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Mardi 31 mai 2011

Standing Committee on Estimates

Comité permanent des budgets des dépenses

Ministry of Finance

Ministère des Finances

Chair: Garfield Dunlop
Clerk: Sylwia Przezdziecki

Président : Garfield Dunlop
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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
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Toronto ON M7A 1A2
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON ESTIMATES

COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Tuesday 31 May 2011

Mardi 31 mai 2011

The committee met at 0901 in room 151.

MINISTRY OF FINANCE

The Chair (Mr. Garfield Dunlop): Okay, folks, we'll call the meeting to order. Welcome to Minister Duncan and the staff of the Ministry of Finance. We're here today for the consideration of the estimates of the Ministry of Finance for a total of 15 hours. Now, with the House adjourning, of course, we're not going to get that in at this point.

The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly.

Before we start, are there any questions from anyone?

We will commence with vote 1201. 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. Then the minister will have up to 30 minutes for a reply. The remaining time will be apportioned equally among the three parties.

Now, ladies and gentlemen, because of some problems with scheduling tomorrow, we will end estimates today at 6 o'clock tonight, so we'll try to keep on schedule.

On your second rotation of the 30 minutes, Minister, if you don't use the full 30—I know a lot of ministers can use the full 30, but some go into questions and answers directly, and that would mean that the rotation would start back into the official opposition, the third party and then to the government. Okay?

Hon. Dwight Duncan: Okay.

The Chair (Mr. Garfield Dunlop): With that, Minister, welcome, and the floor is yours for the next 30 minutes.

Hon. Dwight Duncan: Thank you, Mr. Chair, and good morning. I want to thank the members of the Standing Committee on Estimates for the opportunity to speak to you today.

This past weekend, the PC Party released their platform: a series of 229 promises that were focused on getting them elected rather than governing.

There's no clear plan. It's a party with a history of hiding things. They hid a $5.5-billion deficit last time they were in power. Now, in their new platform, they have a hole that's more than $10 billion and they won't say how they're going to fill it, other than to say, of course, waste and efficiencies, as if the $70 million that will be yielded by eliminating local health networks will get you close to $10 billion. By the way, that kind of act will let health care decisions in your ridings in Muskoka and Sarnia be made here in downtown Toronto. You don't have to be the finance minister to know it takes a lot of 70 millions to plug a $10-billion hole.

Instead of putting more police on our streets, the PCs are going to put more criminals on our streets. Instead of hiring more nurses, they will fire them like they did last time. Instead of hiring teachers and keeping our kids in classrooms, they will fire teachers and saddle parents with the burden of scrambling to try to find alternative child care and having to spend money on that child care or maybe having to miss a day at work because they can't find child care. I remember when my son was in school.

Now, as our economy turns the corner on the global recession, instead of creating jobs in a new clean economy, they're going to kill 50,000 jobs.

I would ask the members of the PC Party, how are you going to fill that $10-billion hole? Will you close hospitals? For instance, would they close Bluewater Health in Sarnia or Lakeridge in Oshawa, or possibly, in Norm Miller's riding, Muskoka Algonquin Healthcare and West Parry Sound Health Centre?

Will they close schools? In Bob Bailey's riding, possibly Rosedale in Sarnia or St. Philip's in Petrolia, or, in Mr. O'Toole's riding, perhaps Vincent Massey, which is in Bowmanville, or Quaker Village, which is in Uxbridge, or again in Mr. Miller's riding, Saint Mary's in Huntsville or William Beatty in Parry Sound?

Our government, by contrast, has a plan that is based on prudence and on fact, a plan that is focused on deficit reduction, a plan that is focused on protecting education and health care, and a plan that we have submitted to the Auditor General for his sign-off as to the veracity of our numbers, something the opposition won't do.

Our tax plan for jobs and growth and the Open Ontario plan, along with the government's continuing approach to prudent fiscal management, provides a solid foundation for supporting the economic recovery and ensuring long-term prosperity for the province. Our 2011 budget builds on the gains Ontario has made in economic growth and job creation.

The Ontario economy is turning the corner after the recession—

Mr. Steve Clark: On a point of order, Chair: What does this have to do with estimates, the finance minister making lots of allegations, railing against—

The Chair (Mr. Garfield Dunlop): Mr. Clark, this is typical of estimates. They have an opening statement of up to 30 minutes and he can use it accordingly. If he chooses to use it that way, that's his prerogative and you can respond accordingly.

Thank you, Minister.

Hon. Dwight Duncan: The Ontario economy is turning the corner after the recession and is now poised for a period of sustained growth. The deficit for the 2010-11 fiscal year is projected to be $16.7 billion, $3 billion lower than outlined in the 2010 budget. This is largely due to the fact that program expense for 2010-11 is projected to be $2.6 billion lower than the 2010 budget forecast.

Over the next two years, the government is projecting to improve on its 2010-11 deficit projections by $1.7 billion, for a total cumulative improvement of $4.7 billion over three years.

Beyond 2012-13, the Ontario government remains on track to meet its fiscal targets outlined in the 2010 budget. This includes a $13.3-billion deficit in 2013-14, followed by steadily declining deficits and a return to a balanced budget in 2017-18.

Now, after criticizing our plan for so long, the opposition party has adopted our fiscal plan and balance date, which is like what they did with the HST. They fought it for so long and have finally—finally—agreed that it's the right thing to do to make our economy more competitive, and they now have acknowledged they will keep it. In the process, somehow they're going to spend more on putting criminals on our streets.

The PCs will reduce revenues by offering some tax cuts and still balance the budget in the same time frame that we have laid out. It looks like a poorly-thought-out attempt to get votes, a reckless rookie mistake.

After the economic downturn, our government put together a responsible plan to strengthen our economy, as well as create and protect jobs. As the recent job numbers from Statistics Canada show, our tax plan for jobs and growth is working. It is helping to create good news for our families. In April alone, Ontario's employment jumped by almost 55,000 new jobs and the unemployment rate declined by 0.2 percentage points.

Jobs in Ontario are coming back at a faster rate than in other jurisdictions in the world. We've now regained 114% of the jobs lost during the recession, 94% of which are full-time. Ontario's real gross domestic product grew by an estimated 2.8% in 2010. The modest but solid pace of economic growth reflects a fundamentally sound domestic economy and continued increases in global demand for Ontario's exports.

I'm also pleased to say that the Ontario government revenues are recovering following the downturn. Revenues are projected to increase at an annual average rate of 3.3% from 2010-11 to 2013-14.

Our government's plan to balance the budget and make the province more competitive is working and getting results. We will take further action to manage expenses, increase productivity and improve service delivery.

Initiatives announced in the 2011 budget and since December 2010 would help realize additional savings of nearly $1.5 billion across government over the next three fiscal years.

How do these savings compare to what the PCs have projected? We've gone through an extensive process to look at government programs and spending. We've taken some larger steps. We're well on the way to reducing the OPS by 5%, which we announced in the 2009 budget. The 2011 budget undertook the elimination of a further 1,500 OPS positions. All told, these reductions will save taxpayers close to $500 million. We merged Infrastructure Ontario with the Ontario Realty Corp., which will save $15 million over three years.

0910

We also looked at some smaller things, smaller things that add up to some pretty big numbers. For example, over the next two years the government will save $15.6 million by eliminating more than 15,000 printers and computer servers, saving $8 million—almost a 50% reduction; cutting paper usage by 50%, saving some $7 million; and reducing the number of office fax machines by centralizing them, saving some $640,000.

The PC plan shows that they think they'll magically unearth even more savings. Despite the attention to detail and the level of action we have taken, they claim they'll somehow come up with over $2 billion above and beyond what we've found, just by doing things better. We've seen how the Ontario PCs do better: They cut; they close; they cut people; they cut them loose.

Our government is also establishing the commission on broader public sector reform, which will be chaired by Don Drummond, to examine long-term fundamental changes to the way government works. In our recent budget, we announced that funding for executive offices of transfer payment recipients and agencies will be reduced by 10% over two years. Our government has also reducing consulting expenditures by over 50% since 2003. The PC Party, when they were in power, fired public servants and then rehired them as consultants at a higher cost—sounds reckless to me. I ask the members of that party, "Would you do that again?"

Ontario's tax plan for jobs and growth will help ensure sustained economic growth and job creation by significantly improving Ontario's tax competitiveness. The plan, introduced in the 2009 Ontario budget, provides Ontarians with tax cuts totalling $12 billion over three years. Our tax package also provides more than $4.8 billion in business tax relief over three years, which includes reducing corporate income taxes for large and small businesses and eliminating the small business deduction surtax. Our plan is making Ontario a more attractive place for business to invest and create jobs.

When the HST is fully phased in, it will also result in the removal of about $4.5 billion a year in embedded or hidden sales taxes paid by businesses, which are passed on to consumers. Ontario businesses agree that the HST is making them more competitive and strengthening business investment. These initiatives were taken at a time when such actions were desperately needed to help Ontario's economy turn the corner out of the global recession.

A report by economist and tax expert Jack Mintz predicts that the reduction in the tax burden on new business investment due to our tax plan and other tax cuts will increase investment in Ontario by $47 billion and create nearly 600,000 net new jobs by 2020. In fact, a letter signed by 33 prominent economists and business leaders confirms that "the HST will enhance competitiveness, encourage new investment and create jobs. It represents sound public policy."

With the HST, we are creating a tax environment where businesses can thrive, innovate and compete in the global economy while passing along savings to consumers with lower prices. This includes the cut to personal income tax for 93% of Ontario income tax payers, and eliminating it for about 90,000 lower-income taxpayers. We are also supporting our families through tax credits and other benefits, such as the children's activity tax credit, the Ontario energy and property tax credit, the Ontario sales tax credit and the northern Ontario energy credit. These credits all reduce taxes for Ontario families. They all respond to the families' needs to have less financial pressure put on them, and represent creative ways of doing that.

In addition to the measures I've just outlined, on January 1, we introduced the Ontario clean energy benefit to help consumers manage the cost of the transition to a reliable, cleaner electricity system. Over the next five years, the Ontario clean energy benefit will provide more than four million residential customers and more than 400,000 farms and small business with a benefit equal to 10% of the total cost of their electricity bills, including tax. The Ontario clean energy benefit is saving the typical household more than $150 a year, small businesses will save more than $1,700 a year, and farms will save more than $2,000 a year.

The Ontario government is also investing in strong local communities as an essential part of a robust provincial economy. Working in partnership with municipalities goes hand in hand with our plan to improve local services and support job creation in communities across Ontario. In 2011, through the combined benefit of the Ontario municipal partnership fund and provincial uploads, municipalities are receiving more than double when compared to the previous program. The Ontario municipal partnership fund is our main transfer payment to municipalities. The Ontario municipal partnership fund assists municipalities with their social program costs, includes equalization measures, addresses challenges faced by northern and rural communities and responds to policing costs in rural communities. In 2011, we are providing some $577 million, through the Ontario municipal partnership fund grants, to 372 municipalities.

In addition, municipalities are also continuing to benefit from our decision to upload social assistance benefit program costs. This year, we also completed the upload of the Ontario disability support program and continue to phase in the upload of Ontario Works benefits costs. As a result, municipalities will see savings totalling $947 million in 2011.

When the uploads are fully implemented in 2018, along with the upload of up to $125 million a year in court security costs, the net benefit to municipalities will be $1.5 billion annually. This will ensure that municipal property tax dollars are focused on important local priorities, including modern and efficient infrastructure, economic development and job creation. By 2018, we will have increased ongoing support to municipalities up to $4 billion annually, an increase of 270% since 2003. I will remind you that the last PC government downloaded those costs and effectively raised property taxes for all property tax payers in this province.

In their current numbers, part of the $10-billion hole is that they project holding transfers to municipalities even over the next five years, which in my view means they will not be able to continue with the uploads.

During the recent global recession, the Ontario and federal governments worked together to renew economic growth and job creation. We invested in infrastructure, worked together on sales tax harmonization and provided financial support to the auto industry. Thanks to our support, General Motors and Chrysler were able to preserve thousands of skilled jobs in Ontario, contributing to our global competitiveness in the auto industry. These companies increased production by over 50% between 2009 and 2010. Both GM and Chrysler have now repaid their loans to our governments ahead of schedule. Today, GM and Chrysler sales are stronger, and the outlook for the future of auto manufacturing in Ontario is brighter as the industry continues to recover across North America.

Ontario continues to be one of the top locations for the auto and manufacturing sector in North America, thanks to our highly skilled workforce, reputation for quality and innovation, and competitive business environment. These are loans and support that the PC government did not support; in fact, they called it welfare. Our government called it supporting more than 400,000 jobs across Ontario. We call it supporting families and communities that rely on those jobs.

This morning, the Premier is meeting with Sergio Marchionne in Brampton to celebrate the repayment of the Chrysler loans. The money was received, by the way, last week, and as I say, Chrysler's footprint in Ontario remains. The plants in Brampton and Windsor have a solid product mandate, which hopefully will allow them to grow in the future. Mr. Marchionne has assured me personally that they see a bright future for all of their operations in Ontario, and we're glad that we were able to support Chrysler and, of course, General Motors. Their plant in Oshawa—St. Catharines now—again, has a very secure product mandate, a bright future. I had the opportunity to meet with Mr. Akerson, the CEO of General

Motors world, and he sees a very bright future for General Motors here in Ontario.

These are important investments and take a radically different view of the world than the PCs who, again, as I said, referred to this as welfare. It's not welfare. It's about investing. It's about keeping jobs and protecting the footprint, and we're seeing the results of that today. We're seeing the success of those plans today.

0920

We have had probably one of the worst downturns since the Great Depression. We've had to make difficult decisions, and we've had to focus on a variety of issues that were challenging. I'm glad that we now have both opposition parties essentially endorsing our tax plan for jobs and growth, both of them acknowledging, after years, that as difficult as those choices were, the leadership we showed was absolutely the right direction to go.

I was pleased, for instance, over that time, that we were able to work with the federal Conservative government on implementing the HST. They gave us $4.3 billion to implement it. We took $300 million of that and gave it to Ontario businesses so that they could convert their computer systems and so on. We gave the other $4 billion to Ontario taxpayers—I think the final cheque will arrive in their mailboxes the second week of next month—as well as, as I talked about earlier, the very significant income tax cuts that we've implemented.

