services. I don't think there's anyone on this committee who is willing to do that. I sure hope not. So I will be voting for this—not for the amendment, but for the motion.

The Chair (Ms. Soo Wong): Okay. Mr. Milczyn.

Mr. Peter Z. Milczyn: Well, our friend across the table here used the word "wrenching." Indeed, Mr. Drummond made a lot of good recommendations that were accepted. Not all of his recommendations were accepted because at the end the day, people are elected to make wise decisions that respect the will of the people and that provide the services that they want. In the election, there were wrenching alternatives proposed, and those were rejected by the voters.

0940

This government, in this budget, continues to have the lowest per capita spending on government services of any provincial government in the country, and we're continuing on that track. We are making the tough decisions, and we are showing fiscal restraint.

The Chair (Ms. Soo Wong): Ms. Vernile?

Mr. Victor Fedeli: Can I correct something, Chair? I did not call for "wrenching"; it was Don Drummond who called for "a wrenching reduction from the path that spending is now on." I'm quoting Don Drummond.

The Chair (Ms. Soo Wong): Ms. Vernile.

Ms. Daiene Vernile: To our PC colleagues, just to remind you, our plan is to balance the budget by 2017-18. That comes just a year after your proposed plan which involved firing 100,000 people. Our plan came just a year after, but it didn't involve firing that many public sector workers.

I want to get it on the record: Are you determined to shut down the government that was elected on June 12 to follow through on the budget? This is what the people of Ontario voted for. That involves stopping the salaries of people who work for Ontario who are providing services for this province. Is that what you are determined to do?

The Chair (Ms. Soo Wong): Further debate? Ms. Forster.

Ms. Cindy Forster: I'd just like some clarification on my colleague's remarks. You said that you weren't going to actually fire that many. How many are you going to fire?

Ms. Daiene Vernile: That's not what we're talking about here. I asked a question here of our PC members. They are the ones who moved this motion to stop it. I want to ask them: Are you determined to shut down the government? That is going to stop the salaries of people in this province who provide services. Is that your intention?

The Chair (Ms. Soo Wong): I don't think there's going to be—okay. Any further debate? Seeing none, I'm going to go through this.

I heard "recorded vote," so I'm going to go through each schedule and section clearly so we see a show of hands. What we could do to make it faster is, I can say,

“Sections 1 to 7, inclusive: All those in favour? All those opposed?”—okay?

Schedule 15, sections 1 through 7, inclusive: All those in favour, raise your hands.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Carried.

Shall schedule 15 be carried? All those in favour? All the hands, because we’ve got to record it.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Schedule 15 is now carried.

Schedule 16: Are there any questions, comments or debate on schedule 16? Seeing none, shall schedule 16, section 1 be carried? Carried.

Shall schedule 16, section 2 be carried? Carried.

Shall schedule 16 be carried? Carried.

Now we go on to schedule 17. Any questions, comments or debate on schedule 17?

Mr. Victor Fedeli: A recorded vote, please, Chair.

The Chair (Ms. Soo Wong): A recorded vote has been asked for. Any debate or comments to schedule 17? I’m going to need a show of hands. Schedule 17, section 1: All those in favour?

Ayes

Albanese, Bailey, Baker, Fedeli, Forster, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): It carries.

Schedule 17, section 2: All those in favour? This is a recorded vote. You asked for recorded votes.

Ayes

Albanese, Bailey, Baker, Fedeli, Forster, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): That carries.

Shall schedule 17 be carried? Can I see a show of hands?

Ayes

Albanese, Bailey, Baker, Fedeli, Forster, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): Schedule 17 is now carried.

Schedule 18: Are there any questions, comments or debate for schedule 18? Seeing none, shall schedule 18, section 1 be carried? Carried.

Shall schedule 18, section 2 be carried? Carried.

Shall schedule 18 be carried? Thank you. Schedule 18 is carried.

Schedule 19: Are there any questions, comments or debate? Seeing none, all right, let’s go. Shall schedule 19, section 1 be carried? Carried.

Shall schedule 19, section 2 be carried? Carried.

Shall schedule 19, section 3 be carried? Carried.

Shall schedule 19 be carried? Carried. Schedule 19 is done.

Schedule 20: Any questions, comments or debate? Shall schedule 20, sections 1 and 2, inclusive, be carried? Carried.

Shall schedule 20 be carried? Schedule 20 is carried.

Schedule 21: Any questions, comments or debate for this schedule? Seeing none, schedule 21, sections 1 and 2, inclusive: Will that be carried? Carried.

Shall schedule 21 be carried? Thank you, schedule 21 is carried.

Schedule 22: Are there any questions, comments or debate for schedule 22? Seeing none, shall schedule 22, sections 1 through 4, inclusive, be carried? Carried.

