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**Wednesday 4 November 2009**

**Journal  
des débats  
(Hansard)**

**Mercredi 4 novembre 2009**

**Standing Committee on  
Estimates**

Ministry of Small Business  
and Consumer Services

**Comité permanent des  
budgets des dépenses**

Ministère des Petites  
Entreprises et des Services aux  
consommateurs

Chair: Garfield Dunlop  
Clerk pro tem: William Short

Président : Garfield Dunlop  
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

## STANDING COMMITTEE ON ESTIMATES

## COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Wednesday 4 November 2009

Mercredi 4 novembre 2009

*The committee met at 1553 in room 151.*

### MINISTRY OF SMALL BUSINESS AND CONSUMER SERVICES

**The Chair (Mr. Garfield Dunlop):** We'll call the meeting to order. We are here today for the consideration of the estimates of the ministry of small business and consumer services for a total of seven and a half hours. The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may at the end of your appearance verify the questions and issues being tracked by the research officer.

I now call vote 3101. We will begin with a statement of not more than 30 minutes by the minister, followed by statements of up to 30 minutes by the official opposition and the third party, and you may ask questions, of course, in those 30 minutes as well, if you wish. Then the minister will have up to 30 minutes for a reply. If you don't wish to use those 30 minutes, Minister, we will immediately go into rotations of 20 minutes by the official opposition, followed by the third party and then the government. The remaining time will be apportioned equally among the three parties.

With that, welcome, Minister McMeekin, to the estimates committee, and all the staff of the ministry of small business and consumer services. You have the first 30 minutes, Minister.

**Hon. Ted McMeekin:** Thanks very much, Mr. Chairman. This is my first time before the estimates committee. As you know, I'm the brand new Minister of Consumer Services, so bear with me. I have with me some helpful ministry personnel. Fareed Amin, my deputy minister, is here, and he's immediately to my right; and David Clifford, our acting CAO, is here to answer any of the technical, fiscal type of questions that you may have. We also have some others, but if it becomes appropriate to reference them, I will do that, of course, through the deputy minister, who knows them all very well.

Welcome, committee members. Thank you, Chairman and committee members, for this opportunity.

The Ministry of Consumer Services was created to protect consumers and to promote public safety. In fact,

when the Premier gave me this job, he told me he wanted a minister and a ministry that would be unabashed advocates for consumers. That, of course, is what we try every day to be. In fact, it is my personal goal to do everything I can to ensure that that's the approach we take, and wherever possible, to be proactive on issues. I'm a great believer in what I call case-to-cause advocacy. If you have an issue and you have some way of solving that, if there's some way you can generalize it so that the benefits of having found a solution can accrue to others, that's really good. So we're working very hard to partner with a number of consumer groups and others, and of course trying to be driven in a principled way where those actions that we take are ideally designed to help the greatest number of people.

Whether we're educating consumers to shield them from unfair or unethical business practices and scams or working with the electrical safety association to ensure electrical installations meet the provincial code, we're working to strengthen consumer protection and public safety.

Chair, you have to forgive me; I'm still recovering from a cold I had, so if you can't hear me just say so and I can repeat.

**The Chair (Mr. Garfield Dunlop):** You're just fine. There used to be bulldozers out here, so you're very clear.

**Hon. Ted McMeekin:** I'm pleased for that.

The Ministry of Consumer Services comprises two significant operational areas, one focused on protection and education for consumers themselves, and the other focused on the effective implementation of the regulatory environment in a number of industry sectors. We also play an important role in oversight of the administrative authorities that administer certain laws on our behalf. I'm going to take some time to describe the work of these areas for you. All of our spending, in one way or another, is dedicated to supporting these goals, so it's appropriate that I first give you an overview of our primary functions.

First, consumer protection: The ministry's key activities in the direct delivery of consumer protection programs involve dealing with consumer complaints, sometimes negotiating on their behalf, conducting inspections and investigations, and providing consumer education.

Let me say a bit more about how we deal with consumer complaints. In the most recent quarter, July to September of this year, the ministry dealt with 13,694 consumer complaints—12,278 by phone and 1,416

written complaints. Based on a survey of 400 consumers in this same period, 93% of these consumers said the service they received from our ministry was either good or excellent. The courtesy and helpfulness of our ministry staff was also rated as good or excellent by 93% of respondents, and an astonishing 99% said they got exactly the information they needed in a reasonable time. I think that speaks fairly highly, generally.

#### 1600

Often, a consumer complaint reveals the need for further inquiry. Frequently, we will go to bat for the consumer and directly contact the business owner who's causing the concern. If appropriate, we will attempt to mediate a resolution to the complaint. This approach is often capable of producing very effective results. From January 2008 to September 2009, for example, without resorting to courts and charges, the ministry assisted consumers in obtaining \$719,575.86, give or take a few cents, in mediated refunds and \$282,465.40 in contracts that were cancelled or rescinded. In other words, we are effective in helping consumers obtain their rights and also in helping to educate business operators as to their obligations. In fairness, I should add that in many cases, simple education is all that's needed. Many business operators, once the requirements are clearly explained to them, are happy to comply.

However, if mediation fails or we otherwise become aware of a possible infraction of our consumer protection laws, we don't hesitate to go further. From January 2008 to September 2009, our inspection, investigation and enforcement actions included making 628 compliance inspections and field visits, conducting 168 investigations and laying 2,731 charges. This resulted in \$739,275 in fines against violators, 45 individual offenders being placed on probation for a total of 859 months, and a further 18 individuals being incarcerated for a total of 46 months. Those are the numbers. Let me come at this same issue from a slightly different perspective, because that's all inside baseball stuff, right?

One example of an investigation by the ministry a few months ago resulted in a fine of \$9,000 against a Newmarket design and renovation company. The Ontario Court of Justice in Newmarket levied the fine against the operator. The ministry stepped in to investigate the company after consumers complained of losing large deposits, with no work being done. The operator will be required to repay \$2,150 to his consumers as a result.

But it doesn't stop with refunds. No, the company's contracts also lack basic information about consumer rights as required by law. Requiring that this information be on all contracts is another that we protect consumers. Furthermore, the company ignored customer requests for refunds. Ignoring a customer's legitimate request for a refund is yet another infraction under our legislation and so provides a further protection.

These extra infractions contributed to the court's decision to fine the operator \$9,000 in addition to the requirement to repay down payments to consumers. The court also put the operator on two years' probation with

several conditions, including an order that the individual cannot accept any further deposits for work before the actual completion of the job. That's pretty tough.

There are many more examples. A fine of \$4,500 was levied against the operator of a concrete business outside of Peterborough, plus court-ordered restitution of \$6,500 to consumers for violations under the CPA; that's the Consumer Protection Act. Sorry; I shouldn't talk in acronyms like that.

A swimming pool construction company was fined \$75,000 in order to pay restitution of \$25,000 and \$7,500 in compensation. A 30-day jail term was imposed on the individual behind a home improvement group company for misrepresentation, using deficient contracts and failing to provide refunds under Ontario's Consumer Protection Act. The corporation was fined \$2,850, and the operator paid \$3,500 in restitution to a consumer and was ordered to repay a further \$1,000. I could go on but I won't.

Our investigations, the resulting charges, prosecutions and the ultimate sentencing send strong messages to consumers and businesses alike. Consumers learned that the Ministry of Consumer Services is here to help, not just by providing helpful advice, although we certainly do that, but also by being willing to go much further to take up a complaint, investigate it and see it through to a judicial conclusion. Those relatively few business operators who seek to prey on consumers also learn, to their chagrin, that you can't get away with that kind of thing in Ontario, at least not for very long. In Ontario, being open for business includes supporting an ethical framework where businesses and consumers alike know that they will be dealt with fairly and that there will be consequences if they fail to deal with others fairly.

We also commit time and resources to public consumer education. The ministry distributed in 2009 over 300,000 copies of the Smart Consumer Calendar in multiple languages, including English, French, Spanish, Portuguese, Chinese and Punjabi. This year, 2009, was the first year that multilingual calendars became available. I think many members of the committee are familiar with them, and one of the most frequent calls we get at this time of year from constituents, particularly seniors, is, "When's the calendar going to be out?" It will be out soon, by the way, within a couple of weeks. The calendar provides a year's worth of helpful information about avoiding counterfeit currency, getting help with resolving automobile warranty problems, protecting themselves from identify theft and other issues. We expect to begin distributing the 2010 calendar next week, and I hope you'll all take advantage of it. By the way, if members would like some extra copies, other than the 100 that are routinely shipped out, please let us know. We'd be delighted to do that.

Ministry staff attended approximately 100 public education community events per year, including speaking to over 500 students at Ryerson University in March 2009. I have a daughter there and I know a little bit about some of the kinds of student scams on campus. I hear about

them all the time. We also distributed articles related to consumer protection through News Canada to 71 different media newspapers, including French-, Spanish- and Romanian-language newspapers.