In 2004, we passed something called the Fiscal Transparency and Accountability Act, which requires the finance minister to submit to the Auditor General his budget numbers in the last budget before an election so that the veracity of those numbers could be put to the test by the Auditor General. We did that because there was a hidden deficit left in the last budget of the PC government. There were plug numbers in the budget, and the deficit had to be restated to $5.5 billion. I look forward to the auditor's response to our submission. The three major credit rating agencies that we deal with have all maintained our credit rating throughout the downturn.

I had the opportunity last week to meet with large institutional investors in our bonds. That's how we finance our government program. Our bonds are viewed worldwide as among the best. They talk about the flight to quality—large investors—and that's why they're buying Ontario bonds. That's important. When they say flight to quality, they look at the economy and the government's finances. They look at a whole range of factors. They look at our workforce, our education system and our health care system. They take a sophisticated view of the world. They look at investment opportunities literally from around the world, and many of them choose our bonds. It's a tremendous credit both to Ontario and Canada that we are seen worldwide as a very good place to invest, a very safe place to invest. Much of the money that's invested in these instruments represents money that's conservatively invested with an eye to reliability and with an eye to repayment.

I wish every Ontarian could have the opportunity to hear what many of these large foreign financial institutions and others who buy our bonds have to say about our economy. They talk about it being a strong economy. They talk about what they call the Canada brand and how the state of public finance, both federally and provincially, is strong compared to the rest of the world. That's why our bonds sell as quickly as they do. We were quite pleased when Moody's, Standard and Poor's and DBRS again maintained our credit rating—through, again, one of the most difficult downturns in the province's history, certainly since the Great Depression.

So I'm optimistic about the future. As we turn the corner, if we continue to make the right investments, if we continue to take a thoughtful approach to getting back to balance—rejecting the slash and burn, rejecting the hidden cuts of some $10 billion, ill-defined—and lay out the kind of plan that we've laid out, we will get back to balance.

One of the reasons we asked Don Drummond to chair the commission that we've set up is his approach. In some of his writings, he's rejected the slash-and-burn approach. It winds up costing more. I cited one example where the previous Conservative government had laid off public servants by the thousands and then hired many of them back as consultants at a higher cost. We want to try to avoid that.

We want to get back to balance, and we're moving at a good clip. We have exceeded our targets in the first two years, and we've exceeded them due in large measure to reductions in expenditure. We've had some modest growth in revenues, but we've seen very good expenditure reductions resultant from a carefully laid out plan. It takes time; it takes patience.

We reject the kind of approach that was taken, as I say, by the previous Conservative government. It appears as though the opposition will take a similar approach when they get elected. We reject it. We want to build a better future by continuing to invest in education and health care as we move forward.

I look forward, as I say, to hearing from the auditor in terms of how he sees the numbers we've laid out. There are challenges. Our revenue projections and expense projections vary from year to year. My officials—and I'm surrounded by many of the department of finance officials, represented here at the table by my deputy minister, who epitomizes everything that is good in our public service. There are always variances—when you have a $125-billion budget, a 1% variance is $1.25 billion—but I'm confident that the auditor will see and will have positive things to say, and he'll also caution us in terms of the risks that are built in. We've put a lot of prudence into our budget. Again, nobody could predict what happened in 2008-09, so you have to build in that prudence, and I look forward to seeing how things unfold.

I was very pleased to see the GDP numbers for Canada yesterday, which are much higher than projected. Given that Ontario is 40% of the Canadian economy, we won't get our GDP numbers for the first quarter until about 44 days now, but I would think we'll see very similar results. In fact, Ontario, in some quarters over the last eight quarters, has led Canada. So I look forward to that.

I look forward to an ongoing debate here in this committee over the next several hours, as well as the opportunity to debate these issues between now and October 6 as we show competing plans, competing ideas.

We don't want to set back the clock. We don't want to turn back on the progress we've made. We don't want hidden cuts and hidden deficits. Our opponent's plan is about anger and reckless promises designed to divide us from each other.

Ontario is emerging from the global recession and our economy is turning the corner. We are working to eliminate the deficit without putting vital public services at risk or resorting to arbitrary across-the-board cuts.

The McGuinty government's plan is positioning the province for new opportunities, new jobs and new economic growth. It's about reassessing how Ontario does business and how it can best prepare for a brighter future. It's about maximizing existing resources, including our people, programs and processes, as economic recovery takes root.

Ontario is a strong province with a proud tradition. By working together, we can continue that tradition and build for a better tomorrow.

The Chair (Mr. Garfield Dunlop): Thank you, Minister. You had about three or four minutes left if you wanted to use it, but we'll now go to the official opposition. You have up to 30 minutes to make your statement and/or you can go directly to questions to the minister if you wish.

Mr. Norm Miller: We'll move directly to questions and pass it on to Mr. Clark here, as I know he has some keen questions he'd like to begin with.

Mr. Steve Clark: Oh, I'm keen all right. It was a very interesting presentation to say the least. I'm being extremely kind. When I hear the minister in his first few breaths talk about hiding things, I think your record speaks for itself.

On April 4, Dalton McGuinty was quoted, "A very good predictor of the future is what has happened in the past." Do you agree with that, Minister? It doesn't have to be a hard answer; it can be just a simple yes or no.

0930

Hon. Dwight Duncan: I agree. I think the Premier has shown visionary leadership over the last seven years. He has been completely candid with the people of Ontario. Unlike your plan, where you've hidden $10 billion in cuts, we've never done that. We will continue to expose the holes in your numbers, the reckless approach you're taking. I think the Premier of Ontario has shown the kind of leadership that your leader lacks, and he won't take a reckless approach—

Mr. Steve Clark: That's good. I'm glad you agree that a good predictor of your behaviour is what you've done in the past.

A couple of weeks ago, just before we adjourned, I think it was the May 17—

Hon. Dwight Duncan: I didn't say that, and I want to step in. He completely misinterpreted my answer.

Mr. Steve Clark: Listen, I didn't interrupt him when he was making his—

Hon. Dwight Duncan: No, no, I'm not going to allow you to put words in my mouth.

Mr. Steve Clark: I did a point of order and you—

Hon. Dwight Duncan: You can fudge on your numbers and your plan, but don't try to put words—

The Chair (Mr. Garfield Dunlop): All right, guys, hold it here.

Hon. Dwight Duncan: I'll fight you every step of the way. I don't disagree with the Premier; I disagree with you and your approach, which is reckless and is going to harm our economy. It's going to cost jobs. It's going to hurt public services. Don't put words in my mouth.

Mr. Steve Clark: Chair, come on.

The Chair (Mr. Garfield Dunlop): Okay, going to Mr. Clark for now—

Hon. Dwight Duncan: I'd like the record to reflect that he put words in my mouth.

Mr. Steve Clark: I did a point of order—

The Chair (Mr. Garfield Dunlop): Minister, you can respond accordingly in your next 30 minutes. You have another 30 minutes to respond after the third party.

Hon. Dwight Duncan: Thirty? Okay.

The Chair (Mr. Garfield Dunlop): You can respond to anything you want.

Hon. Dwight Duncan: Well, it was a question, though—

The Chair (Mr. Garfield Dunlop): Mr. Clark, you go ahead and ask questions.

Mr. Steve Clark: Back a couple of weeks ago, just before we adjourned, I remember a quote that the Premier said. He was quoted as saying, "I'm going to promise to keep doing what we have been doing." I guess it's another yes/no: Are you going to raise taxes again?

Hon. Dwight Duncan: We've just cut taxes for families and companies. We have implemented a tax plan for jobs and growth. You've now endorsed the HST even though you originally said you would get rid of it; we're glad to see that. We have made record investments in health care and education. We've laid out a plan for getting back to balance. In spite of your criticism of that, you've adopted our date. You've adopted a number of our policies, but you've left a $10-billion hole—

Mr. Norm Miller: Minister, on the HST, on November 7—

Hon. Dwight Duncan: Mr. Chair, can I respond? I was asked a question. I haven't finished.

The Chair (Mr. Garfield Dunlop): Well, they're allowed to break in on this.

Mr. Norm Miller: On November 7, 2007—

Hon. Dwight Duncan: Am I allowed to break in on my answers?

Mr. Norm Miller: —the Toronto Star wrote: "Dalton McGuinty said he's not interested in harmonizing the PST with the GST ... so Ontarians would pay one sales tax." Now Ontario does have an HST. That's what your leader said on November 7, 2007. You remember that the election happened on October 10, 2007. This is actually after the election. He said that he wasn't interested in an HST, but then he brought in the HST. Can you explain that?

Hon. Dwight Duncan: For the last two years you've opposed it; now you support it. Why did you mislead Ontarians?

Mr. Steve Clark: The question was to you.

Hon. Dwight Duncan: That's my answer.

Mr. Norm Miller: Can you explain why, on November 7, your leader said he wasn't interested in the HST, and then a few months later, he brought in the HST?

Hon. Dwight Duncan: You, sir, have misled Ontarians for the last two years. Now you support the HST. Do you want the quotes from the last two years? I'm glad to see you see the wisdom of it. Your federal cousins, who you all supported, gave us $4.3 billion to harmonize. We've cut personal taxes—

Mr. Norm Miller: You said of the Ontario PCs' plan of relief for Ontario families, "Your plan is reckless. It's irresponsible." So you think taking the HST off of skyrocketing hydro bills is reckless and irresponsible?

Hon. Dwight Duncan: If you're going to close hospitals and schools, which you will, it is. You've got a $10-billion hole in your numbers that you can't account for. We'll have more to say about that in the coming weeks and months—

Mr. Norm Miller: It's interesting that you had that $10-billion press release come out before you'd seen the plan.

Hon. Dwight Duncan: —but I can assure you Ontarians won't be fooled again by a plan that lacks any credibility.

Mr. Norm Miller: So what about home heating?

Hon. Dwight Duncan: Will you submit your numbers to the Provincial Auditor?

Mr. Norm Miller: What about home heating?

Hon. Dwight Duncan: Will you submit your numbers to the Provincial Auditor?

Mr. Norm Miller: Is it reckless to take the HST off of home heating as well?

Hon. Dwight Duncan: I just want to ask again: Will the Conservative Party submit its numbers to the Provincial Auditor for scrutiny?

Mr. Steve Clark: I think it's important that—

The Chair (Mr. Garfield Dunlop): They're allowed to break in, Minister.

Mr. Steve Clark: Thank you, Chair. I think it's important we put on the record that all you do, Mr. Duncan, is raise taxes. Clearly, with home hydro bills, they're skyrocketing. Taxes continue to go up again. You say one thing before you get elected; you do something else once you get re-elected. What are you going to do? Are you going to raise the HST by a per cent or two after October?

Hon. Dwight Duncan: We have just cut personal taxes by $11 billion—

Mr. Norm Miller: No, I'm asking you: You've done it in 2003 and 2007. What are you doing in 2011?

Hon. Dwight Duncan: The member is misleading the public with those numbers. That is untrue. It is completely inaccurate, and it's false.

Mr. Norm Miller: So you didn't bring in the health tax in 2003?

Hon. Dwight Duncan: The people of Ontario re-elected us with a majority government after that—

Mr. Norm Miller: You didn't bring the HST in 2007?

Hon. Dwight Duncan: We also built hospitals that you closed. We opened schools that you closed. We hired nurses. We do choose to protect our public services. You simply have to acknowledge it, even though you don't want to, and I understand the politics of it.

Some $11 billion in personal tax cuts: You, sir, voted against every one of those. We now have the lowest tax rate on the first $37,000 of income. We created the Ontario child benefit, which benefits lower- and more modest-income Ontario families. You voted against that. You voted against taking 90,000 low-income Ontarians—

Mr. Norm Miller: We voted against the health tax, the $3-billion tax increase. We voted against the $3-billion HST tax increase.

Hon. Dwight Duncan: You voted against taking 90,000 off, and you now have a plan that has a $10-billion hole, that misleads the public—and you're going to be called out on it. People will see through this, just like they saw through it in 2003 and 2007.

We will continue, and I would ask again: Will you submit your numbers to the Provincial Auditor, the way we have, to see how accurate they are? Because frankly, our view is, they're misleading the public—

Mr. Steve Clark: Chair, this man has misled Ontarians for eight years. I think you need to come clean today. I think you need to answer the question: Are you going to bring in a carbon tax? Is that part of your hidden plan?

Hon. Dwight Duncan: No.

Mr. Norm Miller: So does this "no" mean something more than how you weren't going to raise taxes in 2003?

Mr. Steve Clark: It means he really, really means it this time, I think.

Mr. Bob Delaney: Asked and answered, Chair.

Hon. Dwight Duncan: You asked a question; the answer is no. Just like you said that you didn't have a deficit in 2003, you've got a $10-billion hole now. The people of Ontario will see through it.

What we've laid out is a plan. The auditor is looking at that plan as to the veracity of the numbers. You won't submit your numbers to the auditor. I'm quite willing to stand behind that plan. So no, there will be no carbon tax, and no, there will be no increase in the HST.

Mr. Norm Miller: It's interesting that the Liberal press release about Changebook came out before Changebook came out. Somehow, you knew ahead of time about this fictitious $10-billion hole before you even saw the plan. That's quite amazing, your ability to do that.

Hon. Dwight Duncan: It's like a BlackBerry in your front pocket, I guess.

Mr. Norm Miller: A pretty amazing story.

Switching gears, you said during the 2010 budget speech that the fiscal plan provides no funding for incremental compensation increases for any future collective agreements—knowing that you'd already signed a deal with OPSEU with 2% increases a year, and then with a secret clause that would provide for an additional 1% increase. Minister, you announced in the 2010 budget that you had a wage freeze in place, yet you knew that you'd signed a secret deal to give a 2% increase to these 38,000 employees and an additional 1% increase. How do you justify that?

Hon. Dwight Duncan: First of all, there was nothing secret about that. It was voted on by locals across the province—absolutely nothing secret about that. We actually got a deal—

Interjection.

Hon. Dwight Duncan: If I may, Mr. Chair, respond to the question, we got a four-year deal of 1.75%, 2%, 2% and 2%, which was before—the member opposite is again being disingenuous and not particularly candid with the people who are watching. That deal was arrived at before the 2010 budget—

Mr. Norm Miller: Wait a second. Sorry, you say it's not secret? That is not true. Why is it that it took a labour court—the lawyer called it "secret."

Hon. Dwight Duncan: Then the final point I would make is that we got a number of concessions in exchange, which actually wound up saving taxpayers money. So I would completely disagree with the characterization of the question. It's very disingenuous, just like the $10-billion hole in their numbers with respect to their platform.