Shall schedule 22 be carried? Carried. Thank you.

Schedule 23: Are there any questions, comments or debate? There are 16 sections to this schedule, so I’m going to ask for the committee’s indulgence. I’m going to collapse them as one vote, okay? Shall schedule 23, sections 1 through 16, inclusive, be carried? Carried.

Shall schedule 23 be carried? Thank you. Schedule 23 is now carried.

We have notices from the PC Party that there is an amendment. Mr. Fedeli.

Mr. Victor Fedeli: Thank you, Chair. This section 24, the Ontario Loan Act, authorizes the crown to borrow up to a maximum of \$19.5 billion, which is what we expect the debt to grow by this year. We’ve always said we expected the debt to grow by \$20 billion, so we were never that far off from what may happen here.

We know that the deficit is forecast at \$12.5 billion this year. We know that in 2003, when this government took over, our debt was \$139 billion. Here we are 11 years later and our debt is now over \$280 billion. It has more than doubled. It took 137 years to get to \$139 billion and it took 11 years to more than double it to \$280 billion-plus.

Because this government has not been able to balance the budget, we’ve seen them—I call it digging for nickels and dimes in the couch, but these are big and very serious nickels and dimes that have consequences.

We've seen cuts. We've seen a tremendous amount of cuts in the last year. We've seen physiotherapy for seniors cut last year. We've seen cuts to diabetes testing strips over the last year. We've seen cuts for two years now to cataract surgeries; 39 days, actually, were lost this year in cataract surgeries because this government can't balance their budget.

We've seen tremendous cuts to front-line health care. In my community of North Bay, we have nurses who were fired last year and nurses who were fired this year. This is real; these have happened. Last year we had 40 front-line health care workers cut from the hospital. This year, they have announced they are closing 60 beds. I got an email on the weekend from CUPE announcing that the bed closures have indeed started. Two weeks ago, we lost 34 front-line health care workers because this government can't balance their budget.

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We saw eight teachers fired in my community three weeks ago now. We saw 67 telecommunications workers who work for the province of Ontario at the Ontera division of Ontario Northland terminated, all in the hope that this government could balance the budget. We need to vote against the Ontario Loan Act. We need to stop the spending and stop the borrowing.

With respect to the 67 telecom workers who are a result of this, Chair, that came because a couple of years ago, March 2012, the then Minister of Northern Development and Mines announced that they would be dissolving Ontario Northland with the hope of saving \$265 million to help balance the budget. It was in the budget to save \$265 million for the purpose of balancing the budget—to not have to borrow this \$19.5 billion.

To be quite blunt, I never believed that from the start and came out very early against that, Chair, and spoke very heavily that the math doesn't add up. We're not going to save this money and they're going to end up having to borrow, just as they are recommending to do today. In fact, I felt so strongly about it that in one of the committees we asked the Auditor General to step in. With the support of the NDP, we were able to bring the Auditor General in and, indeed, what she said was that you will not save \$265 million. In fact, it will cost you \$820 million. That's the December 2013 Auditor General's report where she outed the truth of the sale, and yet this government, this month, is continuing with the sale of Ontera even though it will not help this Ontario Loan Act. It will not help. In fact, the auditor's numbers pointed to the fact that to sell off Ontera will actually not save any money. It will cost the taxpayers between \$50 million and \$70 million just to sell a division that they were selling to save money.

That \$50 million to \$70 million needs to be borrowed. We don't have it. We have a deficit in Ontario. It's part of that \$19.5 billion that the government here wants the permission of this Legislature to go and borrow. For that, and all of the other reasons I've mentioned, we cannot support this and the further cuts.

The Chair (Ms. Soo Wong): Okay. I have Ms. Hoggarth.

Ms. Ann Hoggarth: Just in regard to the—did you say 10 teachers were fired?

Mr. Victor Fedeli: Eight.

Ms. Ann Hoggarth: Eight teachers were fired. First of all, usually the term is that they're declared "surplus" from their schools and then they are found a job in another school. If that is not able to happen, they are declared redundant. When school goes back in in the fall, if there are sufficient students to have more teachers, they are the first ones who must be given back their jobs, and that is in place for two years. So they are not fired. I really think that was ill-stated.

The Chair (Ms. Soo Wong): Any other comments?

Mr. Victor Fedeli: They consider themselves fired, but I'll give them the comfort that you're passing on to them.

The Chair (Ms. Soo Wong): Any other comments? Mr. Milczyn?

