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Thursday 4 April 2013

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Jeudi 4 avril 2013

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

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

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Thursday 4 April 2013

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 4 avril 2013

The committee met at 0929 in committee room 1, following a closed session.

PRE-BUDGET CONSULTATIONS

The Vice-Chair (Ms. Soo Wong): All right, are we ready to go? Mr. Prue or Ms. Fife, which one of you wanted to move these three additional motions?

Interjection.

The Vice-Chair (Ms. Soo Wong): Just read it on the record, like we did yesterday.

Ms. Catherine Fife: Thank you, Madam Chair. With regard to motion 5, which you have before you, I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance that the government, in its FY 2013-14 budget, to include a five-day home care guarantee in order to address the challenge of over 6,000 people on waiting lists and eliminate wait times that can be in excess of 260 days.

Motion 6: I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance—it should read “to the Minister of Finance”—that the government, in its FY 2013-14 budget, implement a social assistance reform initiative that would support people in finding work and becoming independent by changing social assistance rules that currently take away 50% of people’s earnings, starting from the first dollar of wages, by allowing social assistance recipients to keep 100% of the first \$200 they earn each month.

Finally, motion 7: Be it resolved that the Standing Committee on Finance and Economic Affairs directs the Minister of Finance—it should read “to.”

Mr. Michael Prue: No, “directs the Minister of Finance to the government.”

Ms. Catherine Fife: —that the government implement the following cost-saving initiatives—

Mr. Michael Prue: Sorry, I got it backwards. Let’s do it again. It’s “directs to the Minister of Finance that the government.”

Ms. Catherine Fife: —directs to the Minister of Finance that the government implement the following cost-saving initiatives in its FY 2013-14 budget:

—reviewing government expenditures and finding savings within the current fiscal framework that doesn’t impact the services Ontarians rely on;

—imposing hard caps on all broader public sector senior executive salaries to no more than double the

annual compensation of the Premier, which should be implemented as employment contracts expire;

—eliminating BPS management performance bonuses until the budget is balanced; and

—finally, not divesting Ontario government-owned revenue generators such as the LCBO, which brings the province more than \$1.6 billion to invest into services like hospitals and schools.

Thank you.

Interjection.

The Vice-Chair (Ms. Soo Wong): Ms. Fife, I’ve just been alerted by the Clerk that you need to do a friendly amendment, because you cannot direct the minister. You can recommend to the minister, like in the previous motion.

Ms. Catherine Fife: I would make that friendly amendment, for sure. Thank you.

The Vice-Chair (Ms. Soo Wong): All right. So it’s on record. That’s it for now. Unless we go back to discussion, we’ll go in camera. Mr. Shurman?

Mr. Peter Shurman: Are you telling us, Chair, that there’s no discussion of these motions whatsoever on the record?

The Vice-Chair (Ms. Soo Wong): What’s the will of the committee, because yesterday—

Mr. Peter Shurman: I’m quite prepared to discuss the motions on the record, at least to the extent that my party is willing to discuss them. Since they’ve been read on to the record, I think that we owe the public that much.

The Vice-Chair (Ms. Soo Wong): Mr. Colle, do you have any comments?

Mr. Mike Colle: If you want to discuss it in public, go ahead; they should be discussed in public.

The Vice-Chair (Ms. Soo Wong): In public? Okay. I hear that Mr. Shurman would like to have some discussion on—I would say probably all seven motions, as opposed to going in camera. Is that fine with everybody?

Mr. Peter Shurman: Yes.

Mr. Mike Colle: Sure.

The Vice-Chair (Ms. Soo Wong): Okay. All right. Mr. Shurman, off you go.

Mr. Peter Shurman: Thank you. I just want to say a few words on behalf of the position of the Progressive Conservative Party. Since we’re in what, in the broadest sense, are called pre-budget hearings, the purpose of which is to inform the budget, it seems somewhat out of

order—and I'm not trying to co-opt the Chair in any way—that we should be considering motions that really are about the end game of the New Democratic Party, which is their right, and that is to set some terms by which they are prepared to lend their support to whatever budget may be tabled by Finance Minister Sousa at whatever time he wants to table it. That seems to me to be a negotiation—if, indeed, the parties want to negotiate—between the Liberal Party and the New Democratic Party.