The final point I would make is that we've heard a lot of language around what they're going to do about arbitration, but they were silent on it in their plan. They were silent about their approach to labour unions in their plan.

Mr. Norm Miller: The fact that it took a labour board hearing—

Hon. Dwight Duncan: They were silent, so I take it to mean that we're going to go back to a period of labour strife—

Mr. Norm Miller: Minister, you will let me—

Hon. Dwight Duncan: —tens of millions of days—

Mr. Norm Miller: You want to blather on.

The Chair (Mr. Garfield Dunlop): Okay, it's time that he had his chance.

Mr. Norm Miller: Minister, you say that it's not secret. It's unbelievable. It took a labour board hearing, and the lawyer representing the government called it "secret" himself. And you say it's not secret? I have a letter here from the assistant deputy minister, David Logan, to Mr. Brian Gould, the chief negotiator for OPSEU, that's talking about the 1% adjustment that will happen in 2012, after the next election, conveniently, and after they had the deal. This is the sort of thing—and you said there was a wage freeze.

Hon. Dwight Duncan: How is it secret? You're holding up the proof.

0940

Mr. Norm Miller: You said there was a wage freeze, and you're negotiating this.

Hon. Dwight Duncan: No, we didn't. We said we were bargaining to zero and zero and not funding.

I would point out, Mr. Chair, that these questions are more appropriately directed to the Minister of Government Services. I am happy to respond—

The Chair (Mr. Garfield Dunlop): I think, by the way, they tried to ask him and he wouldn't respond to them.

Hon. Dwight Duncan: That wasn't my recollection. You've mischaracterized that. In fact, the minister, I thought, responded candidly.

Mr. Norm Miller: We tried to ask a lot of questions to the Minister of Revenue about the HST and she said that you're the one responsible.

Hon. Dwight Duncan: Let me be clear: There was nothing secret about that. We have laid out a zero and zero, to the original question. We said we wouldn't fund increases; we're not funding increases.

Mr. Norm Miller: Okay, so you said you won't fund increases—

Hon. Dwight Duncan: But we are working together with management, with labour, in the public and broader public sectors, and by doing so, we've brought down the average rate of settlement.

Again, I would point out that the member and his party were silent in their platform on these issues, in spite of the rhetoric and the false bravado we see here. What that will lead to, in our view, is a return to the days of back in 2003, when tens of millions of days were lost—

Mr. Norm Miller: So you said you won't—

Hon. Dwight Duncan: —and public services were threatened—

The Chair (Mr. Garfield Dunlop): Minister, we know you're trying to kill the clock too, okay? It's time to ask the question and try to get a response.

Mr. Norm Miller: Through you, Mr. Chair—

Hon. Dwight Duncan: Mr. Chair, I'm trying to answer questions. I'm not trying to kill the clock. That's simply not fair.

Mr. Norm Miller: You talked about a wage freeze—

Hon. Dwight Duncan: It's completely unfair. It's a mischaracterization.

Mr. Norm Miller: —and you said it applied to the broader public service. These are your words, actually: "The legislation would also freeze compensation structures for all non-bargained employees in the broader public sector and the Ontario public service for two years." That's what you said in the budget of 2010. Do you stand by those words?

Hon. Dwight Duncan: Yes.

Mr. Norm Miller: And you say that with a straight face.

Hon. Dwight Duncan: It's better than a dishonest face.

Mr. Norm Miller: So you stand by that—

Hon. Dwight Duncan: If you ask a dumb question, you get a simple answer.

Mr. Norm Miller: —but then we find out there was a 10% increase to the eHealth employees.

Hon. Dwight Duncan: Why don't you come clean about what you're going to do to public services? Why are you misleading the public here? You're misleading the public.

Mr. Norm Miller: Did the eHealth employees get a 10% increase or not?

Hon. Dwight Duncan: We've laid out a plan—

Mr. Norm Miller: Did the eHealth employees get a 10% increase or not? Or was it just 9.8%?

Hon. Dwight Duncan: We have reduced the rate of settlements in the public and broader public sectors.

Mr. Norm Miller: So you don't want to answer that question. What about police services?

Hon. Dwight Duncan: You don't even know which minister to direct it to.

Mr. Norm Miller: Tell me about the wage freeze for police services.

Hon. Dwight Duncan: I think our police are worth the money, and we got zero and zero in two years.

Mr. Norm Miller: I think the police are worth the money too.

Hon. Dwight Duncan: Are you against our police? Are you going to cut their wages?

Mr. Norm Miller: No.

Hon. Dwight Duncan: What are you going to do? Are you going to cut their wages?

Mr. Norm Miller: I'm asking you about—

Hon. Dwight Duncan: So you're attacking the police now.

Mr. Norm Miller: No, I'm attacking your financial—

Hon. Dwight Duncan: You want to put criminals on the street and you want to go after our police. You're going after police while you put criminals on the street.

Mr. Steve Clark: You're embarrassing yourself.

Hon. Dwight Duncan: No, I'm not.

Mr. Norm Miller: You said there was a wage freeze. You announced it in your budget. Did you announce—

Hon. Dwight Duncan: We said we wouldn't fund wage increases and we would target zero and zero—

Mr. Norm Miller: Yes, you announced it in your budget. You said there was a wage freeze—

Hon. Dwight Duncan: —and we have brought down the average rate of settlement.

Mr. Norm Miller: So explain to me the police wage freeze, that 5% increase.

Hon. Dwight Duncan: What do you have against the police? Why are you attacking the OPP? Why are you attacking the police?

Mr. Norm Miller: Are you the Minister of Finance or not?

Hon. Dwight Duncan: I certainly am.

Mr. Steve Clark: Just explain it.

Mr. Norm Miller: Okay, so explain it.

Hon. Dwight Duncan: I'm not going to attack the police the way you have. We believe in collective bargaining. We have bargained—

Mr. Norm Miller: I'm asking you to explain your wage freeze to the police services. Please just explain it.

Hon. Dwight Duncan: Are you going to roll it back?

Mr. Norm Miller: You have the floor. Go ahead and explain it.

Hon. Dwight Duncan: You've got time to roll it back. Are you going to roll it back?

Mr. Norm Miller: I'm asking you to explain your wage freeze.

Hon. Dwight Duncan: We bargained it, and it's a good agreement.

Mr. Norm Miller: Okay, so what is your wage freeze for the police services? There's a 5% increase the first year, then you have the two-year freeze, and then you have 8.5%—

Hon. Dwight Duncan: We have zero and zero.

Mr. Norm Miller: —over four years. That makes 13.5%.

Hon. Dwight Duncan: We responded to what I would call labour market conditions—

Mr. Norm Miller: So is 13.5% a wage freeze?

Hon. Dwight Duncan: So you're going to roll it back.

Mr. Norm Miller: You were the one who stood up in this Legislature and said there was a wage freeze.

Hon. Dwight Duncan: Your numbers are inaccurate, you're misstating the facts, you're misstating the time frames and you're not being candid with the people of Ontario. So I ask you: Are you going to roll that back? And what are you going to do about arbitration?

Mr. Steve Clark: He's not going to answer any of these questions, Chair.

The Chair (Mr. Garfield Dunlop): Go ahead.

Mr. Steve Clark: You want to talk about hiding things. Let me go back to the famous September 11, 2003, pledge that Dalton McGuinty signed, that said, "I, Dalton McGuinty, leader of the Liberal Party of Ontario, promise, if my party is elected as the next government, that I will not raise taxes or implement any new taxes without the consent of Ontario voters." The minute you and Mr. McGuinty grabbed the keys to the province of Ontario, you brought in the health tax.

You said a few moments ago that you're rejecting a carbon tax. Earlier, you sort of said that you didn't favour an HST hike—although I'm not sure the people of Ontario believe you—or some other tax.

You made that statement. The Premier signed the form. The minute you took the keys, you added the health tax. The same thing happened in 2007. Why do you think people won't believe you in 2011? You make a lot of comments about prudence and fact. Those are the facts. You said one thing prior to the election; you said something after.

Hon. Dwight Duncan: First of all, again, my original answer has been mischaracterized. (1) We will not put in a carbon tax, and we will not raise the HST. We've said that. (2) When we came to office, there was a hidden

$5.5-billion deficit. That was borne out by the Auditor General of Ontario. It was a mess that your government had left. We moved to fix it. We did implement the health premium, and I will tell you, two years after that was implemented, the people of Ontario gave us a second majority government.

I guess my question to you is, are you going to take the health premium off?

Mr. Steve Clark: No. My question to you—

Hon. Dwight Duncan: Well, no. I think that's legitimate. You said—

Mr. Steve Clark: No, no, no—

The Chair (Mr. Garfield Dunlop): Guys, you've got to quit talking over each other.

Hon. Dwight Duncan: My question back is, are you going to take it off? Because your leader said everything was on the table, and one of your members said it wasn't.

Mr. Steve Clark: Clearly you don't want to answer the question.

Hon. Dwight Duncan: I'm answering your question.

Mr. Steve Clark: Clearly you don't want to recognize that—

Hon. Dwight Duncan: No to an HST increase; no carbon tax.

Mr. Steve Clark: —the people of Ontario, after eight years in office, are seeing through you. They know what you're going to do.

Hon. Dwight Duncan: I'm answering, very clearly, the questions, Mr. Chair.

The Chair (Mr. Garfield Dunlop): He answered. Go to the next question, please.

Mr. Steve Clark: Okay, I will.

The Chair (Mr. Garfield Dunlop): I don't want you talking over each other, please.

Mr. Steve Clark: Well, he's the one who started his presentation off talking about hiding things and boasting about prudence in fact, and he sounds so Churchillian that he's going to fight us in the streets, you know, he's going to fight us on the beaches.

Hon. Dwight Duncan: Streets and corners; I don't want to disturb people on the beach.

Mr. Steve Clark: We'll fight your tax increases in the streets any time, sir; no problems.

In terms of the HST, you mentioned earlier—and I think my friend from Parry Sound–Muskoka asked you about your comments calling some of our plans reckless and irresponsible. So again I want to go back to the issue of taking the HST off our skyrocketing hydro bills. So you believe that's reckless and irresponsible?

Hon. Dwight Duncan: We have taken more than that off with the Ontario clean energy benefit. That's responsible. That is going to actually lower it more than your plan would. Now, I take it—

Mr. Steve Clark: Then I'll ask, Mr. Chair, if I can—

Hon. Dwight Duncan: We understand that you're going to eliminate the clean energy benefits.

Mr. Steve Clark: —and if you'll allow me to ask him—

Hon. Dwight Duncan: Can you clarify that?

Mr. Steve Clark: —do you think it's reckless and irresponsible to take the HST off home heating fuel?

Hon. Dwight Duncan: We chose to take more off, through the Ontario clean energy benefit.

Mr. Steve Clark: So again you use the word "reckless" when it serves you. I'm asking, do you think it's reckless—

Hon. Dwight Duncan: I think it's reckless when you leave a $10-billion hole in your numbers.

Mr. Steve Clark: —to take the HST off home heating fuel?

Hon. Dwight Duncan: You have a $10-billion hole in your numbers.

Mr. Steve Clark: The question is, do you think it's reckless to take the HST off home heating fuel?

Hon. Dwight Duncan: I'm proud—

Mr. Steve Clark: It's a very simple question.

Hon. Dwight Duncan: I'm proud that we took 10% off—

Mr. Steve Clark: You can be proud all you want, sir, but—

Hon. Dwight Duncan: I'm proud that we took 10%—

Mr. Steve Clark: The question is—

The Chair (Mr. Garfield Dunlop): Guys, hold on. We're trying to get this on Hansard, and we absolutely have to quit contradicting each other here. You have to not talk over. So let's have quick questions and quick answers and not—

Mr. Steve Clark: Well, I'm not getting any quick answers.

The Chair (Mr. Garfield Dunlop): So let's get your question out there now—

Mr. Steve Clark: My question is still on the floor.

The Chair (Mr. Garfield Dunlop): If you could answer fairly quickly, we'll try to avoid the—

Mr. Steve Clark: My question is still on the floor.

The Chair (Mr. Garfield Dunlop): Because we're having trouble with Hansard trying to get the questions. Okay, go ahead.

Hon. Dwight Duncan: We have taken 10% off of everybody's electricity bill. We're proud of that. We think it's the right public policy response. That member and his party voted against that, and now they're proposing an 8%—they haven't said if they'll put that 10% back on, and that's one of the reasons that there's a $10-billion hole in their numbers, which will lead, in our view, to closures of hospitals and schools and real challenges for Ontario's public services, which we put a very high value on.

Mr. Steve Clark: So, sir, this quote, "My concern about harmonization is we would have to add PST to so many consumer items that are presently exempt," would be reckless and irresponsible as well? Is that your opinion, yes or no?

Hon. Dwight Duncan: We cut income taxes, we have provided the most generous sales taxes in the provinces, so that 93% of Ontarians are paying less in tax, and I'm delighted that Mr. Hudak and the Conservative Party have endorsed the HST, having spent the last two years criticizing it, and I think Ontarians need to know that.

In laying out the plan they have, they've left a $10-billion hole in numbers, which will inevitably be met with cuts to a whole range of public services. We've laid out a more detailed plan that I believe responds to the genuine concern Ontarians have with ensuring that we continue to make progress in the areas we've made progress in, in education and health care. I don't think Ontarians want a return to hospital closures, school closures, to laying off nurses and teachers, and our tax plan actually lowers taxes for all Ontarians. And finally, Mr. Chair, I remind the member opposite that his federal colleagues gave us $4.3 billion and have endorsed the plan quite heartily, because they recognize that there are large tax cuts in it, so that most Ontarians will pay less in overall taxes.

0950

Mr. Steve Clark: The quote, Chair, through you to Mr. Duncan, was from the Premier back in 2007, before he brought in the HST on essentials like home heating fuel and hydro. I guess the question is, what's more reckless and irresponsible: saying that you won't raise taxes on essentials and then doing it or providing relief from taxes on essentials?

Hon. Dwight Duncan: Our tax plan for jobs and growth has lowered taxes for Ontario families and businesses. We've also taken the money that the federal—the federal government, I remind you, gave us $4.3 billion; we're returning that money to Ontarians directly to help them in the transition to this lower tax environment.

I remind you that I think two years ago now the Conservative Party had an expert witness in here named Jack Mintz on their behalf who has said that our tax plan for jobs and growth will create some 600,000 jobs over the next 10 years. Mr. Mintz has talked about the marginal effect of tax rate on new investment in Ontario being cut in half. We have lowered taxes for Ontario families to accommodate that.