Mr. Peter Z. Milczyn: I'm new here, so I'm still trying to follow the logic. Our friends across the table are upset about a deficit, upset about borrowing, upset about what they say are cuts to services, yet their recipe to balance the budget was to fire 100,000 people. So I don't entirely follow that, but I'm going to be supporting this budget because it's not firing 100,000 people and it's not cutting those services.

The Chair (Ms. Soo Wong): Any further comments?

Interjection: Recorded vote.

The Chair (Ms. Soo Wong): I hear a recorded vote. So this is what we're going to do: I'm going to read each section. I need a show of hands.

Schedule 24, section 1.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Schedule 24, section 1: Carried.

Schedule 24, section 2.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Section 2 is now carried. Schedule 24, section 3.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Carried.
Schedule 24, section 4.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): That's carried.
Shall schedule 24 be carried?

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Schedule 24 is now carried. Thank you.

Now in schedule 25: Are there questions, comments or debate on schedule 25? I believe there are 15 sections to this particular schedule. We're going to collapse it into one vote.

Shall schedule 25, sections 1 through 15 inclusive, be carried? Carried.

Shall schedule 25 be carried? All right, thank you. Schedule 25 is now carried.

We're now at schedule 26. I think the PCs have a notice. Right?

Mr. Victor Fedeli: We do.

The Chair (Ms. Soo Wong): On section 8. Are there any questions or comments to sections 1 through 7 before we go forward? Ms. Forster.

Ms. Cindy Forster: New Democrats have—are we dealing with his amendment first or are we dealing with—

The Chair (Ms. Soo Wong): I just want to ask: Are there any questions and comments or debate on sections 1 through 7? Ms. Forster.

Ms. Cindy Forster: New Democrats have serious concerns about this schedule and about the security of pension plans in this province. We think it's problematic the way it's currently written, particularly regarding the conversion of the single-employer pension plans to jointly sponsored pension plans. The legislation reaches beyond the public sector and into the private sector and really would allow the government the ability to allow any

single-employer plan in the private sector to be converted into a jointly sponsored pension plan without member consent. We think that that is really too far-reaching.

The Chair (Ms. Soo Wong): Are there any other questions or comments or debate on sections 1 through 7? So can I just collapse them all and ask the question?

Shall schedule 26, sections 1 through 7, be carried? Carried.

Now we're going to deal with section 8. Mr. Fedeli.

Mr. Victor Fedeli: Yes, and I would look for a recorded vote on this one, please.

So as you saw, we weren't in objection to the section that amends the interpretation of spouse and the technical amendments of the transfer of assets, but we do object to the approval of the conversion of the pension plans without proper due diligence, and that's the rest of schedule 26. This has the potential to be a billion-dollar concern, Chair. We caution the government to keep the fairness to the taxpayer, as well as the members of these single-employer plans.

It's open-ended in terms of cost and the obligations to the employer. We just truly don't know what the liabilities are or what they could be. This could be, as I said, significant. It could be a billion-dollar obligation on the part of the government—nobody knows—and there's no real clear way to see the details because the government has not supplied them.

Single-employer public pension plans, SEPPs, include 41,000 members of the Ontario public employees' pension plan, 13,000 members of the TTC pension plan, all of the universities, all of the colleges, as well as hospital worker pension plans. We truly don't know the state of these plans and the true calculation of their unfunded liabilities that would be needed to bail out these plans in order to convert and combine the plans into a jointly sponsored pension plan.

As I mentioned in the earlier discussion on section 24, we're talking about exercising restraint and honouring our fiduciary responsibility. I would think that we actually need to study the implications of these sections far deeper, and as such, we cannot support section 8 at this time.

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The Chair (Ms. Soo Wong): Okay. Are there any questions or comments? Mr. Milczyn.

Mr. Peter Z. Milczyn: Just a comment. The member mentioned the TTC. The TTC has already been converted to a jointly sponsored pension plan—about a year ago.

The Chair (Ms. Soo Wong): Any other comments? I heard Mr. Fedeli wants section 8 to be a recorded vote—or all the other sections?

Mr. Victor Fedeli: Just section 8.

The Chair (Ms. Soo Wong): Just section 8. Okay. We have a recorded vote requested.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): That particular section is now carried.

Are there any questions, comments or debate for sections 9 through 15? Any comments, questions, debate? Seeing none, I'm going to go through, collapsing them.

Shall schedule 26, sections 9 through 15, inclusive, be carried? Carried.

Shall schedule 26 be carried?

Mr. Victor Fedeli: Recorded vote.

The Chair (Ms. Soo Wong): Oh, you want a recorded vote. Okay.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli, Forster.

The Chair (Ms. Soo Wong): Schedule 26 is now carried.

Schedule 27: Are there any questions, comments or debate on schedule 27? Seeing none, I'm going to call the question. Shall schedule 27, sections 1 through 2, inclusive—shall it be carried? Carried.