On the one hand, I take a look at these motions and I see elements that I could support. I don't see an ability to support, in the broadest sense, any of these motions. I don't see the purpose of taking a position on them from the standpoint of the PC Party. The PC Party will be inserting into the final report of this committee its own dissenting materials so that it forms part of the public record.

That being said, I want to go on record that while these motions are on the table, and we've agreed to have a discussion—indeed, a public discussion—my discussion begins and ends here. Our party will be abstaining on all of these motions, not because we don't support elements of them, but because we believe that this is a bilateral negotiation that's being done in a committee that doesn't have that for its purpose.

The Vice-Chair (Ms. Soo Wong): Okay. Ms. Fife?

Ms. Catherine Fife: The purpose in us bringing forward these motions is very clear. Last year, there was some discussion about what was included and what wasn't included in the budget. Our purpose is to put all of these motions, in a very public way, under the purview of the public scrutiny. The member from Thornhill and his party have already said they are not going to support the budget, so it's not surprising to us that you are not going to support these motions. It really is the terms and conditions of our support for the budget, as has rightly been pointed out. I would point out, though, that because this is pre-budget consultation, these motions came from our budget consultation in the province of Ontario, just as the Minister of Finance is conducting his own consultation. These motions are in order because they come from the people of the province of Ontario.

The Vice-Chair (Ms. Soo Wong): Ms. Damerla?

Ms. Dipika Damerla: Our position is that we don't have anything per se against each of these motions, but some of them are pretty specific in terms of where the budget is going to be. It's going to be informed by wider public consultations, not just what the NDP has heard. Perhaps all of these will end up in the budget; perhaps they won't. So given that context we are going to be abstaining as well.

Mr. Michael Prue: Given that there's nothing but abstentions here, we will not be abstaining. Therefore, I don't think that there's much need for a whole lot of debate. If we could just vote on them one at a time? If there are going to be abstentions from two out of the three parties, Ms. Fife and I will—

Mr. Peter Shurman: Do what you did on budget last year.

Mr. Michael Prue: I think we are prepared to vote for each one of them in turn. If we differ, the Chair can break the tie.

The Vice-Chair (Ms. Soo Wong): All right, so, listen: This is what is going to happen now. We are going to need whoever—we are going to go through each of these seven motions. You have to read it on record again, and then we are going to vote. Okay? This is the instruction that I have been given, okay?

Motion number 1. Mr. Prue, do you want to read it?

Mr. Michael Prue: Okay, I'll read number 1.

I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance, in the government's FY 2013-14 budget, direct FSCO to reduce average, industry-wide, private passenger auto insurance premiums by 15% in the next 12 months.

The Vice-Chair (Ms. Soo Wong): Any discussion? All those in favour? Opposed? Carried.

Okay, motion number 2. Ms. Fife?

Ms. Catherine Fife: I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance, in the government's FY 2013-14 budget:

—make permanent the temporary restrictions on the implementation of HST input tax credits that would apply to corporations and financial institutions for items like meals, entertainment, telecommunications and company vehicles;

—implement the Commission on the Reform of Ontario's Public Services (the Drummond report) recommendation of reducing the ability of corporations to eliminate or decrease payment of provincial corporate income tax by shifting profits and losses across Canada;

—maintain the EHT exemption rule for small business but at the same time, eliminate the exemption on the first \$400,000 in payroll for all companies with payrolls over \$5 million, or roughly 100 employees.

The Vice-Chair (Ms. Soo Wong): Okay. Any discussion? Seeing none, all those in favour? Opposed? Carried.

Mr. Michael Prue: Motion number 3: I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance, in the government's FY 2013-14 budget, implement a youth job creation initiative that would create at least 25,000 jobs over two years for participants by:

—providing young people, aged 16-26 years, an entry point to long-term employment opportunities, where participants would learn life and work skills while earning income.

—establishing a fund that would commit at least \$78 million in the first year and at least \$117 million the following year towards creating jobs for youth and to fund on-the-job training in these jobs.

The Vice-Chair (Ms. Soo Wong): Any discussion? Seeing none, all those in favour? Opposed? Carried.

Motion number 4?

0940

Ms. Catherine Fife: I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance implement a balanced approach to balancing the books without leaving people falling further behind.