Again, I welcome the support of Mr. Hudak and the opposition in finally acknowledging the HST and supporting its continued existence as we move forward.

Mr. Steve Clark: Again, it's an issue of credibility. In the same article that I quoted from, Dalton McGuinty said he wouldn't bring the HST in, and he did. He said he wouldn't bring in the HST on essentials like hydro and home heating fuel, and he did. He also said in that same story that he was musing about increasing the PST by two points because of the GST reduction. It seems like everything he talked about in that story has come true. So again the question is, are you going to raise the HST by two points—

Hon. Dwight Duncan: No.

Mr. Steve Clark: —just as Dalton McGuinty predicted in the 2007 article?

Hon. Dwight Duncan: First of all, what you're quoting is not accurate. You're taking everything out of context. You've refused to acknowledge the broader tax cuts on the income tax side, so I hope the people listening—

Mr. Steve Clark: Well, I think the people of Ontario know what you've been up to.

Hon. Dwight Duncan: —won't trust you in what you're saying. What they do know is that we've cut personal taxes, we've cut business taxes; 93% of Ontarians will pay less in overall taxes.

I'll just read to you a number of other quotes that—

Mr. Steve Clark: No, no, no. He doesn't need to read.

The Chair (Mr. Garfield Dunlop): Go ahead, next question.

Mr. Norm Miller: What we do know is that you've increased spending 77% and that you have a wage freeze which has been a complete flop. So you have an option and what you've done in the past is increase taxes. You have a proven track record of increasing taxes. You increased them in 2003, you increased them in 2007. We just learned of a new tax yesterday, this $50-million tax on trades—plumbers and electricians—that they'll be learning about in the next six months or so. You haven't restrained your spending; that's very clear. You haven't restrained spending, so you need more taxes. What is the new tax going to be, or are you just going to surprise people after the election?

Hon. Dwight Duncan: I take it the member opposite did not want us to spend $31 billion on stimulus during the greatest downturn in our history. You'll note that our rate of expenditure increase has gone up about the same as other governments as a result of the downturn.

You called our bailouts of Chrysler and General Motors "welfare" and you didn't support them. Are you telling those families in Oshawa, Brampton, Windsor and St. Catharines that we should have let their jobs go? I don't think you can be trusted in office because you say one thing now and you'll do another thing.

We made strategic investments: Roads are being built, hospitals are being built, schools are being built. We are also bringing down the deficit and we've laid out a clear plan. Your plan will increase the deficit. You've got a hidden hole of $10 billion which will either increase the deficit or result in deep cuts to public services. Given your record in office, my suspicion and I think the view of many Ontarians is that this will lead to very deep cuts in things like health care and education—

Mr. Norm Miller: Mr. Chair, he's just going on. He's giving his usual spiel where he's on his political message about—

The Chair (Mr. Garfield Dunlop): We'll call that the end of that answer. Next question.

Mr. Norm Miller: He's on his spiel, as I say, about giving this $10-billion deficit—

The Chair (Mr. Garfield Dunlop): Okay, go to the next question then.

Mr. Norm Miller: You talk about this fictitious $10-billion hole; the Liberal Party announced or put out their press release before they'd even seen the Changebook. You say it's reckless to provide relief for families but your spending increases have been reckless—an increase of 77%, this huge hole on track to double the debt of the province of Ontario—and you keep on spending. We know from the past that the way you covered this increased spending is to increase taxes.

In previous questions, I was asking about your wage restraint. We've learned that at eHealth there was this 10% merit and performance bonus. I guess that's one agency. There's 629 other agencies, boards and commissions. What other deals have you signed with them that are well beyond your wage freeze?

Hon. Dwight Duncan: I want to respond with a motion that was voted on in the Legislature—to go back to the member's questions with respect to the carbon tax and the HST—and this was voted on by all of the Liberal members of the Legislature, rejecting the introduction of a carbon tax and rejecting an increase to the HST. That was voted on in the Legislature. I just want to put that on the record.

Our view is that our investments—and do I have to respond to the commentary at the beginning of the question. I don't think hiring nurses is a waste of money. I don't think full-day kindergarten is a waste of money. I don't think the investments we've made in new schools and hospitals is a waste of money.

Mr. Steve Clark: Are you proud that you're doubling the debt? Are you proud of that?

Hon. Dwight Duncan: I am proud of the fact that our credit rating has been maintained by the three major bond rating agencies—

Mr. Steve Clark: One just downgraded—

Hon. Dwight Duncan: —which are independent and are not subject to the kind of empty, mindless and reckless rhetoric we're hearing in these questions.

Mr. Steve Clark: Empty, mindless rhetoric?

Interjection.

Hon. Dwight Duncan: No, it was empty, mindless rhetoric—and reckless.

The Chair (Mr. Garfield Dunlop): Minister, it's the official opposition's time.

Hon. Dwight Duncan: I'm just trying to respond to the question.

The Chair (Mr. Garfield Dunlop): You have two minutes to clean up in this 30-minute round.

Mr. Steve Clark: Are you proud that, as finance minister, you're going to double the debt? Are you proud of that? Because you said you were proud of a lot of things.

Hon. Dwight Duncan: I am very proud of our record. I am very proud of our investments. I'm very proud that we've maintained our credit rating throughout the greatest downturn in history. I'm proud that we were able to stop you in your tracks in 2003 before you created more hidden deficits. I'm proud of our investments in education and health care, and I'm proud of the fact that we are getting back to balance in a prudent and responsible fashion.

I know that most Ontarians understand that the downturn was a global thing and that our debt and deficit, relatively speaking, are where they were at the beginning of the downturn when you compare to other jurisdictions.

The Chair (Mr. Garfield Dunlop): Mr. Miller, you have about two minutes left.

Mr. Norm Miller: Thank you.

The Chair (Mr. Garfield Dunlop): A minute and a half.

Mr. Norm Miller: You talked about your stimulus spending. That was supposed to be over two years and it ended up being over three years, but the problem is, you keep on spending and you keep on with your double-digit deficits. Despite that—

Hon. Dwight Duncan: Now, your platform said that you're going to—

Mr. Norm Miller: Going back to your point about this motion that was voted on, that's like the tripleheader. You said in 2003 that you weren't going to increase taxes, and that was the written statement made before the cameras, signed by your leader, Premier Dalton McGuinty, before the Canadian Taxpayers Federation. Then, in 2007, you just didn't talk about the HST, and now you have this motion that says that you won't bring in taxes. Ontario residents should be afraid because based on your track record, that means it's going to happen. You haven't restrained your spending, so that's all the more reason—

The Chair (Mr. Garfield Dunlop): You have about 30 seconds, Mr. Miller.

Mr. Norm Miller: —for Ontario taxpayers to be worried that you're going to bring in another tax.

Hon. Dwight Duncan: Well, we'll leave that to Ontario taxpayers to cast judgment on. They did re-elect us with a majority government in 2007, after we made difficult decisions to restore fiscal balance, which your party had recklessly laid aside. You left a hidden deficit. You fired nurses and closed hospitals, so we had to fix that. You know what? The people of Ontario endorsed that.

The Chair (Mr. Garfield Dunlop): Okay. Minister, that's the end of the official opposition's 30 minutes.

We'll now go, for 15 minutes, to the third party. Mr. Tabuns, you have 15 minutes and then we'll recess for question period etc., okay?

Mr. Peter Tabuns: I understand, Chair. Thank you. I will be speaking briefly. France Gélinas will be coming in to take over my duties when I go on to the next press conference.

Minister, you and I disagree on a lot of things. That's not news. I have a few questions for you. We'll see if they yield useful information for both of us.

As you probably know, we've taken a position against the corporate tax cuts. When you came into government in 2003, you reversed the previous government's corporate tax cuts. You said that tax cuts didn't create jobs, that taking money out of important public services wasn't an effective way to spend money, given the deficit. We're facing a much larger deficit now than we were in 2003.

A number of questions: When it's fully implemented in 2013, how much will the reduction in the general corporate tax rate from 14% to 10% cost the treasury annually?

1000

Hon. Dwight Duncan: I will undertake to get back to you. I want to make sure I have the complete answer for you.

You're right, Mr. Tabuns: We do disagree on that—and your characterization of what we did in 2004 is accurate; I can't dispute that. We laid out a tax plan for jobs and growth, based on the best advice available to us, where we did choose to cut corporate taxes. We also cut personal taxes, created the Ontario child benefit and implemented the HST. The view of the government at the time—it remains our view—is that this tax package will create a more efficient economy and will create more jobs, which will help grow the economy over the next 10 years. For instance, some of the industries that have supported us are the industries that have faced the most difficult challenges in the last few years: the forestry sector, pulp and paper, mining in northern Ontario, the auto sector and a number of others.

So, we do disagree. We believe it's the right policy in terms of creating jobs, maintaining jobs and creating the environment that's necessary, but we also cut taxes for individuals by much more. With respect to the precise amount, I'll undertake to get back to you.

Mr. Peter Tabuns: Thank you, Minister. Nothing personal; I have to go to the next event. France Gélinas will take over. I look forward to the debate in the afternoon.

The Chair (Mr. Garfield Dunlop): Ms. Gélinas.

M^me^ France Gélinas: Thank you. Continuing on the line of questioning, how much will the reduction in the manufacturing processor rate to 10% cost the treasury? How much will it cost?

Hon. Dwight Duncan: I will get back to you with the specifics on that number.

The overall corporate tax cuts that we have outlined are $4.8 billion over three years, but our view is that the efficiencies and investment created by this will help offset that. This will also help businesses: I remember your leader talked about manufacturers not being profitable and not paying the tax, so that's a factor as well. This will hopefully help them to make it more profitable.

I think the other thing I would ask you to give consideration to is that we have seen, in the last five or six years, an incredible appreciation in the Canadian dollar, which hurts our manufacturers. We have no ability to influence the cost of the Canadian dollar on international markets. In fact, many economists now argue that the Canadian dollar is a petro-dollar—it's tied to the price of crude oil and so on. One of the reasons we took this step was to help businesses to adjust to that.

Last year, we saw an increase in manufacturing sales of 14%. We're still not to where we were prior to the downturn, and our view, our hope is that this plan will allow for more investment in machinery and equipment—which, by the way, is up—which will make our plants more productive and more efficient and create more jobs.

Again, all of the experts whom we have consulted, including people who are supporters of other political parties, say that this tax plan for jobs and growth will, in fact, create jobs.

M^me^ France Gélinas: If we look at the small business rate, how much will the reduction in the small business rate to 4.5% cost the treasury?

Hon. Dwight Duncan: I will get back to you with a specific number; I don't have it in front of me. But again, that benefits small business, not unlike what your federal party promised to do federally. We believe that a part of the tax package was to reduce the rate for small businesses. Small businesses will also benefit from the HST through the refund of input tax credits.

Taken together, the package lowers taxes for small business; lowers taxes certainly for low- and modest-income Ontario families; and we think it's the right package that will improve the economy, make a more productive economy and lead to new and better investment in the future.

M^me^ France Gélinas: Okay. But you will give us the numbers?

Hon. Dwight Duncan: Yes, absolutely.

M^me^ France Gélinas: My next question is, how much of the reduction in the general corporate tax rate to 10% will go to the financial sector? And by financial sector, I mean the banks, the insurance companies, the mutual funds etc.

Hon. Dwight Duncan: I'll undertake to get back to you on that.

M^me^ France Gélinas: Okay.

Hon. Dwight Duncan: I can tell you this: You've got to look at—for instance, on the HST, banks got hit by the HST. They actually wound up paying more, and I'll show you those numbers. You need to look at the entire package. Then we'll also show what the various economic forecasts are with respect to job creation and so on, because that's what it's about. It's about, again, a tax package that gives us a more efficient tax system, a lower-cost tax system in terms of compliance for businesses, and also lowers taxes for most Ontario families.

M^me^ France Gélinas: Are you saying that you expect the financial sector to be job creators?

Hon. Dwight Duncan: They have been. In fact, in the greater Toronto area, since 2003, I think it's the fastest-growing area. They also pay well nowadays. It's not like it was some years ago. So it's a really growing sector, it's one that we are particularly competitive in worldwide, and it's one that is probably the major employer in Toronto and the greater Toronto area.

M^me^ France Gélinas: I could discuss that, but anyway, we don't have the stats in front of us, neither one of us.

How much will the elimination of the capital tax cost the treasury?

Hon. Dwight Duncan: I'll undertake to get you those numbers as well. The capital tax has been eliminated. I think we're either the last or second last jurisdiction to have a capital tax. Again, we have to stay competitive with Alberta, with British Columbia and with other jurisdictions so that we can continue to attract investment and jobs into our economy. I think we finally eliminated it last year; it was last year that the final piece came off.

Let me reconfirm that, but again, we do have to be competitive in order to attract jobs and investment.

Mme France Gélinas: Of the elimination of the capital tax, how much of it went to the financial sector? I define the financial sector the same way: banks, insurance companies, mutual funds.

Hon. Dwight Duncan: I will try to get back to you on that. I don't have the number in front of me.

Mme France Gélinas: Do you figure it's significant?

Hon. Dwight Duncan: I think the tax increase that you're contemplating, if you put it back on, would cost a lot of jobs—a lot.

Mme France Gélinas: I'm not talking about a tax increase.

Hon. Dwight Duncan: Well, you would be if you put it back on. If you're saying, "Don't take it off," you're saying, "Put it back on."

Mme France Gélinas: No, I'm asking, how much does it cost the treasury?

Hon. Dwight Duncan: Your colleague criticized us for doing that seven years ago. You can't have it both ways.

Mme France Gélinas: Okay. I know it's complicated, but can you tell me how the input tax credits under the HST will be implemented? Do different industries have different phase-in schedules?

Hon. Dwight Duncan: No. There are certain input tax credits that won't be able to be claimed for several years as we implement. That's not an industry decision; that was a decision of the policy that we set up.

But the way it works is this: Right now, when you purchase something like these glasses, let's say the lens is manufactured by somebody, the little nose protector by somebody else and the handle by somebody else. You pay a hidden sales tax in the old system on all of those. So essentially what happens then is that hidden tax is taken out and given back to the business.

What the experience has been as we've implemented the HST across Canada is that businesses pass those savings on to people. Every study that's looked at this agrees with that. There is disagreement with respect to how long that takes. Some studies suggest it takes under a year; I think one study I've seen says it can take up to five years. All the studies that have been done by very reputable, independent groups suggest that that phenomenon happens, but there is a vigorous debate as to how long it takes for those savings to be passed through.