Shall schedule 27 be carried? Thank you. Schedule 27 is now carried.

Schedule 28: Are there any questions, comments or debate for schedule 28? There are 18 sections to this schedule. All right. I see the hand. Mr. Fedeli has a comment.

Shall schedule 28, sections 1 through 18, inclusive, be carried? Carried.

Shall schedule 28 be carried? Thank you. Schedule 28 is now carried.

Schedule 29: I believe the PCs have a motion only on section 10. I'm going to do section 1 through section 9. Are there any questions, comments or debate for sections 1 through 9? Seeing none, I'm going to call the question. Shall schedule 29, sections 1 through 9, inclusive, be carried? Carried.

Now, Mr. Fedeli, you want to comment on your particular section?

Mr. Victor Fedeli: Yes. This refers to the Ontario Trillium Benefit.

The Chair (Ms. Soo Wong): Okay. Can you move your motion first, Mr. Fedeli? Motion number 5 you have to move on record.

Mr. Victor Fedeli: Oh, I have it here. Sorry about that.

The Chair (Ms. Soo Wong): You need to read it out, please.

Mr. Victor Fedeli: We're on schedule 29?

The Chair (Ms. Soo Wong): Yes.

Mr. Victor Fedeli: I move that subsection 10(1) of schedule 29 to the bill be struck out and the following substituted:

“(1) Subparagraph 2ii and paragraph 3 of subsection 103.3(3) of the act are repealed.”

That's the motion.

The Chair (Ms. Soo Wong): You have the motion. You want to debate this particular amendment?

Mr. Victor Fedeli: I do. I genuinely do, and I ask for a recorded vote.

The Chair (Ms. Soo Wong): Okay.

Mr. Victor Fedeli: I don't want this to sound—well, let me just say that when I first got elected, I was quite surprised at the amount of phone calls that came into the local constituency office on the Ontario Trillium Benefit. I will say especially for anybody who's newly elected, you will be quite surprised at how many people call your office about this.

Other than hydro and, in northern Ontario, road conditions, which are the two really serious phone calls that we get, we found, and many of the MPPs from all parties find, that the Ontario Trillium Benefit is a very frequent phone call when people don't get their cheque. They call about it and wonder what happened. “What happened to the cheque? It used to come every month, and now we don't get it until we get this one lump sum payment.”

They are concerned about the fact that the stagger in the Trillium lump sum payments will continue. Payments for the 2013 benefit year are not doled out until June 2015. I will say, aside from energy and road conditions in the winter, this is by far the single largest volume of phone call complaints we get in our office. I know there's a mechanism to correct this. I know that there's sort of a box to be ticked off, if you will. People don't understand that. They just want to know, “Where's my cheque?” and what happened to the system that they had for years.

We're looking for a very simple correction, Chair. Thank you.

The Chair (Ms. Soo Wong): Okay. I see Mrs. Albanese.

Mrs. Laura Albanese: Yes, thank you. I must disagree. I guess we have different constituencies, but my experience is actually getting phone calls because they could not receive the lump sum for a period of time. Now they can when their cheque is over \$360 a year. The ones who wanted to have the choice—and that was the basis of most of the phone calls that we have been receiving in our constituency office—now do have that choice.

This motion that you have put forward would increase the administration costs to the government, because you're talking at times of cheques that could be as little as 17 cents a month. That's why the \$360 was chosen as a threshold. But I can assure you that in our constituency, all of the phone calls were about receiving the lump sum instead of the monthly cheque. Those far exceeded the ones that wanted to have the monthly cheque.

The Chair (Ms. Soo Wong): Any other comments for the debate?

Mr. Fedeli has asked for this particular section to be a recorded vote. I just want to make sure people know that.

No more debate? Okay.

All those in favour of this particular motion from Mr. Fedeli? A show of hands, all those in favour?

Ayes

Bailey, Fedeli.

Nays

Albanese, Baker, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): This particular amendment is lost.

Shall schedule 29, section 10 be carried? Carried.

Schedule 29, sections 11 through 17: Are there any comments or debate on sections 11 through 17, inclusive? None? Okay.

Shall schedule 29, sections 11 through 17, inclusive, be carried? Carried.

Shall schedule 29 be carried? Schedule 29 is now carried.

Interjection.

The Chair (Ms. Soo Wong): What's that?

Mr. Victor Fedeli: We didn't have the recorded on that.

The Chair (Ms. Soo Wong): Oh, you want—okay.

Mr. Victor Fedeli: I had asked for the recorded—

The Chair (Ms. Soo Wong): Sorry. I apologize.

You need to let me know, okay? Anybody who wants a recorded vote, please tell me, because I only do that section. Okay?