Finally, we promote consumer awareness on current and emerging consumer issues. The Ministry of Consumer Services website provides a comprehensive resource for consumers. It includes a consumer protection survival guide, which helps consumers know their rights and learn how to exercise them effectively, and a Consumer Beware database, which allows consumers to research whether individuals or businesses have been found guilty of failing to comply with consumer legislation. It's a handy tool. We also produce and distribute dozens of issue-specific brochures and tip sheets in many languages to provide consumers with valuable information about their rights and how to protect themselves in the marketplace.

In all these ways, the staff at the Ministry of Consumer Services work to provide direct benefit to the people of Ontario.

Now, if I may, let me turn to administrative authorities. This second area of operational focus is equally important. It is the oversight of public safety and consumer protection through a series of administrative authorities. One of my first actions on becoming Minister of Consumer Services just over four months ago was to receive a comprehensive, third-party expert review of the administrative authority model. The model, as many of you no doubt are aware, was conceived in 1996 by the previous government and had been evaluated once in 2001, in the early years of its development. This new review gave us an opportunity to look at the model in a more mature state and to assess its strengths and weaknesses, which was our goal in doing the review.

The review's overall findings were twofold. First, as a model, the system of delivering consumer protection and regulatory governance through an administrative authority is working well. It's a good model. It has served public safety and consumer protection for Ontario both through enhanced service and through investment in prevention and education.

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To provide more detail on this, let me quote from the review itself: "The DAA Model construct, as applied in Ontario, has produced many positive achievements:

"Positive public safety;

"Financial stability;

"Expansion of industry and consumer advisory infrastructure;

"Increased and ongoing investments in a number of operational areas, including: major enterprise information technology systems; education and prevention programs; risk-based decision models; customer service and the inspection function;

"Provision of support to other sectors and other jurisdictions, both in terms of sharing of regulatory practices and in services as well;

"Innovative approaches to performance management and risk-based decision-making practices;

"Development of an ongoing focus on metrics that provide a balanced view of business and public safety performance."

Yet another strength to the administrative authority model was the way that it leverages and multiplies the resources available for consumer protection. My ministry has fewer than 150 staff, but with administrative authorities included, the total number of staff devoted to these areas swells by almost tenfold, including almost 1,200 full-time people employed and paid for by the administrative authorities themselves.

The second major finding of the model review is that day by day and organization by organization, the administrative authorities are doing a good job. It's important to know. People ride elevators taking their safety for granted; electrical installations work as they were designed to do; upholstered goods are filled with clean materials—in fact, I spent a whole day down at the CNE inspecting the stuffed animals down there; it was quite an insight on how they work—hard-working Ontarians fly away on well-earned vacations knowing that they purchased their vacation from a travel agent registered in Ontario. They will be protected and brought home safely in the unlikely event that their travel company should suddenly cease operations.

Members of the committee will be aware, as I am, of the terrible tragedy that occurred a little more than a year ago when improper procedures followed by Sunrise propane took two lives and caused significant property damage. I will speak further to this when I address the Technical Standards and Safety Authority specifically.

The TSSA was one of the administrative authorities included in this review. These are the overall findings: It's a good model, the individual organizations are performing well, but it will not surprise you to learn that amongst the reports of nearly 400 pages there were numerous suggestions for improvement. My officials have already begun implementing many of these and have initiated systematic discussions with the administrative authorities aimed at implementing the remainder in a timely manner. I emphasized this point when I met with the leadership of the administrative authorities just last week. By the way, I've instituted a practice that we intend to carry forward of meeting quarterly with the chairs and CEOs of all the designated authorities. I quote from something I said that morning: "I want to reaffirm my commitment that as we embark on this program of improving our operations, we will do so in partnership. I am committed to regular meetings with you so that we have the opportunity to share information freely and learn more from each other. That said, we are going to move forward with the important recommendations outlined in the model review."

So what are these recommendations? I believe the most important and immediate recommendations fall into three broad categories. These three areas of focus are going to drive a significant portion of our relationship

with the administrative authorities in the coming year, so I think it's appropriate that I share them directly with you. They address good governance, transparency and accountability. I have requested that DAAs review and update their corporate and regulatory governance practices, and as a priority I've asked them to report on key outcomes that demonstrate their contribution to the well-being and safety of Ontarians.

I'm going to quote at some length from the remarks I made to the administrative authority last week about these three areas. I said:

"First, the administrative authority model review distinguishes between what it calls 'corporate' governance and 'regulatory governance.'

"Let me put it in simpler language.

"Corporate governance has to do with your board's concern with generic oversight, fiduciary roles, structure and functioning.

"Many of you are using best practices in this regard and some are leaders. I believe there is room for enhancement. One very practical outcome should be a succession plan for senior leadership, which is an identified need for many of you.

"Regulatory governance is the capacity to periodically evaluate how you are carrying out your regulatory role. As a regulator, you need to know if you're carrying out your regulatory responsibilities in the best possible way, and, if not, how you can improve. This capacity can be enhanced.

"Second, there is a need for a consistent approach to a regulatory impact analysis, or RIA, which is informed by internationally recognized best practices. I am aware that our ministry has been working with you on an RIA template and I look forward to reviewing the results of your discussions.

"Third, as a matter of priority, I'm asking each administrative authority to work with ministry staff to propose a key set of outcome indicators that will help to demonstrate the way in which your organization is contributing to the well-being and safety of Ontarians.

"This will form the foundation of what is being referred to as the 'scorecard,'"—I refer to it as the scorecard. "It will provide us with benchmarks to track our performance and enhance our accountability.

"You are all aware of the truism that 'what we don't measure, we don't manage' and the converse, 'what gets measured is what gets done.' It is critically important, therefore, that we know we are measuring the right things, the things that really matter."

To conclude this overview of the administrative authorities, I want to say that I've been very pleased to engage in this review process. The fact that the model is working well and has no major failings is, of course, gratifying. Even before engaging, from my perspective, is the very practical guidance we have received about how to take a good thing and make it even better. I'm fully committed to seeing this through, and I've made that very clear to the administrative authorities. I've been pleased by their positive response and am impressed by

the collaborative manner in which they have stepped forward on implementation. We are moving forward together.

Now let me offer more specific comments on a few particular administrative authorities and some of the issues we have dealt with. The Technical Standards and Safety Authority on August 10, 2008—we remember the tragic explosion. In the immediate aftermath, the government established an expert propane safety panel and appointed two independent experts, Dr. Michael Birk and Mrs. Susana Katz, to this panel. The panel was asked to conduct a comprehensive safety review of Ontario's legislative and regulatory framework for the storage, handling, location and transport of propane. The panel received submissions and suggestions from a wide range of participants, including the propane industry, municipalities, ratepayers, emergency responders and the insurance industry.

In November 2008, the panel issued a report which concluded that the building blocks for propane safety that are in place in Ontario have served Ontarians well over the years. At the same time, the report made 40 specific recommendations to further enhance propane safety in this province. The government has acted on the vast majority of these recommendations. As well, the Technical Standards and Safety Authority issued its own action plan to respond to the panel's recommendations outlined in their report.

In December 2008, TSSA completed a re-audit of all propane-filling facilities in this province. The re-audit did not identify any trends or systemic safety issues. In addition, the government put in place new regulations implementing a number of the panel's recommendations to further improve the safety of Ontario's propane system. These regulatory amendments, which were designed to enhance safety, include:

- a minimum of annual inspections for propane facilities;
- additional requirements for the licensing of propane facilities;
- stricter limits on the storage and inventory of propane;
- enhanced training requirements; and
- public availability of a facility's emergency preparedness plan.

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Two of the recommendations require legislative changes. These changes have been incorporated into amendments in the Technical Standards and Safety Statute Law Amendment Act, which, if passed, will require propane operators to carry insurance as a condition of licensing and provide the TSSA with clear authority to respond to imminent hazards and to charge the cost back to the operator.

This is an appropriate response. We know that tragic events can happen no matter how well prepared we may be. There's no perfect system. There are no steps that can guarantee absolute safety. That said, we must never be complacent. We have a responsibility to seek continuous

improvement. If we have the misfortune to experience a disaster, we must seize the opportunity to learn from it. What went wrong? Why did it fail? How can we improve? The propane safety panel made specific recommendations for improving propane safety and we're acting on all of them.

The administrative authority model review, a separate activity that looked at governance in all the administrative authorities, affirmed this model of regulatory management and made suggestions for improvement. We are acting on those suggestions. No model is perfect, but this is the model we're working with and we are focused on moving closer to perfection, day by day.