Mme France Gélinas: But if we come back to the policy decisions that were made by your government regarding the different phase-in schedules, which industries got what kind of phase-in schedules?

Hon. Dwight Duncan: It wasn't done on an industry basis. I'll undertake to get back to you with a more complete answer on that, but there is a phase-in of the implementation of the input tax credits.

Mme France Gélinas: Okay. Nothing comes to mind as to what you were looking at at the time?

Hon. Dwight Duncan: Well, there were certain things where the input tax credit won't take effect for a period of time, and I prefer to get back to you. I want to make sure I have the details and the correct answer for you.

Mme France Gélinas: Okay. Is there a table that shows how much different industries will benefit from the phase-in of the input tax credit?

Hon. Dwight Duncan: I'll have to get back to you. I don't recall seeing one, but let me double-check.

Mme France Gélinas: Okay. No more questions.

The Chair (Mr. Garfield Dunlop): Do you have any more questions at this point? None? As you're in the middle, you've got about—what we'll do is we'll recess now, and we'll come back, and you'll have 18 minutes to go.

Mme France Gélinas: Even better. Thank you.

The Chair (Mr. Garfield Dunlop): So we'll come back at 3:45, right after routine proceedings. We're just breaking about three or four minutes earlier than normal. We'll recess until, as I said earlier, 3:45.

The committee recessed from 1009 to 1619.

The Chair (Mr. Garfield Dunlop): Thank you, Minister—you're back—and everyone from the Ministry of Finance. When we left, the third party had 19 minutes and 21 seconds remaining in their 30-minute rotation. Then we'll go to the minister. He has 30 minutes to respond to any comments here. Then we'll go into the rotations of the three parties until we finish at 6 o'clock.

Mr. Tabuns, go ahead.

Mr. Peter Tabuns: Minister, I gather that you responded fairly quickly to my questions when I left this morning—the ones about revenue from tax cuts or revenue forgone. I'd just like to know if your staff have been able to bring forward those responses.

Hon. Dwight Duncan: Not by this afternoon. We'll have them as soon as we can.

I would refer you to the 2009, 2010 and 2011 budgets, which contain tables that don't address all of the issues you raised but do address some of them. For instance, on the tax measures for business—this chart is taken from the 2009 budget, and the CIT and corporate minimum tax cuts for 2010-11 are $520 million; for 2011-12, $1,000,455,000; for the 2012-13 year, $1,000,845,000.

The small business CIT rate cut—that is the rate that applies to small businesses in Ontario: $55 million in the first year, $180 million in the second year—

Mr. Peter Tabuns: Can I just clarify that, Minister? When you say that's the cost of the reduction in the small business rate—

Hon. Dwight Duncan: No. This is the forgone revenue.

Mr. Peter Tabuns: Yes, correct.

Hon. Dwight Duncan: In the first year, on the small business CIT rate cut, $55 million; in the second year—that's 2011-12—$180 million; and in 2012-13, $190 million.

In addition, we had the small business surtax elimination. Again, this benefits small businesses, family businesses: $20 million in the first year, $90 million rising to $95 million. Those are the principal amounts.

In addition, we had small business transition support. Remember, I was referencing the $4.3 billion that the federal government gave to Ontario to harmonize the sales tax, and the small business transition support was $400 million. The total in the first year is $995 million; second year, $1.725 billion; and the third year, $2.1 billion.

Mr. Peter Tabuns: Okay. One of the questions isn't addressed in that table, and perhaps you could speak to it or have one of your staff speak to it. The reduction in the general corporate tax rate to 10% will go to a variety of sectors. Do you know how much will go to the banks and insurance companies?

Hon. Dwight Duncan: I've undertaken to get that to you. I don't have that with me. It will take some time to disaggregate the data.

Mr. Peter Tabuns: Would it be possible to have that data within this week?

Hon. Dwight Duncan: I don't want to give you that undertaking in case it takes longer.

Mr. Peter Tabuns: Okay. The total cost to the treasury of the input tax credits on full implementation—I don't think my colleague was able to get to that question this morning.

Hon. Dwight Duncan: One of the questions that was raised this morning that I can give you an answer to—and this was published in 2009—the temporary input tax credit restrictions for businesses: in the first year, $690 million; in the second year, $975 million; and in the third year, just a little over $1.015 billion in temporary input tax credit restrictions. That is, those are input tax credits that we are not putting out because we've delayed the implementation of those restrictions.

Mr. Peter Tabuns: So the $1.015 billion is the total value?

Hon. Dwight Duncan: Yes.

Mr. Peter Tabuns: Going on, then, to income splitting, something that was asked in question period today—and maybe you've had more time to reflect on it: When the Harper government comes forward with income splitting, is it your intention to mirror that at the provincial level?

Hon. Dwight Duncan: Ontario has a decades-long agreement with the federal government to implement and match their cuts of that nature. The government of Ontario, once they see that, has options to claw back that kind of break. It may be that your leader wants to put in a private member's motion or bill to do that, but we do have this long-standing agreement with the federal government. We're trying to track down exactly how old it is; I'm told it's decades. So until we see precisely what's in the federal government's budget, we will have to reserve judgment, other than to say that we do have this agreement.

Again, you may want to have an opposition day where you put a motion, and we can debate it and vote on it, to not match that or to override the agreement we've had with Canada for all these years. But we do have that agreement and, again, we'll wait and see what the feds do.

I should also remind you that, as I understand it, what the federal government's doing won't take effect until 2015, so it's some four years out. It's not like it's going to happen tomorrow, but there will clearly be a revenue impact, should Ontario decide not to match the federal government's proposal.

Mr. Peter Tabuns: And this agreement that you reference: Is this a publicly reviewable document?

Hon. Dwight Duncan: I believe it is.

Interjection.

Hon. Dwight Duncan: Yes.

Mr. Peter Tabuns: It is?

Mr. Sriram Subrahmanyan: A tax collection agreement.

Hon. Dwight Duncan: Tax collection agreement.

Mr. Peter Tabuns: That's the proper name for it?

Hon. Dwight Duncan: Yes.

Mr. Sriram Subrahmanyan: It is a public document.

Hon. Dwight Duncan: It is a public document.

Mr. Peter Tabuns: And can any of your staff tell us where we can access this document?

Hon. Dwight Duncan: We'll send you a copy.

Mr. Peter Tabuns: If you'll send us a copy, we'd appreciate that.

Has your ministry done any analysis on the distributive impact of income splitting?

Hon. Dwight Duncan: We have looked at—let me correct this. I have seen estimates about the impact on the total revenue picture. I don't recall seeing a distributive breakdown of that, but I'll ask my deputy if we've done that.

Mr. Peter Wallace: I don't believe we have any such analysis.

Hon. Dwight Duncan: So we don't have an analysis.

Mr. Peter Tabuns: Do you plan to do such an analysis so that Ontario can make a decision about what it costs and what it provides?

Hon. Dwight Duncan: Once we see a specific federal proposal and a federal budget, we will likely look at it. But as I say, I have been briefed on the potential impact that has on our revenues, and it does have an impact on our revenues. We would likely do that subsequent to a federal budget.

Mr. Peter Tabuns: Okay. On another matter, then: pensions. Does this government support the pooled registered pension plan concept?

Hon. Dwight Duncan: Yes, we do.

Mr. Peter Tabuns: Can you tell me what elements you see as making up that concept, and how it would work in practice?

Hon. Dwight Duncan: I'm going to refer that—do we have anybody here who can respond to that better than I could? Leslie, can you—

Interjection.

The Chair (Mr. Garfield Dunlop): Just state your name, please, for the purposes of Hansard. Thank you.

Ms. Leslie Cooke: Leslie Cooke, pension policy assistant deputy minister with the Ministry of Finance.

The Chair (Mr. Garfield Dunlop): Thank you.

Ms. Leslie Cooke: Mr. Tabuns, at a very high level, you may be familiar with a document the federal government released—it was a framework document—on the pooled retirement pension plan. The federal government continues to lead a national conversation on how those high-level principles might be operationalized. There are still, I think it's fair to say, some very significant outstanding policy issues, and we haven't received any specific government direction on how we would proceed. We continue to review the issues with stakeholders.

Hon. Dwight Duncan: And if I may, just to complete that, we have said that we support in principle the concept as part of a broader range of options that should be available to Ontarians and Canadians, including an enhanced Canada pension plan.

I was pleased that Ken Georgetti and others in the Canadian Labour Congress have thanked us publicly for our work in keeping the issue alive at the federal-provincial table; it happened in Kananaskis. We will continue to work with them and others.

I'm also pleased—now I'll thank both opposition parties—that on our pension reform legislation, we had unanimous votes, I think, on two pieces of legislation, which represented sweeping reforms to pension regulation here in Ontario. The fact that we were able to achieve consensus among us I think speaks well to the view that Ontarians have about the importance of post-retirement income.

1630

Mr. Peter Tabuns: Okay. I'm going to go back in what sounds like relatively limited documents that have so far been put forward. How is this concept expected to work?

Hon. Dwight Duncan: Again, we're awaiting more evidence and more information from the federal government. As Leslie said, we've seen it at the 30,000-foot level, really. Essentially, what the government of Ontario has advocated is taking a broad look at post-retirement income because, first of all, most Canadians don't have a pension, and that's regrettable—or most Ontarians don't, other than Canada pension.

You've got to look at not only the public pension but you also have to look at things like old age security and guaranteed income supplements that are offered by the federal government out of general revenues. You have to look at a range of private savings mechanisms,

RRSPs being the most prominent, and whether or not tax deferrals work.

We engaged a lot of research. The federal government engaged research; we engaged research. Interestingly, economists and outsiders working for both governments concluded the same thing, that there's a substantial minority of middle-income Canadians, who are defined as $40,000- to $110,000-a-year income, who are not saving adequately for retirement.

Part of the discussion that emanates from that is, okay, if that's the case, then what options do public authorities, public elected representatives, have available to help address that challenge?

Alberta, principally, and the federal government, principally, support private savings mechanisms that are offered by financial institutions and others as being an adequate response. Our government has said that that is part of a response. I forget the figure, but there's some $900 billion in unused RRSP room. It's a large figure.

Ms. Leslie Cooke: Very significant.

Hon. Dwight Duncan: It's very significant number. It means obviously Canadians aren't taking full advantage. You have to ask yourself why? Are there other savings vehicles available to Canadians or opportunities that may be available to enhance that, so that more Canadians will be able to save? That's where that particular proposal falls into, and we think that's worthy of looking at.

We, unlike Alberta particularly and to some extent the federal government, support an enhanced Canada pension plan. We've worked with the Canadian Labour Congress. We've worked with CARP and a number of other organizations to, first of all, put the issue on the agenda and then keep it on the agenda, as we did in Kananaskis. Even though it became evident because of the opposition of some provincial governments that they wouldn't support enhancements to the Canada pension plan, we're able to keep it alive.

Finance ministers were scheduled to meet again in June of this year. Because of the federal election I presume, that's been delayed. We have not heard from the federal government as to when they're going to convene that meeting again.

But our government's position on all of these things is look at all aspects of the post-retirement income system—

Mr. Peter Tabuns: Can I interrupt for one minute just to go back to the PRPPs. Would provincial legislation be required to implement the concept?

Ms. Leslie Cooke: Since provinces have responsibility for overall pension regulation, yes, I think one of the central questions will be one about design. If we are going to have a consistent interprovincial framework, what would that actually look like legislatively, and what role might the federal government play in coordinating that process? I think those are some very significant issues that we'll still need to work through.

Mr. Peter Tabuns: And has your thinking gone far enough forward to be able to say who could sponsor one of these plans?

Hon. Dwight Duncan: No.

Mr. Peter Tabuns: Okay. And have you done any analysis of what portion of the population would benefit from a provincially enabled, pooled RPP?

Hon. Dwight Duncan: I haven't seen it. Have we done any of that?

Ms. Leslie Cooke: Much of the coverage questions will depend on some of the design features that we're still working through. For example, mandatory versus voluntary employer participation is a very live issue, and how individual employees enter into a plan, whether it's a default in or a default out. Those sorts of questions will have a significant impact on coverage.

Mr. Peter Tabuns: So they—

The Chair (Mr. Garfield Dunlop): Could you come a little closer to the microphone please?

Ms. Leslie Cooke: Sorry.

Interjection: Nice try.

Mr. Peter Tabuns: We'll all remember the technique for other situations.

You said that the concept they've given you was what you've seen from 30,000 feet. Have they outlined in any broad way how this concept would actually work?

Hon. Dwight Duncan: Yes. Again, it encourages employer/employee contributions. I'm not entirely sure yet how it would be spelled out, because we haven't seen that from them yet. But I want to stress that the government of Ontario supports looking at this and supports, in principle, the concept of studying not just enhancements to the Canada pension plan but also looking at a range of savings opportunities that can be made available to Ontarians and Canadians.

Mr. Peter Tabuns: Okay. I don't have any further questions on this. Thank you and your staff for the information.

The Chair (Mr. Garfield Dunlop): Thank you very much. Minister, you now have up to 30 minutes to respond to anything.

Hon. Dwight Duncan: Thank you very much.

Mr. Peter Tabuns: That was 18 minutes? Time flies.

The Chair (Mr. Garfield Dunlop): Did you say you had no other questions?

Mr. Peter Tabuns: On that issue.

The Chair (Mr. Garfield Dunlop): Oh, I'm sorry. You still have three minutes. I apologize.

Hon. Dwight Duncan: You've got a whack of time left.

Mr. Peter Tabuns: Yeah. I know.

The Chair (Mr. Garfield Dunlop): I thought you were done. Sorry.

Hon. Dwight Duncan: I can say hello in three minutes.

Mr. Peter Tabuns: Under the Ontario Securities Act, you have the power to kill the LSE/TMX merger. Will you be using that power?

Hon. Dwight Duncan: I'm not sure I agree with your interpretation of the Canadian Securities Act on that. What we have said is that there are regulatory hurdles for both bids that are before us, both the LSE bid as well as the Maple Group bid. There are regulatory processes that are defined. In the case of the LSE bid, they'll have a number of Securities Act regulations that they will have to get by, as will the Maple Group.

As I understand it, the Maple Group will have issues around competition which are federally regulated. The LSE group will have issues around Investment Canada and showing, I think the term is, that their proposal is a net benefit to Canada. I'm not sure I would agree with your interpretation of the act that a provincial government can simply and arbitrarily walk in and stop one bid or another.