Schedule 29: All those in favour, please raise your hand.

Ayes

Albanese, Baker, Forster, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Schedule 29 is now carried.

We are now on schedule 30. Mr. Fedeli, I believe you have another motion here.

Mr. Victor Fedeli: I do. Imagine that.

The Chair (Ms. Soo Wong): Yes.

Mr. Victor Fedeli: I still have to applaud the government on the naming of their acts. The Taxpayer Protection Act actually raises gasoline tax. I've never understood—I'm not going to debate today, because we sometimes like to debate the naming of these bills. But those, as our member Randy Hillier has taught us, can last an entire day of debate. Mrs. Albanese has been through those with us, as Mr. Hillier will debate each

word in the title of it for quite some length of time, and does it rather well. Our hats off to him.

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But, look, there's nothing protecting the taxpayer here. This raises taxes. For all the reasons that I gave in schedule 11, when we talked about changing the tax on certain items, we must vote against this. We've never seen a tax that creates jobs.

Thank you, Chair.

The Chair (Ms. Soo Wong): Any other comments? Ms. Vernile.

Ms. Daiene Vernile: Just a quick comment, and that is that this tax is going to affect only the top 2% of Ontarians. This is being done so that programs can continue to be funded in a very fair and balanced way.

The Chair (Ms. Soo Wong): Any other comments and debate? Okay.

Interjection.

The Chair (Ms. Soo Wong): I heard "a recorded vote." Am I correct, Mr. Fedeli?

There are only two sections on this particular schedule.

Schedule 30, section 1: All those in favour?

Ayes

Albanese, Baker, Forster, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): That's carried. Schedule 30, section 2: All those in favour?

Ayes

Albanese, Baker, Forster, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): That section is carried.

Okay, I guess you want a recorded vote on that one: All those in favour of schedule 30?

Ayes

Albanese, Baker, Forster, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli.

The Chair (Ms. Soo Wong): Schedule 30 now is carried.

We're on schedule 31, folks. Are there any questions, comments or debate on schedule 31?

I'm going to put them all together.

Shall schedule 31, sections 1 through 6, inclusive, be carried? Carried.

Shall schedule 31 be carried? Carried.

I believe on schedule 32, Mr. Fedeli, you have to move some sections here, right?

Mr. Victor Fedeli: Section 1, section 4 and section 4.1.

The Chair (Ms. Soo Wong): Okay. Do you want to move that on record?

Mr. Victor Fedeli: I do. So one at a time? Just one now and then talk about it?

The Chair (Ms. Soo Wong): Yes. We're dealing with schedule 32, section 1. Mr. Fedeli, do you want to move that?

Mr. Victor Fedeli: I move that section 1 of schedule 32 to the bill be amended by adding the following definition:

“‘non-qualifying asset’ means an asset other than a qualifying asset;”

The Chair (Ms. Soo Wong): Is there any debate to this particular section with the amendment? Mr. Fedeli.

Mr. Victor Fedeli: Chair, I am going to be bringing amendments for section 4 and section 4.1 as well. If I can take a moment now to give my whole reason for all of them collectively. All are with respect to—

The Chair (Ms. Soo Wong): Mr. Fedeli, I have just been advised by the Clerk that we can only deal with section 1 because you just moved your motion on section 1, okay? So if you want to speak to it, but we're only going to be focused on section 1—so you may be repeating yourself later on.

Mr. Victor Fedeli: Then I'm going to save my debate, my larger debate, for—

The Chair (Ms. Soo Wong): For section 4?

Mr. Victor Fedeli: I guess I could do it all now. It kind of makes sense, but I may be ruled out of order.

The Chair (Ms. Soo Wong): I've been advised by staff that we can stand down section 1, because that definition that you're adding would only be valid if section 4 carries through.

Mr. Victor Fedeli: Okay.

The Chair (Ms. Soo Wong): Why don't we do—is there any contention with sections 2 and 3? Are there any comments, questions or debate on schedule 32, sections 2 and 3?

Seeing none, shall schedule 32, sections 2 and 3, inclusive, be carried? Carried.

Now we're going to go to schedule 32, section 4, and I believe, Mr. Fedeli, you've got a couple of motions.

Mr. Victor Fedeli: I do. Schedule 32, section 4—do you want 4.1 as well or just 4?

The Chair (Ms. Soo Wong): Section 4 first. One at a time, I was instructed.

Mr. Victor Fedeli: I move that section 4 of schedule 32 to the bill be amended by adding the following subsections:

“Same

“(2.1) a regulation under clause (1)(a) designating an asset as a qualifying asset shall not be made later than 90 days after the disposition of the asset.