Ontario travellers for example are protected as well as any Canadian citizens, and better than most, when they make travel arrangements through a registered Ontario travel agent. We saw a graphic example of this last year when Conquest Vacations suddenly ceased operations, stranding thousands of travellers. Because of Ontario's consumer protection laws, any traveller who dealt with a registered Ontario travel agent was able to have their out-of-pocket expenses fully covered and they returned safely home.

**The Chair (Mr. Garfield Dunlop):** About two more minutes.

**Hon. Ted McMeekin:** Thank you.

Even in the case of outright fraud by a travel agent—this happened not long ago with One Step Travel—TICO was able to intervene to assist in obtaining convictions against the fraudulent operator and to reimburse consumers. This model—a self-financing model, by the way—worked.

More recently, we learned that the Board of Funeral Services is assisting the Ontario Provincial Police as the board's internal procedures uncovered evidence of fraud against consumers who had prepaid their funeral expenses. Again, the model worked.

To conclude these remarks, I don't mean to suggest to you that I think consumer protection in Ontario has achieved such an exalted state that nothing further needs to be done. Indeed, I hope I've been clear in saying, to the contrary, that I am actively promoting a culture in which we are constantly looking for ways to improve.

I've told all of our staff that nobody gets in trouble anywhere here for helping somebody out; understand that. We are unabashed advocates of consumers. That's our task. We're moving forward with all of our intellect, talent and resources to achieve that. I'm very proud of what we've been able to do so far, I'm proud to be part of this work, and I and our ministry remain unabashed advocates for Ontario's consumers. We're doing good work and we thank you for the attention you've so respectfully paid today as we made the remarks.

**The Chair (Mr. Garfield Dunlop):** Okay. Thank you very much for those remarks. Now we'll go to the official opposition. Ms. Munro, you have up to 30 minutes to make a statement or to question the minister, whatever you wish.

**Mrs. Julia Munro:** Thank you very much. I'm glad you included that I can also go into questions for the minister. I have very few opening remarks that I wish to make and then, in this first round, I do want to deal with a few of the issues that I see as particularly important.

I think there would be agreement around the table here that the importance of consumer services is something that we would all recognize. You had spent the first part of your presentation talking about how important it is to provide consumer protection. Obviously it falls, as I understand it, into two fundamental areas of protection, that being the legal one, in terms of the way in which the laws support the opportunity that you are given under that legal framework to identify particular problems that come to you and the complaints, and then conduct investigations which then may lead to laying charges, collecting fines and so forth.

I think the other part of that consumer protection is equally important but perhaps a little harder to quantify, and that is the question of consumer education. In your remarks further on you talk about, in the model review, the importance of good governance but also, and more particularly in the case of jumping back to the education piece, transparency and accountability.

As you spoke about education beyond the website and the calendars, it struck me that it's really important to be able to look at the identification and the measurement of whatever outcomes it is you have set for yourself. You mentioned, for instance, in the publication of the calendar, the importance of providing the calendar in many languages, as you have done. But I think from the point of view of the good governance that you mentioned in the model review, we could look at that same logic in terms of the education piece and how it is that the ministry can identify and measure some of the outcomes, benefits and the way in which you can come to some conclusion on the validity of particular processes and their outcomes. I recognize that's a difficult thing, but I just think that if we're going to spend time, money and effort on education we also need to know how well it's working.

I also think, in the areas of consumer protection, it's an ongoing issue even to educate people in terms of the areas of purview of the province, particularly when you have the Internet and websites and things that will happen outside Ontario that certainly mean that Ontarians are not protected or insulated against those business scams that come from outside the province. So I would offer the suggestion that that becomes really part of the education process as well; to be able to identify for people what it is that you cannot act on and certainly something that today is a greater and greater threat to people in the area of consumer protection.

I want to spend more time on the areas of the administrative authorities, particularly since we have Bill 187 in front of us in the legislature, the TSSA. I certainly agree again with the principles that you've identified as important to be able to move forward, but I would offer to you the suggestion that incumbent upon you when you

look at trying to establish the goals of good governance, transparency and accountability, the issue of consultation is a critical piece to providing the right foundation for the achievement of those principles. I have some concern about the area of authority, when you dealt with the delegated administrative authority, to what extent people were engaged in that, and then, of course, what happened as a result of that engagement. Later on, I'll refer to some specifics that are of concern to me.

**1630**

I have to say, while I'm making generic comments in terms of consumer protection, that as the minister well knows, the number one consumer protection issue for me is what we're doing to prevent the sale of illegal tobacco and protecting consumers against that issue. I know that he's going to tell me that it's a multi-pronged issue; nevertheless, it seems to me that, while we're on the discussion of consumer protection, protecting those consumers who are under 19 years of age is something that is sadly lacking in this province today. I would be remiss in not mentioning that.

I'd also offer the challenge to the minister—and I accept his position that he's not entirely in charge of that, but I would ask him to lead the charge to look at the impact on health, health promotion, community safety, revenue—there are at least five other ministries that have something to say and a role to play. It would seem to me that as the champion of consumer protection, this would be the right horse to ride in that charge on the sale of illegal tobacco. It's also, of course, an economic issue for those businesses that are trying to keep themselves afloat selling legal tobacco.

With that, I would like to turn to some issues that are of particular concern. The first one I'd like to raise is the question of the protection of heritage cemeteries. This is something that has been within the purview of this ministry for many, many years, despite the fact that when the Ontario Heritage Act was amended, at the committee hearings the parliamentary assistant of the time did make a commitment to work with what is now your ministry on the issue of protecting inactive cemeteries through cemetery legislation. Obviously this has been an issue of quite long standing, but there certainly have been indicators like the parliamentary assistant of the day, Jennifer Mossop, who did make that commitment.

We know that there have been several situations where inactive cemeteries have been lost over the years. Some of them have been dug up and taken away. I particularly remember the cemetery created by black settlers in Grey county where the remains were removed to an undisclosed location at some point in the past.

We have a whole history on the protection of inactive cemeteries. Again, I would be remiss in not recognizing the stellar efforts made by the member for Stormont-Dundas-South Glengarry in bringing in a private member's bill on this issue.

My question is very simple: Will you be offering protection to inactive cemeteries under the 2002 act? If I look at the very little I know of it, it does also include in

the discussions the questions of looking at inactive cemeteries as well as aboriginal burial sites. I would throw out to you that this is still something that a great many of the members of the heritage community particularly are looking for your leadership on.

I need direction: Do I just wait for a response or do I keep going?

**The Chair (Mr. Garfield Dunlop):** No, the minister can respond. You've got until the 30 minutes are up.

I do want to remind committee members, though, that, with about two minutes left of the 30-minute bell, we'll adjourn and go up and vote on this 30-minute bell.

Just carry on.

**Mrs. Julia Munro:** I've thrown out a number of things, so I'll stop.

**Hon. Ted McMeekin:** Thank you very much, Ms. Munro, for your wonderful introductory remarks. You've raised a broad scope of issues, and I would expect nothing less from you, knowing how seriously you take your responsibilities. You raised a number of issues, and let me respond to those as best I can.

I have reason to believe that one of the reasons the Premier thought I might make an interesting contribution in consumer services is my background as an educator. I want to suggest that in virtually everything we do, in every meeting we have and every action we take, one of the questions I ask all of the staff people who are engaged in that process of working to protect the good citizens of Ontario is around the educational component: How can we help? How can we get the message out better? I agree with you entirely, Ms. Munro, on the importance of education, not just what we do but also what we can't do, and if there's some reason why we should be doing some of the things that we can't do, we need to look at that as well. That's very important.

You mentioned TSSA specifically. We felt it was important, given the tragedy that occurred, to get an independent assessment of what was happening and how we could best move. I'm personally very confident that given the steps that we took when the panel came back and said, "Look, it's an excellent system, but here are some enhancements that we can make"—that by moving on those recommendations, we are in fact serving the good people of Ontario well.

Let me talk to you a bit about tobacco. As a former president of the Hamilton-Wentworth Lung Association, I was very engaged, when I first came here, in trying to convince the then government and, when we came to government, the Premier and the government here of the importance of ending the patchwork quilt of smoking-in-public-places legislation, that it was indeed a public health issue and we needed to move on that. Some of the issues that you raise, you rightly noted, fall outside of the direct purview. The Ministry of Revenue is involved. There's even a federal component with respect to First Nations issues, but notwithstanding that, I think we need to be engaged. In that context, we do have occasional communication with our federal counterparts with respect to what we might be doing together to enhance a



difficult issue. I certainly think you flagged something important and something that I'm prepared to ruminate on a bit and see where we go.

On cemeteries, specifically, I could read a scripted answer here but that wouldn't be as helpful as if I turned it over to John Mitsopoulos, who works daily on this area, for a brief comment.