The Vice-Chair (Ms. Soo Wong): Any discussion? Seeing none, all those in favour? Opposed? Carried.

Five.

Mr. Michael Prue: I move that the Standing Committee on Finance and Economic Affairs recommends to the Minister of Finance that the government, in its FY 2013-14 budget, to include a five-day home care guarantee in order to address the challenge of over 6,000 people on waiting lists, and eliminate wait times that can be in excess of 260 days.

The Vice-Chair (Ms. Soo Wong): Any discussion? Seeing none, all those in favour? Opposed? Carried.

Motion number 6.

Ms. Catherine Fife: I move that the Standing Committee on Finance and Economic Affairs recommends to the Minister of Finance that the government, in its FY 2013-14 budget, implement a social assistance reform initiative that would support people in finding work and becoming independent by changing social assistance rules that currently take away 50% of people's earnings starting from the first dollar of wages by allowing social assistance recipients to keep 100% of the first \$200 they earn each month.

The Vice-Chair (Ms. Soo Wong): Any discussion? Seeing none, all those in favour? Opposed? Carried.

Motion number 7.

Mr. Michael Prue: Motion number 7: Be it resolved that the Standing Committee on Finance and Economic Affairs recommends to the Minister of Finance—

The Vice-Chair (Ms. Soo Wong): No, you can't—

Interjection: "I move that...."

Mr. Michael Prue: "I move that"—okay. Sorry. Just one minute until I change my copy here, and we'll do it again.

The Vice-Chair (Ms. Soo Wong): Yes, can you redo that?

Mr. Michael Prue: Okay, motion number 7: I move that the Standing Committee on Finance and Economic Affairs recommends to the Minister of Finance that the government implement the following cost-saving initiatives in its FY 2013-14 budget:

- reviewing government expenditures and find savings within the current fiscal framework that doesn't impact the services Ontarians rely on;

- imposing hard caps on all broader public sector senior executive salaries to no more than double the annual compensation of the Premier, which should be implemented as employment contracts expire;

- eliminating BPS management performance bonuses until the budget is balanced;

- not divesting Ontario-government-owned revenue generators such as the LCBO, which brings the province

more than \$1.6 billion to invest into services like hospitals and schools.

The Vice-Chair (Ms. Soo Wong): Any discussion? Seeing none, all those in favour? Opposed? Carried.

Now we need to discuss—any more items? I don't see any more items on this thing. I believe, basically, we could adjourn this meeting; there's nothing else.

Interjection.

The Vice-Chair (Ms. Soo Wong): Are we meeting for report writing next week in the morning? Because I hear there was a dissenting report coming from the PCs, right? So we have scheduled every Thursday, this committee, to meet, and I know the minister is anxious to have us finish the report.

Mr. Shurman?

Mr. Peter Shurman: We technically can't meet in the morning to finalize any report for the minister if we're hearing more testimony in the afternoon. So either we need dispensation from the House, I guess, to meet specially on an off-day, or we can do report writing on the 18th. If the 18th is too late for the minister, then—

The Vice-Chair (Ms. Soo Wong): No, then later—I've heard that the sooner we can get this report, the better, so that the recommendations from this committee can go forward.

The Clerk of the Committee (Mr. Katch Koch): Chair, if I may, just for clarification, also what has happened in the past is that the committee would pass a motion to send a copy of the final report to the minister prior to the report being translated and printed.

Mr. Peter Shurman: I have no objection.

Mr. Michael Prue: I have none whatsoever.

The Vice-Chair (Ms. Soo Wong): So, what has been suggested is that we have made a number of little tweaking changes. Should we meet next Thursday morning at 9 to see one more? Because we now have to add in the Thunder Bay comment as well as a tweaking of Wilfrid Laurier, as well as the comment you made earlier, Ms. Fife, dealing with allocation of the threshold—the dental piece, right? So should we meet first thing Thursday morning? Mr. Shurman?

Mr. Peter Shurman: Is there a requirement so that we can semi-finalize that we put in any dissenting material between now and then, submitted to you?

The Clerk of the Committee (Mr. Katch Koch): So they could be established by the Chair—

Mr. Peter Shurman: Okay, so what I'm asking is, if we're going to meet to write a report or try to create a semi-final version of that report, with the only thing not left in being the subsequent reporting that relates to the testimony to be given, that means you would need our dissenting material some time imminently?