Mr. Peter Tabuns: We understand from looking at the Securities Act that you have the following power: "The Lieutenant Governor in Council may make a regulation relating to any matter governed by Ontario securities law, despite any other provision of this act." This is section (16)(a)—

Hon. Dwight Duncan: I'm not sure that that can be interpreted, and again, I would rely—we would obviously have to have clear legal authority and legal opinion. I'm not sure I would give it the same interpretation you just gave.

Mr. Peter Tabuns: Are you seeking legal interpretation to see if you have that power?

Hon. Dwight Duncan: At this point, we have simply welcomed the two bids and welcomed the fact that there are a number of regulatory processes that both bids will have to go through.

I raised a number of significant concerns that I think need to be responded to by proponents. I think we want to make sure, as we go forward, that the bids are evaluated and put through a process that can be defended and that is neither arbitrary nor ill-defined. As a minister in the government, my advice to the Legislature would be that we be careful about that.

I'm glad that both shareholders in the stock exchange itself as well as Ontarians and Canadians have alternative bids with clearly defined regulatory processes and hurdles that those bids must go through. I think what is incumbent on government is that the processes be clear, transparent and defined, and they are, in my view.

I don't agree with your interpretation of the clause you read. I'm not in a position to offer a legal opinion on that, but I think the processes that are there will yield a good result for all of us.

1640

The Chair (Mr. Garfield Dunlop): Okay, that's Mr. Tabuns's time.

Hon. Dwight Duncan: Okay.

The Chair (Mr. Garfield Dunlop): You can continue on if you want because you have the next 30 minutes, Minister.

Hon. Dwight Duncan: I did want to spend a little bit of time talking about our tax plan for jobs and growth and take some members through, I think, some really interesting information.

What I'm about to go through was first published a couple of years ago in the 2009 budget. It was also part of a fall document that was tabled, I think, in 2010 and then re-emphasized in the 2011 budget. I want to take people through this because I think it's important to our understanding of the tax plan and how it actually lowers taxes for most Ontarians.

The first part of the program was creating the harmonized sales tax: We took the old provincial sales tax; we combined it with the federal goods and services tax. I think it's important to remember that the federal government wanted us to do this and gave the government of Ontario some $4.3 billion to do that.

One of the criticisms from the opposition parties was that this is a tax grab, which is not accurate. I want to just take people through the numbers as they've been laid out repeatedly, not just by government; these have been reinforced by a number of outsiders.

Let's start. The reason detractors of the policy can make those far-fetched claims is that there is, in fact, a different base of the tax. We all know what that means. It means under the old provincial sales tax, we didn't, for instance, charge the sales tax on haircuts. That's one you often hear from people; it's something in their day-to-day lives, and they're right.

The conversion from the old sales tax base to the new base resulted in the following increase in revenues for government: In the first year, 2010-11, an increase of $1.5 billion; in the second year, an increase of $2.2 billion. Again, I want to remind members that this was first published way back in 2009 and it has been subsequently published time and time again. In the third year, 2012-13, there was an increase in revenues to the province of $2.35 billion. So in fact, that is true. We are getting revenue from new sources that we didn't use to.

For the average consumer, what that meant was of everything the average person consumes in a year, there would be about an increase, in terms of things they weren't paying tax on, of about 17%. So about 83% of all purchases that people used to make were covered by both taxes, and that does in fact result in increased revenues for the government. That is what we call the base.

With the help of the federal government—and I can't stress enough how important, first of all, Minister Flaherty calling on us to harmonize the HST was, then giving us $4.3 billion to harmonize—I can't stress enough how important that was.

Here's what we did in terms of offsetting those increases. First of all, the personal income tax cut: We lowered the rate on the first $37,000 of income. That affects every taxpayer because, as you know, on your taxes we all pay—well, it affects everybody who pays tax. That resulted in a reduction of $1.1 billion in taxes in the first year.

We also created the most generous sales tax credit in Canada, and the cost to the treasury of that in the first year was $560 million; in the second year, it was $870 million; and in the third year, $925 million. We then created the Ontario energy and property tax credit. In the first year, the revenue that we are giving back to taxpayers was $440 million; in the second year, $430 million; and in the third year, $600 million.

So the final piece, which is only transitional—this is where the federal government comes in. They gave us $4.3 billion. We are turning that all back to Ontarians. In the first year, $2.785 billion has all gone back to Ontarians. In the second year—that's this year—$1.46 billion is all going back to Ontarians; in fact, they'll get their last payment next month. So that runs out.

In the first year of the HST, we got increased revenues of $1.5 billion, and we gave back $4.9 billion in tax cuts and tax credits. In the second year, we will have had additional revenues as a result of the conversion of the base of $2.2 billion, and we will give back $3.9 billion. Again, overall, at the macro level, people are paying less.

In the third year, the number gets smaller because of that transitional benefit which expires this year, so in 2012-13, we project that the additional revenues resultant from the fact that the HST applies to things like haircuts and other things that the old provincial sales tax didn't apply to, we have enhanced revenues of $2.3 billion versus tax cuts and tax credits of $2.7 billion.

But that's not the whole story. In addition to that, there are additional tax measures for people, not all of which apply to all Ontarians, and that's why I don't include those in the numbers that you see at the macro level. What we do know is that we have given back more in revenues across a range of tax cuts and tax credits than we have collected through the harmonized base of the sales tax. In addition, we have provided, through the northern Ontario energy credit, $35 million in the first year, $30 million in the second year and $45 million in the third year. The final tax credit I want to mention here is the children's activity tax credit, which gives back $95 million in the first year, $75 million in the second year and $80 million in the third year.

So there's the total of those measures: the first year, $130 million; the second year, $105 million; and the third year, $125 million. What that does, then, is it gives back more taxes to people through income tax cuts and various credits than we take in as a result of the changed base of the HST. That's why the federal government supported it. That's why groups as diverse as the Ontario Chamber of Commerce and the Canadian Centre for Policy Alternatives have endorsed the policy and rejected the opposition claims that this was in fact a tax grab. In fact, we will see less overall revenue as a result of the tax plan.

But it's difficult for people to necessarily relate to that, so let me tell you what it means in terms of incomes—okay?—and how you relate that to somebody. If somebody's annual income—this is household—is between $4,000 and $20,000, that's a very low amount of income, obviously, and that affects, interestingly, almost 12% of households in Ontario. The estimated additional HST is $225 a year and the total tax relief, including all of those things that I just mentioned, is $730 a year, for a savings of $510. Now, that is only in the first year. By the third year, the HST impact is $195, and that's as a result of what we talked about earlier today, the pass-through. The total tax relief we're giving is $455 million, for a net savings of some $260 per year for a household of that income. That doesn't take into account the fact that we also took some 90,000 Ontarians off the tax roll completely. That's why anti-poverty groups endorsed the package.

1650

I can take you through, and I'm going to take you through, a number of other income brackets to show how this works up income levels.

Say the annual income of the household is between $30,000 and $40,000. Now, that impacts about 10% of households. The net savings associated—that is, the increased tax people will pay on that 17% of things they didn't used to pay the provincial sales tax on versus the total tax relief they get—were $755 in the first year of implementation; and this year, it's a net positive of $370. In the $40,000-to-$50,000 income, the savings in the first year—$715; the savings in the third year—$300.

Again, I want to remind you these aren't all my figures; these are figures that have been verified by a number of outsiders, including organizations and groups that certainly aren't supportive and not necessarily even friendly towards the current government.

At the $60,000-to-$70,000 income level—and that represents about 7% of Ontario households—the net savings in the first year of the plan were $595 per household. The net savings by the third year out will be $125.

When household income rises to $80,000 to $90,000 a year, which is about 6% of Ontario households, the net savings the first year were $545, and in the third year or when final implementation is done, including the last of the transition payments, they're still paying about $35 a year less.

Once you get above that level—if, for instance, the household income is between $150,000 and $300,000 a year, we estimate—and again, these numbers have been verified by a variety of groups—the net cost in this case would be $230 a year. So if your household income is $330,000 a year, according to the economists and the experts, the net cost will be $230. That's why we can only say that 93% of Ontarians will pay less in overall taxes.

I think that's important to understand because that's one of the things that hasn't been well understood.

A few years ago, Jack Mintz appeared before the Standing Committee on Finance and Economic Affairs. He was an expert called by the Conservative Party at the time. I've had the chance to meet with Professor Mintz on a number of occasions; I had the opportunity to discuss and in fact debate some of his views on issues. I think it's fair to say that he's a fairly right-wing economist. He's a very conservative economist. Based on his estimates and looking at our entire tax package, he talked about creating some 600,000 net new jobs. Again, this was the Conservative Party's expert.

Of course, the federal government, who urged us to implement the HST and gave us $4.3 billion to do so, uses Professor Mintz a lot. In fact, when we were talking earlier about pension issues, I spoke of the two economists with different points of view. Professor Mintz is one of them. He did work for the federal government. We had Professor Baldwin do work for us.

As Hugh Mackenzie of the Canadian Centre for Policy Alternatives said—earlier today in the Legislature, we had the opportunity to pay tribute to his father, a great NDP member for Hamilton who was a labour critic. I was telling Peter Tabuns that I was a young special assistant to the Minister of Labour when he was the labour critic, and I can tell you I had many long nights and early mornings in the office as a result of Mr. Mackenzie's work on behalf of working people across Ontario.

Hugh Mackenzie and the Canadian Centre for Policy Alternatives—the title of their paper was Not a Tax Grab After All—and it isn't. In fact, the kind of relief that we have put forward—I took you through the numbers, and we'll have more to say about those numbers as we move forward—in fact, it's not.

I think that's why both opposition parties now endorse the tax plan. I think that's why they're keeping it in place. It's pretty hard. If the federal Conservative finance minister, who was a provincial Conservative finance minister, tells you to do something and gives you $4.3 billion to do it, it's pretty hard, if you're an Ontario Conservative, to stand up against him. The current foreign affairs minister voted in favour of this. He sat here. In fact, I must tell you that I was very proud of him. He has done very well. He's Canada's Minister of Foreign Affairs. I had the distinct challenge of dealing with him when I was the government House leader and he was the opposition whip. He was, I can tell you, a very aggressive member, as most people know. But he voted in favour of that and said it's the right thing to do.

I think of Tony Clement, who we served with for many, many years in this House. Tony and I were both elected in 1995, and he became the parliamentary assistant to the Minister of Citizenship and Culture at the time. The first time I met him, he actually came down to an event in Windsor to cut a ribbon on a local facility. Again, he voted in favour of the HST and very strongly supported the federal government giving Ontario $4.3 billion to do that. They showed leadership, and they listened to the advice of the economists. The economists have been telling Ontario governments of every political stripe to do this for a number of years, and all of us resisted because it's challenging, but Premier McGuinty got it, and he said, "Look, we have to do this." We asked the economists, and if there's one thing we can do that can improve the economy and give us a better future, it's the HST. That's what they told us.

As you know, in law, we have a group of outside economists who advise us every year. They're the ones who give us advice, for instance, on revenue projections. Not only do our revenue projections in the budget reflect what the economists say; we actually set them below, to be cautious. In the Conservatives' platform, they've raised the numbers above what the private sector economists are projecting, which is dangerous, frankly, because we believe that you should be prudent and not overstate revenues. Governments in Canada did that for many years, governments of all political stripes, and that changed in the 1990s, because I think a political consensus evolved that we have to make sure that our revenue and expense projections are robust. In 2003, in their last budget, they weren't robust; there were plug figures used. There was an asset sale figure used. They didn't identify what it was, and it turned out that there was a hidden $5.5-billion deficit, which our government dealt with, and we got back to balance and we balanced three budgets.

Then the downturn hit, and a lot of people at the time said, "Don't do the HST now. It's the wrong time to do it." I remember when times were good, they said, "Don't do it now, because times are good and we don't want to upset the apple cart." I think now we're seeing the benefit, and as time evolves and as more jobs are created, I think that we will enjoy more benefits in terms of jobs. Again, the Conservative Party's expert at SCOFEA hearings from a few years ago said 600,000 net new jobs. I must say, there is a very robust debate as to how many jobs will be created. Everyone agrees that there will be jobs created. There is some debate as to the order of magnitude, which I think is legitimate—just like we talked about the pass-through. It's really hard for our constituents to kind of grasp the concept of the pass-through, and it's because under the old retail sales tax there was hidden tax on everything. You were paying tax upon tax upon tax upon tax. What the harmonized sales tax does is it unwinds all that, and that tax on tax on tax, which was hidden and very regressive, was passed on to consumers. What groups as diverse as the C.D. Howe Institute, Toronto Dominion bank economists and a whole variety of others have said is that in fact, when you undo that hidden tax through input tax credits—and that's what the input tax credits are. Earlier this morning, the New Democrats asked about the restrictions on some of them. We did put restrictions on them because the size, the order of magnitude of the cuts, would make it difficult for us to do the personal tax cuts. There was only so much we could cut out and, at the same time, continue to invest in health care and education. So we put restrictions on a number of those tax credits for a period of time.

1700

What all the studies say and demonstrate is that in a competitive environment, those businesses pass on those savings. Again, there is a healthy debate as to how long that takes. The more optimistic studies say that it takes a year or less; the most pessimistic I've seen is about five years for that pass-through to happen. But as I showed you, we took that into account when we did the tax plan for jobs and growth by lowering personal taxes as well as providing a number of very significant tax credits. So in fact, we have provided relief to working families.

None of this, by the way, includes the clean energy benefit. That is not included in those numbers, and that is a significant savings to Ontario families as we transition from the old dirty coal-fired energy system to a cleaner, more reliable new energy system—because we recognize that. Governments of all political stripes over the years have tried to pretend that they can keep the price of energy artificially low. I think that most Ontarians understand that you can't.

Somewhere back in the early 1960s, Ontario's ability to meet its electricity demand through less expensive forms of energy, such as hydroelectric—we couldn't do it anymore. There just wasn't enough opportunity. In fact, our government has embarked on two significant undertakings: the Mattagami project, which is the largest new hydro installation in 40 years, I think, and of course Big Becky—and the drill finally made its way through a couple of weeks ago. The Premier was there. This is something that governments have talked about for many years. That represents our best opportunity in hydroelectric.