**Mr. John Mitsopoulos:** Thank you, Minister. I just want to highlight that the current Cemeteries Act and the proposed Funeral, Burial and Cremation Services Act, if it does come into force—both statutes currently protect inactive cemeteries and both statutes provide for an exhaustive and extensive public consultation process. If the cemetery is to be closed, it does provide for public notification, and the registrar works very closely with the cemeteries to contact next of kin when it's appropriate to remove and transfer the body. So those protections are currently in place with the existing Cemeteries Act, and those provisions are carried forward in the proposed Funeral, Burial and Cremation Services Act of 2002.

**Hon. Ted McMeekin:** Ms. Munro, is that helpful?

**Mrs. Julia Munro:** Yes, I think it is. Obviously, we'll have to see what happens with the consultations and the ultimate disposition of it.

**Hon. Ted McMeekin:** Agreed. Just on another issue that you did raise—I think Ms. Munro has a few more minutes still. I want to talk a little bit about—you used the term “outcomes.” Let me just say this: In my many years of public service, if I've learned nothing else, it's that we really do need to be clear about what it is we're trying to accomplish and careful how we articulate it and even more specific about how we measure it. We have, with our administrative authorities, a tradition of developing memorandums of understanding with respect to how they do their work.

1640

I have been, as minister, obviously with the guidance of those of the OPS—which I note, two years running, has been voted one of the nation's top 100 employers, which I think is something we can all be proud of, and also diversity employer of the year two years in a row, which is something equally important. As you work with the staff in my ministry and other ministries and staff in the OPS, we're making it very clear that outcome measurement is important. We're trying to wrap that, Ms. Munro, as best we can directly into the memorandums of understanding. In fact we're insisting—as minister I'm insisting, very pointedly insisting—that the delegated administrative authorities spell that out. In fact I have said to them that we'll go through a three-phase process. By the time we have our next quarterly meeting, I want to see all their output indicators in place, and by the time we hit our next quarterly meeting after that, I want to see the implementation plan being put into practice.

So you, Ms. Munro, are bang on. Thank you for that. I take that as an affirmation. Rest assured that we will continue to work as vigorously as we can at enhancing that aspect of our work, coupling that with the educational component, which you also very appropriately

footnoted with us. I don't want to sound anti-partisan, but I do want to compliment you. I think your understanding of the issues we're facing is obviously extraordinary, and also extraordinarily helpful in terms of where we want to go. So thank you very much for that.

**Mrs. Julia Munro:** Thank you.

**The Chair (Mr. Garfield Dunlop):** You have about 12 minutes left.

**Mrs. Julia Munro:** Oh, good.

I mentioned that I wanted to talk about the TSSA, and particularly about the fact that the whole concept of regulated authorities is that there would be an opportunity for those who are engaged in the business of this: Whichever one it is would then have a voice in that whole process.

In the lead-up to Bill 187, I believe that the CFIB had some very specific suggestions to make. I want to just identify a couple of the problems that they saw which, when I look at Bill 187, I'm not quite sure have been responded to. The first one is the question of what is referred to as over and above activity. This, then, is what has happened—what they refer to as the growth of the mandate and the kind of pressure it puts on the people who are being administered to by the TSSA, in this particular case.

It seems to me that this expansion of the mandate has led to some issues that particularly some of the smaller businesses in these groups obviously have a great deal of difficulty with, because along with that goes the increase in the fee. Since this is an over and above kind of mandate, they don't see this as being really productive and fair for the smaller businesses that they represent.

I wondered if you would comment on the too broad a mandate, the creeping problem, and obviously its attendant fee cost.

**Hon. Ted McMeekin:** I'd be delighted to do that. Again I want to begin by affirming your general direction here. I don't think there's any mystery to the broad-based mandate of TSSA.

In the context of their being viewed, particularly by other provinces, as being the *crème de la crème* of the administrative model, we are frequently asked by other provinces, and indeed other countries, to lend our expertise around and related to public safety. Where we can respond to that, we always try to be as helpful as we can. It's widely acknowledged that Ontario has, as the independent review said, the best system in the world for public safety, “but here are 40 ways you can enhance it.”

That having been said, I can share with you that the MOU—and the TSSA was one of a couple of designated administrative authorities we had one-off meetings with to make sure we understood each other clearly on some of the issues—is being developed very much with that awareness in mind.

That having been said, I'm pleased to report that I had a meeting here the other day with a couple of representatives from the CFIB. I used to be a member of the CFIB when I ran my independent bookstore in Waterdown, the original Chapters, but that's for another

day. If you ever want to, we can talk about that sometime, Mr. Chairman, as well.

**The Chair (Mr. Garfield Dunlop):** Yes, sure.

**Hon. Ted McMeekin:** It's a good story.

**Mr. Khalil Ramal:** Chapters?

**Hon. Ted McMeekin:** Chapters, yes. Anyhow, I used to be a member there. They're a valuable group who offer good advice. We met for about 15 minutes the other day, and they had a couple of their government relations people here at the Park. I asked them very specifically what they thought of the actions we were taking, and planning to take, with respect to the TSSA, and more generally for any comments they had about the designated administrative model and how that's working.

They indicated to me that they were just over the top, feeling very positive about the DAA model specifically, and that they very much appreciated and liked where we were heading with the TSSA in the plans. In fact, one of the gentlemen suggested to me that we were moving so much in the direction that they wanted to see us move that they would be pleased to partner with our government in helping to share the direction that we're taking with their membership. I was pleased to hear that. So I'm glad you referenced it.

I'm pleased to say that it appears we seem to be, with our MOU and with the direction we're taking and with the CFIB in particular, in harmony. Let's hope it stays that way. I appreciate your raising that, and I appreciated the opportunity to meet with them, albeit briefly—you know how busy we can get—a couple of days ago on that.

**The Chair (Mr. Garfield Dunlop):** You have about five minutes.

**Mrs. Julia Munro:** Okay. I hope, then, that problems such as the one that I was made aware of are now dealt with.

The example of the failure of government oversight, pointed out by the CFIB, concerns "the new refrigeration regulatory regime introduced in 2006." I'm hoping that by the conversation you had, those kinds of things aren't going to happen again, where there was absolutely no regulation that was being put forward without any kind of assessment.

I want to—

**Hon. Ted McMeekin:** Mr. Chairman, let me just jump in to say quickly that I confess we did not get into the details of refrigeration regulations in our brief conversation, but we will note it here to make sure that we do.

**Mrs. Julia Munro:** Well, it's a 2006 regulation that demonstrates that there was nothing there in terms of validity to do this.

**Hon. Ted McMeekin:** All I can say, without any fear of contradiction, is that the CFIB had previously articulated a number of concerns. I know this from a previous ministry involvement. They did indicate to me that they were very pleased with the direction we were moving in. We'll make sure we get on top of that darned refrigeration stuff.

1650

**Mrs. Julia Munro:** All right. I have a couple of questions on Bill 187 specifically that I wanted to ask you. One of the points in the bill grants authority for the Auditor General to assess all TSSA records and choose to conduct a value-for-money audit at his discretion. When I spoke in the House on this bill, I raised this then simply because it struck me that it was rather unusual when the money would be private money. I understand the Auditor General stepping into agencies, boards etc. where it's public money, but I wondered if this was setting a precedent or if there was a precedent before this.

**Hon. Ted McMeekin:** That's a good question. I wish I had a good answer. Let me try to answer it as best I can. I think it's indicative of how seriously we took the issues around the TSSA that we were prepared, in conversation with a lot of the stakeholders that you mentioned and others, to accede to what seemed to be a good thought that, on a voluntary basis, we would allow the auditor access to that if and when the auditor felt that was appropriate. That's just in addition to all the other protections that we have in place, something that we felt—with the TSSA in particular, we've identified that. We're not trying to set any precedent here, but we did feel that that was useful. I know that had been suggested specifically around the TSSA in the past by some members of our own government as well as members of the opposition, so we're comfortable opening that door.

**Mrs. Julia Munro:** Okay, but then it sounds like it would actually be setting a precedent when it's private money.

**Hon. Ted McMeekin:** We don't see it as a precedent, but we are prepared, with the TSSA, given the complexity of it and some of the difficulties, to do this.

**Mrs. Julia Munro:** My other question, again, goes back to the proposed ideas in Bill 187. When you're talking about the creation of a chief safety and risk officer position, obviously risk assessment is a whole body of expertise. What is the intent of this bill? Where would that expertise be housed? Is it in the government or is it in the TSSA?

**The Chair (Mr. Garfield Dunlop):** You'll have to have a one-minute answer on this.

**Hon. Ted McMeekin:** It's intended to be housed with the TSSA, but it's also seen and intended to be, as much as we can make it, independent and risk based. We want to have somebody there who serves almost as a bit of an ombudsman, who can reflect and ruminate on some of the concerns and can offer some independent advice to the Technical Standards and Safety Authority. We just think, when it comes to public safety, that that ought to be something that we move on, so we have moved in that direction. We think pointing the Ombudsman at Tarion was a similar move which helped to assist in getting better consumer protection. We think this will work with the TSSA as well.