The Clerk of the Committee (Mr. Katch Koch): Yes.

Mr. Peter Shurman: Fine. We'll make sure that that gets there.

The Vice-Chair (Ms. Soo Wong): Ms. Damerla?

Ms. Dipika Damerla: I just wanted to make a comment on the fact that we are planning to have another, I

guess, hearing on Thursday, April 11. While I understand the rationale for it, on second thought, I do feel—and I think the party feels—that given that the budget is imminent it's going to be very, very difficult for the Minister of Finance to take into account anything that's coming out as late as the 11th and incorporate that in his budget. So, I really think it's moot to have that. It's not the best use of taxpayer money. I just wanted that on the record.

The Vice-Chair (Ms. Soo Wong): Mr. Shurman?

Mr. Peter Shurman: I've heard from my Liberal friend on the record, and that's on a post-vote basis. We've done the vote on that. That motion has been passed. So, are we hearing a motion that you want to reopen that vote? Since we're on the record, I'm going to say on the record that I don't believe for one damn minute that the minister takes any of what we've done into account at all. He holds his own pre-budget hearings. He's holding them right now. He has been holding them for a month. That's it.

Mr. Mike Colle: Can I ask to speak?

The Vice-Chair (Ms. Soo Wong): Okay. Mr. Colle?

Mr. Mike Colle: Yes. I think that in terms of this minister's timetable there's no reason why—I'm sure the minister would be very happy to receive more input. Even if we submit the whole report and then an addendum to the presentations by the three experts be sent immediately to the minister right after, the minister should welcome more input. So, I hate to disagree with my colleague, but—

Mr. Peter Shurman: You're not disagreeing with me. I'm perfectly happy to do it.

Mr. Mike Colle: No, I'm saying, with my colleague here. I agree with you.

The Vice-Chair (Ms. Soo Wong): Okay. Ms. Damerla, do you have any—

Ms. Dipika Damerla: I just wanted it on the record that I don't see the practical point of it. We should have done it earlier if that's what you wanted to do, Peter. Anyway, it's done, and I just wanted it on the record.

Mr. Peter Shurman: You know what? I'm going to tell you: Don't tell me what we should have done earlier. If you people would actually say, "This is when the budget is going to happen," and we could set reasonable schedules of what we want to do—

Mr. Mike Colle: Well, we can't do that.

Mr. Peter Shurman: Well, no; it has been done in prior years. Now we don't know if it's April 20 or the 27th or May 7 or whatever. The minister is a nice guy, but we have no date.

There has been a fair amount of discussion around the table here on what we should do. Your party opened things up again and asked that we go to Thunder Bay after we had originally proposed to go to Thunder Bay in the first place and it was voted down. So I think a little bit of indulgence is required here. I don't think you and I are disagreeing.

Interjection.

The Vice-Chair (Ms. Soo Wong): No cross-talk. Mr. Prue?

Mr. Michael Prue: I just want to say that the whole process here has been a strange one. I've been on this finance committee for many years. We have always had experts come to us, and I'm glad to see that they're coming again. We have always been informed by the ministry of the approximate date of the budget, of which we were not informed this year. Everything that has happened up until this point has happened because it's circuitous, because we don't know when the date is and we've been adding things on. I think that's part of the problem.

I am more than happy to put this information in, as has been suggested. I know that the previous finance minister—I agree with Mr. Shurman—didn't give a damn and didn't care at all what the finance committee had to say. He ran his own show, listened to his own people and never took any of our considerations into account, but I'm living in hope that this finance minister will be somewhat different.

The Vice-Chair (Ms. Soo Wong): Okay; thank you very much. Everybody had the chance to talk.

So, what I'm hearing—just to recap: Next Thursday morning we'll bring back this report so that everybody has one more look. It will be sent off to the minister. We will wait for the experts coming back to us next Thursday afternoon. Is it clear? Any more discussion? So, can someone move adjournment of this committee?

Ms. Catherine Fife: I'll move adjournment.

The Vice-Chair (Ms. Soo Wong): Thank you, Ms. Fife.

Thank you very much.

The committee adjourned at 0950.

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