The energy grid had fallen into disrepair. I think all of us know that there were constraints, particularly in southwestern Ontario, in terms of bringing more power on to the grid. So our government has taken a number of steps, first of all to pull us back from the brink. In 2003, 2004, 2005, we were literally on the brink of rolling brownouts—literally. And everybody knew it at the time. I remember the media were watching the temperature and the smog alerts and so on every day. "Is today going to be the day?" We've brought on enough new generation quickly to get us back from the brink.

Reliability is important, and a clean, modern approach to energy conservation. A cornerstone of that is smart meters. These save people money over time. To characterize them any other way is simply dishonest. That's why they're moving to them in the United Kingdom, in Italy, across Europe and across the United States.

Whenever you bring in something new, there's going to be resistance. Somebody said to me they're wanting to use the old-fashioned hydro meter. That basic technology on your old hydro meter was invented in 1909. If you ever tried to read it, well, first of all, it's usually outside the house, at the back or at the side, and you can't read it. Imagine going to the gas station, filling up and not being able to read the meter.

Our opponents want to characterize what we're doing as making people do their laundry at 1 o'clock in the morning. That's nonsense. It's not like that at all. What most Ontarians don't realize, because we've hidden this from them, is that the price of electricity varies every five minutes in Ontario. Right now, without smart meters and time-of-use metering, Ontarians can't avail themselves of lower prices. They may choose not to, but why shouldn't they have the advantage of being able to buy at lower prices?

Somebody said to me, "Relying on those old-fashioned hydro meters would be kind of like watching television on a black-and-white television with rabbit ears today," and that's accurate. That simplistic, negative, guttural, reckless approach will undermine our ability not only to conserve in individual households and for individual families—but what we call system savings. If we can move peak demand down by the way we manage our consumption through smart meters, we'll have to build less new generation. We'll have what the experts call a smart grid.

I had the opportunity to meet with Mr. Akerson, the CEO of General Motors world. He asked me how old I was, and I told him. He said, "Do you remember your first car?"

I said, "Yes."

He said, "Is your car today different from your car back then?"

I said, "Absolutely."

He said, "In the next 10 years, that evolution is going to grow exponentially, principally because of the power train and what's going to drive the vehicle." More people are going to be driving electric vehicles, a lot more people—or at a minimum, hybrids. And you know what? They're going to have to power up every night.

So the reckless point of view is not to put in the infrastructure that will allow that growth to happen. The reckless point of view says, "Don't do what England's doing, don't do what Italy's doing, don't do what the United States is doing, don't do what most of the world is doing." The reckless point of view says, "Let's pretend none of this is happening." We reject that. That will cost consumers in the long run. It will cost them more. They will have less choice, they will have fewer options and they're going to have dirtier air.

The reckless point of view says, "Let's not encourage the growth of green energy in Ontario, much less the jobs associated with serving other markets." That's the reckless point of view. That is the negative point of view that can't see the future. That's the point of view that ignores what's going on in China, what's going on in Japan, what's going on all over the world.

Now, it takes different forms. Different jurisdictions make different choices, but the reckless point of view simply says, "Go back to fossil fuel and don't make the investments that you need to make in cleaner, greener energy." That's reckless. And that's about our kids' futures.

So in conclusion, we've laid out a tax plan for jobs and growth that's been endorsed by the federal Conservative government, that's been endorsed by some of the leading experts the Conservatives have brought to this table in the past at SCFEA, and we welcome that change. We're glad the opposition parties support us in that now.

We need to move forward. We need to lay out a clear plan, which we have done, costed and submitted to the auditor to cast judgement on the veracity of our numbers. We brought that about. We think it's the right approach. We think it's about a better future for our kids, and we think that that approach is far superior to a reckless approach that ignores reality and doesn't want to build a better future for our kids.

The Chair (Mr. Garfield Dunlop): Thank you very much, Minister. We'll now go to the official opposition. You have 20 minutes now, and you can begin to ask questions or make statements.

Mr. Norm Miller: Thank you, Mr. Chair. I guess I'll lead off where the minister ended up, where he was talking a fair amount about energy policy. He did, in fact, cite the C.D. Howe Institute, quoting them with regard to the HST. The C.D. Howe Institute actually released a study today, and it illustrates the high cost—in fact, it's called Zapped: The High Cost of Ontario's Renewable Electricity Subsidies. It really illustrates the reckless approach that the government has taken to their energy experiments and the cost it's going to have for families and residents in the province of Ontario.

1710

In fact, their report shows that the government's energy experiments—"This subsidy will result in additional costs to the average Ontario household of $310 per year; ostensibly designed to reduce emissions and create jobs, Ontario's renewable electricity subsidy is an expensive way of meeting these goals."

They go on: "The drag of unnecessarily high electricity costs on the Ontario economy could be reduced if the province did not award any further subsidized contracts to renewable electricity generators."

I'd point out that the PC Party, through Changebook, is proposing just that: that these feed-in tariff contracts are just too expensive and will hurt Ontario families and will hurt Ontario business just too much, and we just cannot go on with this reckless approach that the government has.

In fact, the report goes on to point out that the cost of the feed-in tariff premium relative to natural gas, if you were generating the electricity with natural gas versus the feed-in tariff program, would be $1.5 billion more per year. That's not just a one-year figure; that's every year, going forward, for the 20 years of the feed-in tariff program.

They go on to say:

"Cost to Electricity Consumers

"Ultimately, costs of subsidizing electricity will be paid by electricity users through higher electricity bills or by provincial residents in general through higher taxes than otherwise." We've been warning all along about the higher tax plan of the Liberal government. "Comparing the average FIT rate to the cost of purchasing electricity from newly built natural gas generators—about 11 cents per kilowatt hour—we find the expected annual excess cost of current and future FIT projects to be $1.5 billion. This amounts to $310 per Ontario household, based on 4.8 million Ontario households.

"The $1.5-billion excess cost of renewable electricity could be reduced by two thirds to $550 million if the province did not offer contracts for projects that are now in the pre-approval stage." That's exactly what Tim Hudak has proposed in Changebook. It goes on to say, "In some cases, their output must be purchased too, irrespective of demand. FIT electricity generation may therefore cause or exacerbate surplus supply of electricity relative to demand, creating system management problems and higher costs than otherwise."

Finally, they've been talking a lot about job creation, and they've talked a lot about 50,000 jobs. It says in the report, "While job creation is a major goal of the FIT program, with 50,000 jobs projected over six years, those jobs would be heavily subsidized by electricity users paying premiums for renewable energy. Taking the province-wide cost estimates above and the government's job creation estimates at face value"—so they're saying that there really will be 50,000 jobs created—"we estimate the subsidy to be $179,000 per job per year." That's not a one-time figure for a job; that's every year—so that plant in Windsor is costing a lot of money.

"These estimates of the number of jobs—in construction, manufacturing and spinoffs—do not take into account two countervailing effects. First, many of the people who would be employed by these projects would have had jobs anyway, meaning that jobs created from subsidies will have crowded out other jobs. Second, the higher electricity costs will raise business costs, resulting in fewer jobs than would otherwise have been created in the broader economy. The net number of jobs created therefore may be negative." So, in other words, you might create 50,000 jobs, paying $179,000 per year, but you actually end up with net fewer jobs in the economy. That, to me, is reckless, particularly when the energy minister announced—as he was putting forward the energy experiments, he stated in the Legislature that the cost to energy users would be 1% per year. We now learn that the actual cost is $1.5 billion a year, and there may be negative job creation.

I can say, when I travelled around with the finance and economic affairs committee this winter, when we were in Timmins, a very clear, stark demonstration of what higher electricity prices do—caused by these energy experiments—is the fact that the Xstrata smelter in Timmins had just moved, within the last year, from Ontario to Quebec, and the 700 jobs that that smelter provided, high-paying jobs, went with that smelter.

My question is, why are you recklessly driving the price of electricity up so business and families cannot afford to pay their bills?

Hon. Dwight Duncan: We reject Jan Carr's argument, and we think that he's biased towards a deregulated market and to fossil fuels—you just acknowledged that yourself. We're not. We think he's wrong. We think his assumptions are wrong. We welcome him back to the debate. He certainly didn't fit in with our group or our views.

Let me just talk to you a little bit about why we proceeded the way we have, because it is about the economy. When you deregulated the market, prices went up 40%. You left consumers hugely vulnerable. We were on the brink of brownouts. There had been no major investment in new generation. There are people who want it all to be gas and coal, and we understand you want to do that. We disagree. We do believe in building new energy through the feed-in tariff program, a program that's prevalent throughout a number of jurisdictions, having those feed-in tariffs come down over time.

Our electricity prices are still very competitive, around the middle range in North America. So to suggest we're out of line is false.

But I reject the notion of relying more on fossil fuel. I think it's wrong. I think we need more green power.

Mr. Norm Miller: Okay, I'd like to—

Hon. Dwight Duncan: Well, no. I haven't had a chance to respond—

Mr. Norm Miller: Sorry, I think you've answered the question—

Hon. Dwight Duncan: I just think your reckless question and false information propagated by an apologist for deregulated markets that hurt consumers—

Mr. Norm Miller: So you conclude that it makes sense to pay 80 cents for power that sells for five cents

Hon. Dwight Duncan: I do need an opportunity to respond to a question, Mr. Chair.

The Chair (Mr. Garfield Dunlop): Okay, guys.

Mr. Norm Miller: He's answered my question. I want to go on to the next one.

Hon. Dwight Duncan: It would be helpful if—

Mr. Norm Miller: Mr. Chair, I have limited time, and he refuses to come tomorrow—

The Chair (Mr. Garfield Dunlop): Minister, I think he—

Hon. Dwight Duncan: In your view, Mr. Chair, I have responded to his—

Mr. Norm Miller: He was supposed to. Even though he knew for months that he was supposed to be here, he's not going to be here tomorrow. I have limited time to ask questions, and I'd like to ask the questions.

The Chair (Mr. Garfield Dunlop): Minister, if you could let him go to the next question. He's satisfied with what you've already told him. Thank you.

Mr. Norm Miller: The next question is to do with the province's debt. The question is, are you concerned about the debt load that the province is building up? This morning, you said that you were proud of your record. That record includes being on track to double the debt of the province of Ontario. The interest, based on this year's budget, is $10.2 billion a year; that's more than is spent on the whole post-secondary education sector, and it's on its way up. Numbers are going the wrong way. We have a credit agency, Fitch, recently downgrading Ontario's credit rating. Standard and Poor's has voiced skepticism over the ability of the Ontario government to meet its expenditure and wage constraint targets.

There's a recent article in the Toronto Star by Martin Regg Cohn on Ontario's scary debt numbers. He quotes the Ontario Financing Authority saying, "Unprecedented increase in new debt and refinancing leading to a substantial increase in both financing and interest rate risks in future...." That's a quote from the Ontario Finance Authority.

Martin Regg Cohn goes on to say, "The most daunting numbers compare Ontario's finances in 2003-04, when the McGuinty government took power, to the present day. Back then, Ontario's debt was a healthier 28% of GDP—with only the western provinces doing better.

"In 2010-11 the roles are reversed, with Ontario saddled by debt that has reached 36% of GDP—higher than any province except Nova Scotia and Quebec. On a per capita basis, Ontario is borrowing more debt than any province except New Brunswick—$2,100 in 2010-11."

You said that you're proud of your record, and we're on track to double the debt. My question is, are you concerned about these debt numbers?

Hon. Dwight Duncan: I think that we responded to the worst downturn in Ontario's economy since the Great Depression. If you look at the federal numbers on debt and deficit, they went in the same direction. Governments in the Western world all responded similarly. Yes, we have moved up, relative to other provinces, but I think we've passed one province in that time, and we have maintained our credit rating.

It was not a downgrade, with all due respect, and Fitch, by the way, is not a highly regarded agency. In fact, they do not even come in and look at our books on the inside, the way the other bond rating agencies do.

1720

I would point out, however, the National Post in its editorial on Monday of this week, speaking to your Changebook, I think you call it: "Ontarians who look beyond the bullet points, and do the actual math, will come away confused and disappointed." You're going to balance the budget in the same time frame we are and you've adopted most of our expenditure assumptions on education and health care, yet you've left a $10-billion hole in your numbers.

Mr. Norm Miller: Mr. Chair, we're here to ask questions about the government's numbers, not—

Hon. Dwight Duncan: I think these numbers are very relevant, Mr. Chair, with due respect.

The Chair (Mr. Garfield Dunlop): Okay, we're getting into another area of policy here. Go to the next question, please. Mr. Clark?

Mr. Steve Clark: Again, you talk about the Great Depression. The debt you've doubled includes the Great Depression. It took 23 Premiers and I think it's 136 years; it took you and Dalton McGuinty eight years, and you sit here this morning and say that you're proud of that record. I've got that right? You're proud of that, but yet you lead us to believe a lot of things this afternoon. You talk about other people's records, yet you run from your own.

Hon. Dwight Duncan: Here's what Moody's said on May 17 about our economy: "The province's large, diversified and growing economy remains a source of credit strength, supporting a broad and productive tax base. The province's debt burden remains readily manageable, given its credit strengths."

Here's what DBRS said on May 3 of this year: "Ontario remains on track with its fiscal recovery plan.… While deficits are projected to continue for several years, better-than-expected results thus far and a supportive economic recovery have helped to lessen the impact on Ontario's debt-to-GDP ratio."

On April 20, Standard & Poor's said: "The affirmation reflects our view of the province's better-than-expected fiscal results…. The province continues to have excellent access to capital markets during and after the recession, as it's completed its borrowing program."

This is a strong province. Our debt and deficit levels are higher than any of us would like at the moment, as a result of the downturn, but investors worldwide are buying our bonds. We are paying less in interest today than we were when we came to office—

Mr. Steve Clark: So that's your licence to tax and spend more then, I guess?

Hon. Dwight Duncan: Mr. Chair, if I may complete the answer—they may not want to hear from the independent observers.

I'll just simply ask you: Will you put your numbers to the auditor the way we've put our budget numbers to the auditor? Will you do that, or will you continue with your Swiss cheese approach with big holes in the middle of the block?

Mr. Steve Clark: Tax and spend. That's all you do.

Mr. Norm Miller: Chair, if I can ask a question?

The Chair (Mr. Garfield Dunlop): Next question. Mr. Miller?

Mr. Norm Miller: Yes. This morning, you were responding to a question from the member for Nickel Belt in the third party. They were asking you about corporate tax cuts, and you stated that the third party's plan would be a tax increase "if you put it back on." I think I've got you correctly quoted in response to the member from Nickel Belt.