**The Chair (Mr. Garfield Dunlop):** Okay, thank you very much. We'll now go, for the next five minutes, to Ms. DiNovo.

**Ms. Cheri DiNovo:** Thank you, Mr. Chair. I understand we only have five minutes; we have to get up to vote. I'll just generally outline the kinds of issues that I'm going to be raising. I want to say from the outset that as far as the New Democratic Party is concerned and as far as I'm concerned, really the thrust of this is to help you do your jobs better.

**Hon. Ted McMeekin:** Thank you.

**Ms. Cheri DiNovo:** I also understand that some of the questions I'm going to ask, in a sense, leak into other ministries and also that ultimately things are decided at the cabinet, the corner office as we often say, the Premier's office frequently, and not by you. All that notwithstanding, these are the areas that we have concerns about.

First of all, where consumer affairs are concerned, we have lots of concerns. We have concerns about the protection of franchisees, for example. We have concerns about those who still have to resort to payday lending companies. We, of course, dealt with the bill, and I'm interested in seeing now on the ground what's happening with payday lenders. There was an assurance that we would at least have the kind of legislation Manitoba has, if not my own bill, which mirrored the kind of legislation that Quebec has. I'm concerned that this may not have happened.

I'm concerned also about the land titles assurance fund, and again whether changes have been implemented there. I'm concerned about Tarion; we receive a lot of complaints about Tarion. I'm sure Karen Somerville is a name familiar to your ministry, and I want to ask about that and, of course, Sunrise and the whole nightmare of that. I'd like to go through the recommendations and see which ones have been implemented, which ones are still in progress and which ones, perhaps, have not been implemented.

Also, on the other side of your file, small business: Small business, being responsible for about 90% of jobs in Ontario, is a critical part of our economy. As the critic for Small Business, I want to spend at least half my time on that file.

**Hon. Ted McMeekin:** Just to be clear, Mr. Chairman, with respect, Cheri, that's no longer part of our mandate, small business.

**Ms. Cheri DiNovo:** Oh, okay, because it's on the Standing Committee on Estimates, small business and—

**Hon. Ted McMeekin:** The Minister of Small Business, I think, will be before the committee on the 17th.

**Ms. Cheri DiNovo:** On the 17th? Okay, so I'll leave off that. There is a number of issues there. But, certainly, where consumer services are concerned, there's enough to keep me going for quite a while.

Overall, I'm interested in the workload: how many investigators you have versus how many complaints you get, what that looks like and how that, perhaps, works. In terms of proportionality there, are they getting to all the concerns that come forward?

There are other issues too, of course, from a consumer's point of view. We've heard about so-called energy auditors, people who sell services door-to-door. Contractors: I heard you mention a few cases that concerned contractors and individual homeowners. Again, just from our constituency work we have scores of complaints about that still, and I'm wondering about that kind of Wild West of unregulated services that are sold to homeowners and often to seniors who don't know what they're signing, the calendar notwithstanding on that issue.

I'm also concerned, in particular, about franchisees. We had a very hard time getting any statistics on franchisees and their dealings with franchisors and whether they were being protected, but suffice it to say, an unsubstantiated number. So I'm looking to you for direction on this. Just from doing research on the Web, we got that there are about 5,000 lawsuits in any given year by franchisees against franchisors. Again, that seems kind of like a Wild West of buyer beware. I'm wondering how your ministry really responds to that.

There's a fair bit here, and maybe, Mr. Chair, what we'll do is get back to it when we come back.

**The Chair (Mr. Garfield Dunlop):** Thank you very much. You'll have about fifteen and a half minutes when you get back—25 minutes, sorry. So we'll recess to go up and vote, and we'll be back here in just a few minutes, okay?

*The committee recessed from 1657 to 1705.*

**The Chair (Mr. Garfield Dunlop):** Okay, we can reconvene the meeting now; we have a quorum. Ms. DiNovo, you can continue on with your questioning to the minister.

**Ms. Cheri DiNovo:** Thank you, Mr. Chair. Welcome back, everybody. Let's start with one of the questions I just threw out there, which is how many complaints the Ministry of Consumer Affairs received from consumers and how many investigators investigate those complaints. What I'm looking for here, obviously, is a complaint-to-investigator ratio.

**Hon. Ted McMeekin:** Okay. I did cover part of the overview numbers in my opening statement and to be honest I don't recall the specific numbers; I could reference that back. Why don't I just ask Chris Ferguson to—is Chris still here?

**Interjection:** He stepped out for a moment.

**Hon. Ted McMeekin:** Okay. Why don't we go to another portion and when he comes back—

**Ms. Cheri DiNovo:** Sure; absolutely. Not a problem.

**Hon. Ted McMeekin:** He heads up our consumer protection division so he would have those right at his fingertips.

**Ms. Cheri DiNovo:** Wonderful. Thank you very much, Mr. Minister.

The other question that I threw out there before we broke was—and I'll just go over this—when the government introduced amendments to the Consumer Protection Act in 2006, the minister at that time was explicit that he was putting off action on at least four key issues on the

land titles assurance fund. They were: strengthening the land titles assurance fund so it's more responsive and more transparent to victims of fraud; more effectively questioning who should be able to register documents in the land registration system; what requirements they need to meet regulation authority; establishing a notification system that notifies property owners when certain dealings are registered against their property; and changes on how powers of attorney are used in real estate transactions. We all remember—they've kind of fallen from the radar lately in terms of the House, but certainly not in terms of the lives that this has affected. So I'm just wondering what action has been taken on those issues.

**Hon. Ted McMeekin:** Okay, can I—

**Ms. Cheri DiNovo:** Absolutely.

**Hon. Ted McMeekin:** The land titles assurance fund and issues related to that fall under ServiceOntario specifically, rather than our ministry, and the Ministry of Government Services. I have a little bit of knowledge of it, having served as the Minister of Government Services, but I would hate to answer the question for that minister. I will, Ms. DiNovo, undertake to ensure that our staff track the Hansard of the issues that you've raised and ask my Minister of Government Services colleague to respond to you directly with that.

**Ms. Cheri DiNovo:** Okay, thank you for that.

**Hon. Ted McMeekin:** Can you make note of that, John?

**Ms. Cheri DiNovo:** Thank you. Over the years, as I suggested at the outset, there have been a number of complaints against Tarion Corp. These roughly fall under the area that this is kind of an industry insider regulating the industry organization that is slanted in favour of developers rather than in terms of homebuyers and owners. I think every member of this House gets at least one e-mail a week from Karen Somerville, if they check their own e-mails. We are all familiar with the organization and their complaints, and they are substantive. I know that all of us in our constituency offices, particularly downtown Toronto constituency offices, where we're dealing with condo buyers or owners, are dealing with complaints about the construction etc. So I was just wondering if you've taken any steps to respond to those concerns. And again, I recognize that this bleeds a little into Ministry of Housing.

**Hon. Ted McMeekin:** Ms. DiNovo, thank you for that. I can say, by way of getting into this, that I have a little bit of history with Tarion, having put some concerns to them in a previous incarnation and insisting very strongly that they respond to some of the issues that you and I both raised. That led to open, public, general meetings and a number of other new—for them—activities, and some review, obviously, through Elaine Todres and her group.

1710

I have spent a fair bit of time with the study person and asked her very pointedly what was helpful and what wasn't. One of the things she found very helpful was her meeting with Ms. Somerville, and that guided, I'm told

by her, several of the recommendations that she made. I don't want to dwell on any individual—that wouldn't be fair. We don't directly intervene, as a ministry, with Tarion—I say “direct intervention”; we do indirectly communicate all of the concerns that we receive and work with them to encourage them to respond.

In that encourage-to-respond category, I just want to note that one of the things I was particularly concerned about, even before the review—and it was, not surprisingly, articulated in the review itself—was the whole issue of getting information on the public radar, ways to access services and what have you. One of the challenges that we have raised with Tarion, and I'm pleased to say they've been very responsive with respect to it, was the suggestion about better communication with their consumers.

They have developed a brand new computer portal; I think it's called MyHouse or something. MyHome?

**Interjection:** MyHome.

**Hon. Ted McMeekin:** I had a look at it just a couple of days ago. It's really quite outstanding. It's a way of tracking the concerns that are articulated by folk who make a major investment in a house. It's inarguably probably the biggest investment most people will make.

They have developed this because, I'm told, when they get—and I think there's some anecdotal evidence. Perhaps in most MPPs' offices, often you get a hand-written fax that you can't discern. You just can't read it. You want to help, but it takes a staff person half a day just to find out what the person is saying. So this portal will allow people to get involved in actually spelling out in writing what their concerns are. It's a better way of tracking it. It's kind of an e-system for housing and one that I think is going to work quite well, because I have seen it. It's going to allow us and Tarion to track concerns more easily, which is important because the last thing in the world you want to see happen is to have a legitimate, bona fide concern get lost in the kafuffle of paperwork.