“Same

“(2.2) a regulation under clause (1)(c) in respect of a qualifying asset shall not be made later than 90 days after the disposition of the asset.”

Interjection.

The Chair (Ms. Soo Wong): All right. Do you want to read it again?

Mr. Victor Fedeli: What did I not say?

The Chair (Ms. Soo Wong): Can you repeat it again? Can you repeat the whole—

Mr. Victor Fedeli: The whole thing?

The Chair (Ms. Soo Wong): Yes.

Mr. Victor Fedeli: I move that section 4 of schedule 32 to the bill be amended by adding the following subsections:

“Same

“(2.1) a regulation under clause (1)(a) designating an asset as a qualifying asset shall not be made later than 90 days after the disposition of the asset.

“Same

“(2.2) a regulation under clause (1)(c) in respect of a qualifying asset shall not be made later than 90 days after the disposition of the asset.”

The Chair (Ms. Soo Wong): Good. Thank you. Now, do we have any debate to the motion? Yes, Mr. Fedeli?

Mr. Victor Fedeli: And a recorded vote on this one.

The Chair (Ms. Soo Wong): Recorded vote. Okay.

Mr. Victor Fedeli: With respect to this, we are certainly not in objection to the disposition of assets, but we are in disagreement with the disposition of one-time assets, the proceeds to be potentially into operating revenue to reduce the deficit as opposed to being used for one-time expenses. This is more about the transparency of it as opposed to any other particular issue. This is the Trillium Trust Act. In schedule 32 of Bill 14, this is intended to establish a fund to receive monies which again are intended for transit and infrastructure improvements. However, there are a few—what I will call—loopholes. The act states that, “When a qualifying asset is disposed of, the regulations may require that a portion of the net proceeds ... be credited to the Trillium Trust.”

What we're trying to make certain is that these proceeds are understood by members of the Legislature quickly, how much came in and how much is actually being put into the trust as opposed to being put into the operating revenue and not making its way to the trust. We're very concerned that there's an opportunity that some of the revenue may, as the act states, not end up in the trust.

There's no requirement that the asset sale be transferred to the trust in its entirety. To me, Chair, there's a true opportunity for the money to end up in general revenue, reducing the deficit as opposed to ending up for what it was intended to do. So it's all about the transparency that we're looking for between all of these, between my amendments to section 1, section 4 and section 4.1.

It's not too much to ask the government to be open and transparent about where it's going and the timing of it. I think that's the most important thing that we can ask for. When the government is selling assets that belong to the people, I think we need a very open and transparent trail of what's been sold and in a timely fashion. That's why the 90 days is here. What's been sold, how much was it sold for, where did the money go, how was it disposed, and did it make it into the trust? I think that's what we're looking for.

The Chair (Ms. Soo Wong): Okay. Any more comments, debate on this particular section? Okay. I heard there's a recorded vote. Mr. Fedeli?

Mr. Victor Fedeli: Yes, you are absolutely correct.

The Chair (Ms. Soo Wong): Okay. The motion is on schedule 32, subsections (2.1) and (2.2).

Ayes

Bailey, Fedeli.

Nays

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Interjections.

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Ms. Cindy Forster: I am abstaining.

The Chair (Ms. Soo Wong): This particular motion is lost.

Shall schedule 32, section 4 be carried?

Interjection.

The Chair (Ms. Soo Wong): You want a recorded vote?

Mr. Victor Fedeli: Yes.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli, Forster.

The Chair (Ms. Soo Wong): Okay. So it is now carried.

Schedule 32, section 4.1—

Mr. Victor Fedeli: Chair, I move that schedule 32 to the bill be amended by adding the following section:

“Auditor General report

“4.1 Without limiting the generality of subsection 9(1) of the Auditor General Act, the Auditor General shall report annually to the Speaker of the assembly,

“(a) concerning the disposition of qualifying assets and identifying how the net proceeds of disposition of those assets have been allocated under this act; and

“(b) concerning the disposition of non-qualifying assets and identifying how the proceeds of disposition of those assets have been allocated.”

And I'll ask for a recorded vote again.

The Chair (Ms. Soo Wong): You want a recorded vote, I hear. Okay.

Are there any questions, comments or debate to the motion? Mr. Fedeli.

Mr. Victor Fedeli: Thank you, again, Chair. This is with respect to qualifying and non-qualifying assets. It's up to the government to decide, when they sell an asset—a building, some infrastructure—it's up to the government to decide themselves whether that asset qualifies to go into the Trillium Trust, and there are really no criteria for that.