**Ms. Cheri DiNovo:** And that's the concern of consumers: It's not tracking their concerns, but responding to their concerns with action.

**Hon. Ted McMeekin:** Let me speak to that because we, in many cases now—we see the survey results that come back when Tarion goes out and asks the customers that they're serving how they found the service. A very, very high percentage, an exceptionally high percentage, say that the service is good and/or excellent. In fact, we occasionally get letters from consumers who talk about how pleased they are that the minute they let something be known to Tarion or it gets on the portal, the builder shows up virtually the same day. The suggestion has been made that one of the reasons that that is happening more frequently now is that there's an enhanced clarity to what's going on, and I think that's really good.

So the ability to track, to monitor, to measure outcomes, to enhance the positive feelings of respondents, and to actually do the job that needs to be done is very much a concern of ours and will be reflected in the new memorandum of understanding that we negotiate.

By the way, the deputy and I spent some personal time, about two hours, just last week with the chair and the chief executive officer talking to them about—I want to be careful what I say here—our expectations and how that will be reflected in the new MOU. They were, to their credit, open to most of what we had to say. So I think we're making some good progress there. It's not perfect, but I think we're—

**Ms. Cheri DiNovo:** Right. Really, to us in the New Democratic Party, the backdrop to the problem here, however, is that this is an industry regulating itself, in a sense, so the critical role—and this is what we're hearing from the consumers who have to deal with Tarion—of government is one of making sure they do that. You've addressed that. I may come back to that later if I've got some more time.

I want to go into payday lending. We've all spent a lot of time looking at this issue. I can say at the outset, I'm not happy with the results in terms of consumers of payday lending institutions. I looked at United Way—and this has been quoted oft—there was a tenfold increase, for example, between 1995 and 2007 in payday lending operations in and around the city of Toronto, certainly. Again, we know that the people who are lined up outside those doors are the people who are having difficulty getting cheaper credit from other places. I call them usurious; I would still stand by that.

We attempted, and I know you attempted, Mr. Minister, to look at that issue and to strike an expert panel. We were somewhat upset that some of the experts we felt should be on that panel were not for whatever reasons. However, at the end of the day, are we dealing with a changed picture of payday lending institutions?

To begin with, what I'd like to ask is, what is the average interest rate now charged by payday lenders in Ontario?

**Hon. Ted McMeekin:** It's 730% annually.

**Ms. Cheri DiNovo:** So you know what I'm going to say next. Clearly, what we were hoping would come out of a change in legislation and a focus from the government, from consumer affairs—and again, to be non-partisan, I don't think that the Manitoba response is ideal either. In fact, I think the Liberal response in Quebec is better than the NDP response in Manitoba. So it's not about partisanship; it's about the consumers themselves at the end of the day. Surely we can do better than that, can we not?

**Hon. Ted McMeekin:** Let me respond at several levels.

Let me begin by just saying that I really do, as you know, appreciate your efforts on this file, and we've had some at least passing conversations on it.

Again, I don't want to sound partisan, but I wish the feds had taken this on nationally and we'd have one standard right across the country. We urged them to do that, as you know, and they, in their wisdom or their folly, decided not to, as sometimes happens with federal governments of various persuasions. I'm not aiming this anywhere. They decided not to do that. So we were left

with a situation where we didn't want to let excellence become the enemy of the good. We wanted to move forward as best we could, and we did that by bringing forward legislation.

**1720**

You mentioned that Manitoba is not perfect, but I think our legislation is seen by most people, notwithstanding whatever shortcomings may be there, as being the best in the country for a few reasons. Let me just go to my notes here because I want to—

**Ms. Cheri DiNovo:** Could I just interject there, while you're going to your notes, with a little bit of shock at that statement. Quebec has basically done away with the lenders with a 35% interest rate, which I think most Ontarians would find still a little usurious in this day and age—35%. It's certainly not as bad as 730%, but I would want to say for the record that the Quebec legislation is the model for all of Canada.

Now I know, and we've gone into this before, it's not stopping people from going to pawn shops, it's not stopping people from getting loans over the net, but it's certainly cutting down on the number of payday lending institutions—it's virtually eradicated them—and is cutting down on the amount of payday lending, whether by net, pawn shop or whatever.

**Hon. Ted McMeekin:** We just have to agree to move forward as best we can. The reality is that we made the decision that we didn't want to drive the industry underground, where it would be subject to a greater preponderance of unsavoury activity than if we in fact regulated the industry. So we attempted to regulate the industry.

I should just say that the annual percentage rates don't fairly express the cost of short-term loans. The best way to understand—as I understand, it's \$21 per \$100. We have moved to ban rollover loans, which were a significant issue; we've prohibited other practices for current loans; we've eliminated the acceptance of wage assignments by payday lenders, which is significant; we've provided an additional cooling off period so people can reflect on what they're doing; we're requiring absolute disclosure—and there's even a delivery-of-money requirement in terms of time; we're requiring all payday lenders and loan brokers to be licensed; and most importantly, something that is to this point in time unique, but we understand other provinces are racing to replicate it, is the move to have a strong consumer education component as part of the legislation as well.

Ms. DiNovo, I think you may know that the legislation sets out the ability of the Minister of Consumer Services—I guess that's me—to actually set up and ensure that a foundation is in place to handle that educational component or to designate the educational component so people actually know what they're doing and to monitor that—they get an annual report on that—and to look at enhancing that, all of which, by the way, will be paid for by the payday lenders, both through their licence fees and an additional fee that will be required—

**Ms. Cheri DiNovo:** I would warrant at 730% interest they can afford to.

Again, I'm extremely concerned about this and I just want to put that forward. Even as stated, I don't think it is as strong as the Manitoba legislation, which is not, as I said, very strong either.

**Hon. Ted McMeekin:** We certainly believe that the maximum cost of \$21 per \$100 lent balances in a significant way the rights of borrowers, some of which we acknowledge are vulnerable—although the statistics show that there are a lot of people with regular jobs and regular paycheques who, interestingly enough, use the system. The rate that we have per \$100, I'm told, is actually the lowest in Canada.

**Mr. Fareed Amin:** Second-lowest.

**Hon. Ted McMeekin:** Second-lowest in Canada, sorry. What's the lowest?

**Interjection:** Manitoba.

**Ms. Cheri DiNovo:** Well, you're obviously not counting Quebec again. So it would be second-lowest to Manitoba, then, I would assume?

**Hon. Ted McMeekin:** Yes. We feel that the requirement of ensuring the competitiveness of the payday loan industry and putting some of the protections in place, while not perfect, are a great enhancement on where we were. The initial feedback we're getting from people who actually use the service is quite positive.

**Ms. Cheri DiNovo:** This leads me to the next question. I've got figures from 2006-07 from the United Way, which found 317 payday-lending, cheque-cashing outlets in Toronto, for example. But my question to you is, are there more payday lenders now since this legislation has been brought forward with the new regulations, are they static or are there less? Again, if you don't have those figures, I'm fine with you getting back to me with those figures.

**Hon. Ted McMeekin:** I'll get back to you on that. I can say that the United Way of Toronto, Frances Lankin over there, said to us when we were going through this that they wanted to see us regulate this in a way that enabled the payday lenders to stay in business, but to be regulated. And they specifically asked us, begged us, not to go the Quebec route.

**Ms. Cheri DiNovo:** Well, okay.

**Hon. Ted McMeekin:** But, you know, rightly or wrongly, that was the feedback we got from them. You know, we like to take the best advice we can get, be it from the United Way, from Cheri DiNovo or anybody else. We have tried to come in with a balanced approach that we think is reflective of much of the input we had. We had a panel in place to make some recommendations to us, independent of government. I'm pleased to say, I think there are some—correct me, John, if I'm wrong—700 payday lenders previously unlicensed that are now licensed. That brings a degree of operational control that was not previously in place.

**Ms. Cheri DiNovo:** Unfortunately—

**The Chair (Mr. Garfield Dunlop):** You have about four minutes.

**Ms. Cheri DiNovo:** Okay.

Unfortunately sometimes, often—having been a small business owner myself and being in touch with that community, a licence is simply something you hang on the wall, if, again, there's not some stringent enforcements that go along with that. Anyway, my—

**Hon. Ted McMeekin:** I agree with you on that, by the way. There's no sense having rules unless you're prepared to vigorously enforce them.

**Ms. Cheri DiNovo:** Exactly. So again, just to register my—dismay is not too strong a word—dismay at 730% interest being allowed in the province of Ontario.

I want to move on, though, to the Sunrise Propane explosion and fire. As you know and as you mentioned in response to Ms. Munro's questions, and I think in your preamble, a review panel came up with 40 recommendations. I just want to go through them and you just need to say "yea" or "nay" in terms of whether they've been implemented. I won't get through them all in the four minutes but I'll submit what I don't get through to the clerk and then I'd appreciate a response later, maybe.

"1. ... TSSA should continue to build on its existing risk-based enforcement model by introducing a more rigorous, statistical approach for propane safety."

Would you say you've acted on that?

**Hon. Ted McMeekin:** Yes.

**Ms. Cheri DiNovo:** You have? Okay.

"2. TSSA should inspect facilities annually until it has gathered the required data, and has developed and is applying a comprehensive risk-based approach to regulation."

**Hon. Ted McMeekin:** Yes.

**Ms. Cheri DiNovo:** You've required that of them?

**Hon. Ted McMeekin:** Yes, we have.

**Ms. Cheri DiNovo:** "3. For the purposes of licensing a facility, the total capacity should include both fixed and transient storage, with the second element defined as the combined capacity of the maximum number of stored cylinders and tanks, and of tanker trucks and/or rail tank cars that might stay at the facility at any given time for longer than it takes them to complete a transfer."

**Hon. Ted McMeekin:** Yes. That's a very important one.

**Ms. Cheri DiNovo:** Right.

"4. A limit should be set on maximum transient storage at a facility."

**Hon. Ted McMeekin:** Yes.

**Ms. Cheri DiNovo:** You have done that?

**Hon. Ted McMeekin:** We have.

**Ms. Cheri DiNovo:** "5. The facility operator should be required to designate the parking spaces for transient tanker truck storage at a facility."

**Hon. Ted McMeekin:** This will be required, yes.

**Ms. Cheri DiNovo:** This will be required; okay. So these have all been implemented?

**Hon. Ted McMeekin:** Or are in the process of being—

**Ms. Cheri DiNovo:** Or are in the process of being implemented.

“6. Every facility at which transfer of propane takes place should have a risk and safety management plan as a condition of licensing.”

**Hon. Ted McMeekin:** Yes. That’s very important too, by the way.

**Ms. Cheri DiNovo:** It is critical.

“7. Certification by a professional engineer should be required for all risk and safety management plans for facilities of more than 30,000 USWG in total capacity.”

**Hon. Ted McMeekin:** Absolutely.

**Ms. Cheri DiNovo:** Correct?

**Hon. Ted McMeekin:** Yes.

1730

**Ms. Cheri DiNovo:** So again, implemented?

**Hon. Ted McMeekin:** Yes.

**Ms. Cheri DiNovo:** “8. When reviewing an operator’s risk and safety management plan, TSSA should verify that it includes all relevant requirements.”

**Hon. Ted McMeekin:** Yes.

**Ms. Cheri DiNovo:** I’ll just do one more, and then I’ll give it to the clerk.

“9. TSSA should continue to invest in the technology needed to improve the quality and value of data on the location of propane facilities and those handling other volatile fuels, with a specific goal of allowing these facilities and related defined hazard distances to be mapped using geographical information system (GIS) technology.”

**Hon. Ted McMeekin:** We’ve spoken to TSSA about that, and they’ve given us an ongoing commitment to continue to work on that.

**Ms. Cheri DiNovo:** To doing that.

**Hon. Ted McMeekin:** Yes.

**Ms. Cheri DiNovo:** Okay.

**The Chair (Mr. Garfield Dunlop):** If you can give the rest of those to the clerk—

**Ms. Cheri DiNovo:** I will.

**The Chair (Mr. Garfield Dunlop):** That concludes the 30 minutes from the third party. We now have up to 30 minutes for the minister to make any responses. If you wish, you can give up your time and go to the official opposition or you can make a response.

**Hon. Ted McMeekin:** Thank you. Given the importance of public safety, I want to continue along Ms. DiNovo’s track and actually go through the rest of the recommendations, if that’s okay with the Chair.

**The Chair (Mr. Garfield Dunlop):** Yes. We will be having one stop again. We have to recess again for this vote. I’ll let you know about 10 minutes from now.

**Hon. Ted McMeekin:** And my trusty companion Mr. Mitsopoulos here will tell me when.

There are a couple of recommendations that have cross-jurisdictional components. By the way, I have, of course, written to the federal minister responsible and Transport Canada with respect to those. We’ll note that when appropriate.

“11. TSSA should make publicly available sections of the risk and safety management plan dealing with

emergency response for facilities of more than 30,000 USWG in total capacity.”

Yes, that has happened.

**Ms. Cheri DiNovo:** Number 10, sorry, Mr. Minister.

**Hon. Ted McMeekin:** Number 10 has happened.

**Ms. Cheri DiNovo:** Has happened? Okay.

**Hon. Ted McMeekin:** They’re all happening. That’s happening.

I drew the line in the wrong place, Cheri. Sorry.

“12. As a condition of licensing, the operator should be required to review the risk and safety management plan on the same cycle as TSSA’s inspection cycle. This review should assess whether development within the defined hazard distance has increased the risks relating to the facility and the plan should be upgraded as required.”

This will happen; we have a commitment.

**Ms. Cheri DiNovo:** That’s a commitment?

**Hon. Ted McMeekin:** Yes.

“13. When a licence is first issued for a facility, the licence approval should state specifically that if development around the facility changes so as to increase risk, it is the responsibility of the operator to reassess and, if necessary, upgrade special mitigation measures.”

That’s happening.

“14. The province should amend planning rules to require municipalities and local appeal bodies to notify facility operators of applications for official plan amendments, plans of subdivision, rezoning and minor variances where the facility’s defined hazard distance extends into an area under consideration for change.”

That will happen as well. I will just note, by the way, that there were also changes made by this government in the previous term to the Ontario Municipal Act that also allow municipalities to exceed on public safety issues where they deem it appropriate in the interest of their citizens. So some might argue that they already have that power, but notwithstanding, we intend to ensure it.

“15. An application to TSSA for a new or expanded facility should not be considered complete until the fire service has received and approved all components of the risk and safety management plan that address fire safety, protection and emergency considerations.”

Again.

**Ms. Cheri DiNovo:** Done or being done?

**Mr. John Mitsopoulos:** It will be done on application and submission of the risk and safety management plans commencing January 1, 2010.

**Hon. Ted McMeekin:** “16. Before commissioning a new or expanded facility, the proponent should be required to contact the local fire service for a walk-through with the aim of familiarization.”

Done.

“17. An application to TSSA for a new facility or an expansion should not be considered complete until the proponent receives and includes the comments of the relevant local planning authority.”

Yes, done.

“18. Training requirements should be extended to include at least one officer, director or partner of every propane operator and licence holder.”

It will be a condition of granting a licence.

“19. Certificate holders should have to produce proof of their training on demand.”

Yes. That’s not on demand by anybody but anybody who has the authority to demand it.

“20. Certificate holders should receive site-specific training when starting work and after changing employers or facilities, and should be re-certified after being away from the job for a significant period of time.”

That, too, is being implemented.

“21. Every person who works at a facility should be trained in the facility’s emergency procedures.”

That’s a no-brainer; we’re moving forward with that.

“22. The training curriculum for certificate holders should cover the consequences of incorrect handling, storage or transport of propane, including the impact of major fires and explosions. It should also cover emergency procedures.”

The incident we had is a case in point of the need to do that, so we’re moving ahead with that.

“23. TSSA should set a three-year review schedule for training providers and as part of this process the training provider should review the curriculum, update it if necessary and submit it to TSSA.”

Again, we’re moving on that one.

“24. Trainers should be required to have hands-on, practical experience as well as theoretical knowledge of the subject areas they teach.”

Nelson Mandela said: You don’t send underdeveloped people to underdeveloped countries; right? So that, of course, is what we want to do.

“25. The Office of the Fire Marshal should enhance its training for fire department personnel in the areas of prevention, mitigation and suppression of propane explosions and fires.”

Yes, we’re acting on that.

“26. Propane facility inspectors should be trained in all aspects of propane safety, including how to recognize and respond to imminent hazards.”

Yes, ma’am, we’re doing that.

“28. As part of the code adoption process or if considering changes to other regulatory instruments, TSSA should consult with the Office of the Fire Marshal and Ontario municipalities.”

**Mr. John Mitsopoulos:** Yes.

**Hon. Ted McMeekin:** That is happening, yes. Even my own people are trying to hurry me along.

Recommendation 33—

**Ms. Cheri DiNovo:** We’re at 29; that was 28.

**Hon. Ted McMeekin:** Oh, 29, yes. Let me go to the ones we’re implementing.

“33. Operators should be required to keep records to demonstrate ongoing maintenance and operational testing of fire safety equipment and systems.”

Yes.