So, again, in a bid for openness and transparency, what we're suggesting is that we learn how a government—how this government—disposes of these assets in terms of what made it qualifying, what made it not qualify. If it did not qualify, what are they doing with the money? If it did qualify, you say it's going into the Trillium Trust, but the act says it “may,” and only a portion of it may. This is why we're looking to have the Auditor General involved by reporting annually on the important disposition of assets.

I've said it earlier: You can't sell the furniture to heat the house. You can't burn the furniture to heat the house. In this particular case, if we're selling assets, a one-time sale of assets that does not go into the Trillium Trust for one of two reasons—this particular one because they're declared non-qualifying under some unknown criteria, or the other side of it is that they follow the “may” and the “portion”—then the taxpayer ought to know what happened to the money and where it went. That's why we're presenting this particular amendment, Chair. Thank you.

The Chair (Ms. Soo Wong): Ms. Vernile.

Ms. Daiene Vernile: I just want to mention that the Auditor General already has very broad powers under the Auditor General Act on the dispersing of money, so really, this motion is redundant.

I also want to add, Madam Chair, that we're reporting on the findings of this committee—are voting on Wednesday and not today. I'm just passing that along to you.

Mr. Victor Fedeli: I'm sorry? What was that last part?

The Chair (Ms. Soo Wong): She's saying we're voting on Wednesday, not today.

Ms. Daiene Vernile: That is for you, Madam Chair. That's information I'm passing along to you, because earlier you had said on Tuesday, but it's actually going to happen on Wednesday.

The Chair (Ms. Soo Wong): Well, this report will go to the House on Wednesday afternoon. You're right. Okay.

Any more comments? Ms. Forster.

Ms. Cindy Forster: Not on this section, but I want to generally comment before we vote on the schedule.

The Chair (Ms. Soo Wong): The schedule. Okay. Any others?

All right. I know Mr. Fedeli wants a recorded vote, so why don't you have your comments—

Mr. Victor Fedeli: We still have section 1 to deal with.

The Chair (Ms. Soo Wong): No, we're not finished yet. We're not finished yet.

We're going to call the question. All those in favour of the motion by Mr. Fedeli on schedule 32, section 4.1.

Ayes

Bailey, Fedeli.

Nays

Albanese, Baker, Hoggarth, Milczyn, Vernile.

The Chair (Ms. Soo Wong): Okay. This particular motion is lost.

Interjection.

The Chair (Ms. Soo Wong): Mr. Fedeli, the Clerk just advised me that your motion is now considered deemed redundant. I still have to dispose of schedule 32, section 1.

Just so everybody is clear, because we just voted to carry schedule 32, 4.1—the two motions by Mr. Fedeli have been lost, so we don't have to deal with the definition that you put forth to us. Okay? All right.

Now we're going to deal specifically with schedule 32, section 1. Shall schedule 32, section 1 be carried?

Mr. Victor Fedeli: Comments?

The Chair (Ms. Soo Wong): On the entire bill—the entire schedule.

Mr. Victor Fedeli: Oh, okay.

Ms. Cindy Forster: I want to comment on the entire schedule.

Mr. Victor Fedeli: Yes. I'll do that.

The Chair (Ms. Soo Wong): Okay. I want to focus on section 1 only. I want to call the question dealing with schedule 32, section 1 only.

Mr. Victor Fedeli: Recorded vote.

The Chair (Ms. Soo Wong): You want a recorded vote.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli, Forster.

The Chair (Ms. Soo Wong): Schedule 32, section 1 is now carried.

We still have schedule 32, sections 5 and 6. Ms. Forster, you want to discuss those sections?

Ms. Cindy Forster: Is that what's left in the schedule?

The Chair (Ms. Soo Wong): There are only two more sections left.

Ms. Cindy Forster: I actually want to make comments to the entire schedule.

The Chair (Ms. Soo Wong): So you want to hold that. Okay.

Are there any questions, comments or debate on schedule 32, sections 5 and 6? Seeing none, I am going to call the question. Shall schedule 32, sections 5 and 6, inclusive, be carried? Carried.

Ms. Forster, you have some comments to make about schedule 32?

Ms. Cindy Forster: Thank you, Chair. The NDP is going to oppose schedule 32 for a number of reasons. The Liberals are spinning this as a progressive budget, but when you actually look at the omnibus budget bill, you see that it is not really what it appears. We've heard a lot about how great and progressive this budget is, but this schedule, schedule 32, the Trillium Trust Act, actually puts the story straight.

The schedule states that the Treasury Board will designate assets of ministries, crown corporations, crown agencies, commissions, boards and other authorities to be disposed of. Let's be clear: disposed of. That's what is in this actual bill.

The bill contains no statutory changes to actually create two dedicated transit funds, but it does create a dedicated trust to hold all revenues from asset sales. Dedicated transit funding is the story that the Liberals have been telling, but asset sales are what they're really doing with this bill.