My very favourite one: “34. Fire services should have clear authority to enter licensed propane facilities for familiarization purposes and/or to verify proper maintenance of fire protection equipment.”

Yes.

“35. In light of these recommendations, TSSA should review its current code adoption document, directors’ orders and branch standards, with a view to updating these as necessary.”

Yes.

“36. The ministry should consider approaches similar to those recommended here for propane for all liquid and gaseous fuels in use in the province to ensure that they also are covered by a best-practices regulatory framework.”

Again, we’re acting on that.

“39. The minister should ask Transport Canada to examine the potential benefits to public safety of thermal protection requirements for highway tank trucks similar to those for railway tank cars and regulations for safe parking of tank trucks, including such factors as setback and security.”

We’re in conversation with the feds, and I have written to the federal government minister responsible with respect to that, and to Transport Canada.

**1740**

“40. The minister should ask the Canadian Standards Association to review and update the relevant sections of the propane installation code”—members will know that’s B149.2 and B149.5—“with a focus on setback distances, categories of installation, emergency response plans, maintenance, and special fire protection and to ensure the code aligns with international best practices.” We are moving on that.

**Ms. Cheri DiNovo:** Thank you.

**Hon. Ted McMeekin:** Propane safety recommendations in progress, but require further discussion with other ministries, authorities, levels of government, would include recommendation 27.

“27. TSSA, Office of the Fire Marshal, industry and others with an interest in the industry’s safety should work together on a public safety and awareness program.”

**Ms. Cheri DiNovo:** And 33—

**The Chair (Mr. Garfield Dunlop):** I think with that we’ll recess for a couple of minutes while we go vote. We’ll be back here right after the vote for about 10 more minutes to take us through to 6, okay? Thanks very much.

*The committee recessed from 1740 to 1747.*

**The Chair (Mr. Garfield Dunlop):** Minister, we’ll let you continue on then, okay? We apologize too for this inconvenience.

**Hon. Ted McMeekin:** This is the kind of book you can’t pick up once you put it down, right? But we’ll continue on here. I think we stopped at—

**Ms. Cheri DiNovo:** We were going to go back to, say, 33 through 36, if you wouldn’t mind, Mr. Minister.



**Hon. Ted McMeekin:** Yes, we did those. Those are all go. Numbers 39 and 40 are go. We covered that. They're all good. Then I had said that there were three that required our working with other authorities. They were 27, which we covered off—

"29. There should be formal agreements in place so that such authorities as the Province's Office of the Fire Marshal, Office of the Chief Coroner for Ontario, Ministry of Labour, and TSSA share information, findings and any recommendations with all parties with an interest in propane safety."

We of course are—

**Ms. Cheri DiNovo:** Oh, I was misreading. Sorry to interrupt, but yes, 29 through 32, rather.

**Hon. Ted McMeekin:** Yes. So 29, we're moving ahead with that. Obviously that involves discussions with other players, all of which, by the way, have a real interest in this. So we don't anticipate any difficulty there.

"30. TSSA and provincial, municipal and other investigative authorities should create a cross-jurisdictional incident database, aggregating information on causes of incidents, lessons learned, and recommended preventive steps."

Again, John, my understanding is that we're working on that as well, but it's going to take some time to get that in place. I think there's generally a sense that we need to do that. We need to be moving that forward.

There are two recommendations that are being addressed specifically in Bill 187, which is currently before the Legislative Assembly.

"31. Propane operators should be required to carry insurance as a condition of licensing." I don't think there's any serious belief that that shouldn't happen.

"32. Where there is an imminent hazard to safety, and the facility operator will not or cannot act to correct it, TSSA inspectors should have the full and clear authority to ensure that the installation is made safe and to charge back the costs to the operator." That's part of the legislation, again pretty straightforward.

Recommendation 37—

**Mr. John Mitsopulos:** Those are future.

**Hon. Ted McMeekin:** Those are future?

**Mr. John Mitsopulos:** Yes.

**Hon. Ted McMeekin:** Okay. Should I reference them here?

**Mr. John Mitsopulos:** Yes.

**Hon. Ted McMeekin:** "The ministry should review the progress of adoption and implementation of these recommendations within 18 months and report" back "to the public, including the members of the propane safety review."

I assure you I will do that or cause that to be done. Note that I made a commitment to do that.

"38. Once recommendations have been implemented, the Ministry and TSSA should review their impacts on a periodic basis with a view to making any further changes, if necessary, to improve propane safety and should inform the public, including the members of the propane

safety review" committee. That certainly will be happening as well.

1750

That concludes, I think, the recommendations there. Do I have a few more minutes?

**The Chair (Mr. Garfield Dunlop):** Yes, you do. You actually have about 17 minutes all together—16 minutes in the response.

**Hon. Ted McMeekin:** I wouldn't want to waste any time, so I'll keep going, then.

**The Chair (Mr. Garfield Dunlop):** Yes. You've got that whole binder to work with.

**Hon. Ted McMeekin:** I could reference that, but I don't think I need to necessarily go there.

I want to do a little bit of storytelling, if I can. I sent, on behalf of our ministry, a letter around to all the MPPs in the last week or so which began with the line, "I'm Minister of Government Services. I'm here to help," which got a few chuckles. It points to the cynicism that even we feel from time to time, let alone the citizens out there perhaps. But it was really a sincere effort on our part, and my part in particular, to declare how I want to see this ministry work, to affirm the good things that have happened and are continuing to happen every day in the ministry, and to invite all members of the people's place, those who have the privilege of serving the good people of Ontario in these two important areas which we have broad responsibility for, namely consumer protection and specifically public safety, to become engaged with us.

Life is too short for, in my opinion—we're in an age and a time when we need to—I sound like I'm giving a sermon here and I apologize for that in advance—take whatever we feel is truth and whatever others may feel is their truth and somehow find a middle way. By "middle way" I don't mean "compromise your principles." What I intend to suggest by talking about a middle way is finding a way to do things differently. I believe that leadership is about doing the right thing. Management is about doing things right. Nobody has a monopoly on being best managers in every area all the time, but I think we all need to bring to this place an understanding—my deputy minister is always reminding me of this, to his everlasting credit—that when something goes wrong from a management perspective, a good leader will act to make things right, to do the right things.

The best political advice I ever got—and I've shared this story a couple of times. People may or may not recall it. The late, great Sterling Hunt, a beef farmer—and he did some other kind of farming up in Linden in my riding: When I decided I wanted to run for mayor in the town of Flamborough, I went to see Sterling and his lovely wife. We had tea for two hours and we talked about the community and all the issues there. He walked me out to the car and he said, "Ted, can we cut all through that stuff? Can I give it to you straight?" I said, "Yes." He said, "The best political advice I can give you is to tell them what's broken and how you're going to fix it." I've never forgotten that. In fact, whenever I'm

perplexed about anything, be it constituency work or ministry work—and let me focus on the ministry—I say to the staff that gather—political staff, OPS staff: “Tell me what’s broken and how we’re going to fix it.”

**Mr. Khalil Ramal:** Real simple.

**Hon. Ted McMeekin:** Real simple. When all is said and done around this place, if we take our responsibilities—I want to suggest again, respectfully—I don’t pretend to have a monopoly on wisdom. I went and sought some guidance from some of the MPPs when I was first elected. One said, “Kid, don’t worry. In six months, you’ll know everything.” I’m pleased to say that nine years have passed and I still don’t know everything. But that having been said, when all is said and done, that’s what we’re sent here to do: to look at things, to make principled decisions and to move forward.

I am particularly delighted to have the opportunity to serve as the Minister of Consumer Services. Of course, you’re always delighted when you’re appointed to cabinet, but this ministry is particularly one I like, perhaps because I have a social work and church background, as some people know, and it’s about people. It’s about crossing points—where the issues that they have cross with an opportunity to respond. It goes back to the case-to-cause advocacy of issues. What separates, and I

say this with no disrespect, the social work case worker and a CAS—somebody who has the privilege of doing that—from somebody in this place is, we need to learn to be bold enough to say, “Here was the problem; here was the solution. How do we act to make sure that the benefits of having found the solution for one person can accrue to everybody else?” That is really, really what it’s all about.

I say to the ministry staff when we meet—we meet weekly, by the way, which is another thing that we’ve started. We also have meetings between minister’s staff and the OPS staff to make sure we’re talking about direction—and the deputy has been very, very good in this regard—just to check in. I frequently—not too frequently for you, Deputy—say, “We need to be bold.”

**The Chair (Mr. Garfield Dunlop):** With that, Minister, you’ve got about nine minutes on another day. We’re going to adjourn today, but on Tuesday morning, November 17, at 9 o’clock, we’ll be here with Minister Papatello of economic development and trade.

With that, I’d like to thank Minister McMeekin for attending today, and all the staff from the ministry. This meeting is adjourned until next time.

*The committee adjourned at 1756.*



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