We—the NDP, our caucus—want the government to come clean on what they're actually going to sell off. We've been asking that question for a number of weeks and we haven't been getting any answers, although there is \$3.2 billion in the budget as revenue from these potential sales and sell-offs.

With respect to Ms. Vernile's comment about the Auditor General, the Auditor General only looks at what the government spent after the fact. They look at value for money after the fact, not before you're actually going to be selling off valuable government assets. In fact, a proposal that we put forward and which the Liberal government has still failed to act upon from the 2013 budget—the Financial Accountability Office, which should be up and running by now—was supposed to look at issues such as this in advance of things being moved forward, sold off. We think the government needs to act on moving that forward, and that perhaps would address Ms. Vernile's comments about there actually being oversight in areas such as this Trillium Trust Act.

1030

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: One of the members mentioned that my amendment would be redundant regarding the Auditor General, but I can tell you that I sat through the Auditor General's report in November 2011 when he—at that time he—first brought light to the debt retirement charge, the fact that \$8.7 billion had been paid against a debt of \$7.8 billion, and he questioned the government about where the money went.

As the auditor dug deeper into it, as Ms. Forster suggested, after the fact, only a year later did we actually learn that because of a loophole that the auditor identified in 2011, there became a \$4-billion discrepancy in the debt retirement charge. It was a loophole where, once again, the auditor informed us after the fact that monies that were collected on the hydro bills for the debt retirement charge went into a general operating fund and didn't necessarily have to actually be used for the retirement of the debt. I think that came as a shock to all of us. Every person on every side of the Legislature was quite surprised, including the auditor himself, who was not aware of that loophole and exposed that loophole.

Upon pushing, the auditor dug deeper into the situation of the debt retirement charge, and although the annual report stated that the debt had been going down each year, if you look at the 2012 annual report, the debt from 2004 was retroactively corrected by \$4 billion. So if you look at the 2004 annual report, you'll see the debt at a certain level; the 2005 annual report, the debt of 2004 was still at a low level, in the \$7-billion number. If you look at the 2006 annual report, it will show you that the debt of 2004 was still at the \$7 billion. If you look at the 2007, 2008, 2009, 2010 and 2011 reports, you'll see the debt recorded as around \$7 billion in 2004. But if you look at the 2012 annual report, it spikes up to \$11 billion. It was disclosed that those were monies that were indeed spent, unbeknownst to the Legislature, unbeknownst to anybody. If you read the annual report religiously, you would see that everything is fine, except, once the auditor dug deep into it, we realized that \$4 billion more had been borrowed and never really reported in the annual report until it was exposed in 2012.

That's why we're saying we really need to be more open and more transparent with this bill. You have a chance today to say, "Yes, there are some flaws. Let's fix this thing." Sadly, by passing this bill which we're about to vote on, that's not going to happen now. I think we will all come to regret that. The Auditor General needs to have that particular authority. We need to have these changes. For the sake of openness and transparency, we really need to have those, because I can tell you what's going to happen: In a couple of years, we're going to hear about something that you sold that nobody knew about—probably you, yourselves, won't hear about it

until it's too late. The money will have gone to some purpose other than what you expected it to go to, what you wanted it to go to. I think there will be a lot of regrets. I think we have a chance today to fix this.

The Chair (Ms. Soo Wong): Ms. Vernile.

Ms. Daiene Vernile: I just want to offer a clarification to Ms. Forster. My comments were targeted to the issue of transparency, and that is why I made the comment that it would be redundant. Through the Auditor General Act, we do have the ability to examine the disbursement of public money, and that offers us that transparency to see how public funds are being spent.

The Chair (Ms. Soo Wong): Are there any more comments, questions or debate?

Are we getting a recorded vote?

Interjection.

The Chair (Ms. Soo Wong): Okay. I heard that there's a request for a recorded vote.

Ayes

Albanese, Baker, Hoggarth, Milczyn, Vernile.

Nays

Bailey, Fedeli, Forster.

The Chair (Ms. Soo Wong): Schedule 32 is now carried. All right, we are almost there.

Shall the title of the bill be carried?

Interjection.

The Chair (Ms. Soo Wong): No, I have to go back to each of the sections—am I correct? Okay.

I call the question on section 1. Shall section 1 be carried? Carried.

Shall section 2 be carried? Carried.

Shall section 3 be carried? Carried.

Now we go to the title: Shall the title of the bill be carried? Carried.

Shall Bill 14 be carried? Carried.

Shall I report the bill to the House tomorrow? Carried.

We're done. Thank you very much, ladies and gentlemen. Thank you for your help.

The committee adjourned at 1035.

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