In your first budget, in 2003, you raised the corporate tax rate from 11.5% to 14%, and you did the same for the small business tax, so you would agree that that, in your first budget, based on your logic, was an increase.

Hon. Dwight Duncan: We had to undo the completely misstated last budget of your government. You left a hidden deficit of $5.5 billion. We took appropriate steps at the time. We got the budget back to balance. We opened hospitals instead of closing them. We've hired nurses instead of firing them. We hired teachers instead of firing them. We've improved test scores and we've moved forward on a variety of public services, which you chose at the time not to do. We did what was appropriate at the time. It was an appropriate policy. We got back to balance. We also, by the way, over that period of time, eliminated the capital tax. We took a number of steps to make business education taxes more competitive, and when we put together our tax plan for jobs and growth, we now have brought forward these tax changes for corporations to help make them more competitive and to be able to do business so that Ontario's corporate tax rates are similar to other corporate tax rates in other provinces.

Mr. Norm Miller: So, in 2003, you broke your written promise not to increase taxes, and I hear your justification that in 2003—I actually sat in this committee in 2003 when Gerry Phillips was the finance critic, and in June of that year he correctly, I think, pointed out that, at that point, there was about a $3.5-billion deficit with SARS, the blackout and other events happening that year. Of course, you formed government and then did nothing to try to control that spending and, through creative accounting, did manage to inflate that deficit. Instead of getting back to balance, you went the other way.

The Chair (Mr. Garfield Dunlop): You have four minutes, by the way.

Mr. Norm Miller: How much time?

The Chair (Mr. Garfield Dunlop): There are four minutes left.

Mr. Norm Miller: Four minutes? That's it? Okay.

This morning, you stated that despite breaking the 2003 promise of the Premier not to raise taxes—you stated that you were elected with a majority government in 2007, despite breaking your promise not to raise taxes. Is that saying, therefore, that that's fine for the future, that that's what we can expect going forward? It doesn't matter that you say you won't bring in a carbon tax, despite the member from Toronto Centre asking for one, or that you won't bring in an education tax, despite the member from Don Valley East asking for one, or that you won't raise or increase the HST, based on your track record and bragging about the fact that you got elected with a majority government despite breaking your word.

Hon. Dwight Duncan: The people of Ontario—

The Chair (Mr. Garfield Dunlop): Three minutes, Minister. And if there are any more questions, I guess—

Hon. Dwight Duncan: You can let them keep asking questions, then.

The Chair (Mr. Garfield Dunlop): All right. Do you have any more questions you'd like to ask at this point? Then he can try to—

Mr. Steve Clark: Yes, absolutely.

The Chair (Mr. Garfield Dunlop): Then go ahead, and maybe he can sum them both up at the end.

Mr. Steve Clark: Just a quick question, Minister. I've received some information from some of my constituents regarding taxation changes that MPAC is proposing. Specifically for MPAC, I think the way they worded it in the communiqué was that, for MPAC to maintain current and equitable property values, they require income and expense information, including rental data.

I'm just interested to know, because it has been a bit of a surprise. I've worked in a constituency office, I've worked in municipal government, and it just seems strange that all of a sudden MPAC is now sending property income and expense questionnaires to community property holders, asking for very detailed income received, income rental loss, expenses—very, very detailed financial information.

It just seems to be passing strange that these are coming out and no one has any information on what's happening. Is this agency taking a different course in terms of how they assess properties? It's a mystery that no one knows about.

Hon. Dwight Duncan: Well, as I'm sure you know, MPAC is actually controlled by the province's municipalities. I'm not familiar with that. I haven't seen that. If you'd be—

Mr. Steve Clark: No, but, as the tax man, I would think you'd have an opinion on it.

Hon. Dwight Duncan: Well, there are different taxes in Ontario. We do have a property tax. The corporation's board of directors—you know, you can ignore facts and figures in your platform, but we're going to call you on that.

Mr. Steve Clark: I'm talking about these communications that people have been sent.

Hon. Dwight Duncan: This board is run by municipalities in Ontario. What I'm saying, Mr. Clark, is that I haven't seen that yet. If you'd provide it to me, I'll try to get you a response. I'm not aware of that.

Mr. Steve Clark: I'd be more than happy to.

Hon. Dwight Duncan: But I think you need to deal with facts, and the fact is, that board is run by municipalities.

Now, I do recall that when you guys brought in seven changes to the Assessment Act—

Mr. Steve Clark: I'm not talking about any history. I'm talking about—

Hon. Dwight Duncan: —that caused property taxes to go up. You had to amend your own legislation seven times. Is that what you're going to go back to? I don't think that's where Ontarians want to go.

Mr. Steve Clark: I'm asking you the questions.

Hon. Dwight Duncan: I'm just trying to respond to your question.

Mr. Steve Clark: No, you're not.

Hon. Dwight Duncan: It was your act, and now it's controlled by municipalities. We'll work with the board, and I'll be happy to look into your situation.

The Chair (Mr. Garfield Dunlop): Did you want to respond to Mr. Miller's question, too?

Mr. Norm Miller: That would be nice.

Hon. Dwight Duncan: I'm sorry, I don't remember what the question was.

The Chair (Mr. Garfield Dunlop): I don't recall it either. Sorry.

Mr. Norm Miller: Yes, that was about—this morning, you bragged that, despite breaking your promise in 2003 not to increase taxes, you were elected with a majority government, as if that means it's okay. You can break your promise and you still got elected, so that means you can break it again going forward—

Hon. Dwight Duncan: No, I think 2003 and 2007 were about your party's record, about your broken promises to not close hospitals, about the deception in your last budget, about the hidden deficit, about your failure to deal with real problems. People don't want to go back to that.

I look forward to having this debate outside of this chamber where people will see the facts again and be reminded and—

Mr. Steve Clark: People can't wait.

The Chair (Mr. Garfield Dunlop): And that brings us—

Hon. Dwight Duncan: Thank you, Mr. Chair.

The Chair (Mr. Garfield Dunlop): —to the conclusion of your 20 minutes.

We'll now go to the third party. You have the next 20 minutes. Mr. Tabuns.

1730

Mr. Peter Tabuns: Thanks, Minister. Minister, I just want to go back, because I realize I should have been a bit clearer on one question I had asked on income splitting. Do you and does your government support income splitting?

Hon. Dwight Duncan: We haven't taken a position on that at this time. We'll await the federal budget. As I say, we do have certain obligations that are decades long and standing. We'll undertake to get you that. But I think you asked valid questions. "What's the distribution of that?

Who benefits from it? Who doesn't?" I think those are legitimate questions. But to this point, our government has not taken a position.

Mr. Peter Tabuns: Fair enough.

I'm going to move on to another subject area: insurance. Will the province ban credit scoring in setting insurance premiums and in determining eligibility for coverage?

Hon. Dwight Duncan: Well, we've already dealt with credit scoring in one area of insurance. We're looking at that. We're working with the industry and, most importantly, consumer groups. As I say, we've already taken steps. I was also very pleased with how much we've been able to hold the line on premium increases.

I won't give you that out and out undertaking now, but we have taken steps on the use of credit scoring in one element of insurance. We'll continue to work with consumer groups particularly as we move forward.

Mr. Peter Tabuns: So that I'm clear, you haven't taken a position on this at this point?

Hon. Dwight Duncan: We have been looking at the issue. We banned credit scoring on auto insurance—

Mr. Peter Tabuns: I understand that.

Hon. Dwight Duncan: On the other insurances, we're still looking at it; we're keeping an open mind to it.

Just a little more detail: As of September 2010, we have broadened the prohibition of credit scoring for auto insurance to include the quoting process. The use of credit scoring for underwriting and rating auto insurance is already prohibited. There is no similar prohibition for property insurance. The provincial regulator, FSCO, reviews any complaints from consumers about credit scoring for insurance.

I think it's important to have a clear understanding of what's happening in the marketplace. In order to get that, FSCO is now participating in a working group established by the Canadian Council of Insurance Regulators to gather the facts about the use of credit information by insurers, whether harm to consumers can potentially rise and whether the rules that currently exist protect consumers.

So we're very much engaged in this discussion, both here in Ontario and as part of the broader Canadian regulatory system. We've moved on auto insurance, and we will continue to work with other regulators as we move forward.

Mr. Peter Tabuns: Next question: We understand there's a push to limit benefits for the most seriously injured in auto accidents. There were changes to auto insurance last year. There was a fair amount of information about costs increasing for minor injury payouts and problems with fraud. There's an obvious question, then: Is there evidence, data, that would indicate that catastrophic coverage has become a problem or that costs for treating the most seriously injured are out of control?

Hon. Dwight Duncan: We've worked hard to ensure that auto insurance is affordable and available to all Ontarians. It's always a question of finding that balance of ensuring that Ontarians have adequate protection as well as ready access to auto insurance. We brought forward a package of 41 reforms, ensuring that the system is affordable to the nine million who don't make claims and that more dollars go to accident victims rather than assessment and transaction costs. Between 2004 and 2009, the number of accidents stayed relatively consistent, but costs for exams and assessments increased by more than 250%. Medical treatment more than doubled.

Our reforms also helped to stabilize premiums. Drivers can choose coverage that best meets their needs. For example, drivers can choose their level of accident benefit coverage: $50,000, $100,000 or $1 million. Ontario still has the most generous basic medical and rehabilitation benefits in Canada.

FSCO Q4 rate applications are out. They report an increase of 1.75%, following a decrease of 0.1% in Q3. Rates are stabilizing, and the plan is making progress. I should point out that rates are up less than 7% since 2003—rates which are much lower than the CPI for the same period: 12.5%.

I think our package of reforms strikes that balance between affordability and access to benefits. The number that I found most startling was the number of accidents. While the number of accidents stayed relatively consistent between 2004 and 2009, the cost for exams and assessments increased more than 250%. That cost all Ontario drivers and insurance premium payers a lot, and I think the steps we've taken get the right balance.

Mr. Peter Tabuns: I'll go back to my question, because you do have a lot of data. I'd ask if there's data that would indicate that catastrophic coverage has become a problem or that costs for treating the most seriously injured are out of control.

You noted an increase in overall medical costs. How much of that, if you can, relates to catastrophic injuries?

Hon. Dwight Duncan: I'll have to undertake to get back to you on that. I don't have those numbers readily available.

Mr. Peter Tabuns: Okay.

The change in insurance last September, and you just referenced it—reducing basic coverage, allowing people to go from $50,000 to $100,000 or $1 million, as you said—have you done an assessment of the impact of those changes on the auto insurance system?

Hon. Dwight Duncan: I haven't seen one. I'm going to ask Phil Howell. Is Phil here? Phil, have we had a chance yet to assess any of that?

Mr. Philip Howell: Philip Howell, CEO of FSCO. The first part of the answer to that question: I think it's important to understand the way that the auto insurance system works. Basically, a chunk of people, about one twelfth of the insured population, renew their policies each month. Consequently, there is still about a quarter of the population who have not yet seen the reforms reflected in their premiums.

That doesn't mean that we haven't had some feedback on the impact of the reforms; we have. Although at this point—really, until we've got a full year under our belts—a lot of it is going to be anecdotal.

Mr. Peter Tabuns: So, at this point, you don't have a full year's worth of data to do an assessment of what the impact was of those changes.

Mr. Philip Howell: Indeed, that's right. So far, probably roughly a quarter, I guess, of drivers have not yet seen the impact of the reforms in their rates.

Mr. Peter Tabuns: I understand you're considering reshaping policy with regard to catastrophic impairment. Is that correct?

Mr. Philip Howell: The part of the auto reform package that the government approved a year ago, this past fall, included direction to me to strike a panel to look at catastrophic impairment definition. It's important to realize that the definition that was in play had no medical basis. Frankly, it was really just an arbitrary construct.

I was directed to strike a panel; I did that. The panel was chaired by Dr. Pierre Côté. It consists of very eminent—indeed, world-renowned—medical practitioners. They have submitted a phase 1 report to me on definition, and that's actually out for consultation right now.

Phase 2 of the report was, I believe, supposed to be submitted today. It looks as though that's going to be a few days later this week. I haven't seen phase 2. Phase 2 deals with the qualifications of people who should be able to determine catastrophic impairment.

Mr. Peter Tabuns: Okay. So, at this point, you're waiting for all of those reports to come in before you are considering any further changes to the insurance system. Is that correct?

Hon. Dwight Duncan: Well, if I may, not just the reports coming in. Again, as Mr. Howell has pointed out, once we get those recommendations, we then in turn consult about them. So we'll handle this in a similar fashion to the way we handled pension reform and other reforms.

1740

It's a highly contentious issue. We have attempted to engage the best medical minds available. Once we have that—it's like the work Professor Arthurs did—we will go out and get people's feedback to those recommendations so that there is a fully canvassed option, where people have had a chance to respond, before the government moves to implement.

Mr. Peter Tabuns: Can I go back to the changes that were made, the options to have $50,000 coverage, $100,000 or $1 million? What is the impact of those changes on the revenue of the insurance companies—sorry, not the revenue, the profitability of those insurance companies?

Mr. Philip Howell: I don't have the answer to that.

Mr. Peter Tabuns: Would you be able to provide this committee with that answer in the next week or two?

Mr. Philip Howell: First of all, the profitability of the insurance companies as reported is going to cover all their lines of business, which include property insurance; it's also going to include their business in provinces other than Ontario. So results aren't reported in that way, and I don't really think that the question, as asked, is something that could be determined.

What will determine a company's profitability overall is going to be their claims costs. The issue is what happens to total claims costs to the companies, and that's what matters in determination of the profit. It's not going to be recorded or reflected in terms of summing up individual claims.

Mr. Peter Tabuns: Do you expect that with—I'll take the $50,000 liability limit. Do you expect, as a result of changing that limit, that there will be an extra burden on the health care system in Ontario?

Mr. Philip Howell: No. It's important to understand—and I think this is one of the great misconceptions about the auto insurance system in this province—that it's largely a privately delivered health care system. Virtually none of the treatments that are provided for almost all injuries, well over 95%, are things that are not covered by OHIP. They're paid for and privately delivered. It's disconnected.

In terms of understanding the auto insurance system, I think what is very important is that people understand it's essentially a closed system. Claims costs drive premiums.

Mr. Peter Tabuns: I don't have a further question on this, but I just want to say that I had the opportunity in the last year to have a constituent come into my office who had been run over on one of the streets in my riding—a young woman in her 20s, very badly injured, in need of extensive physiotherapy and support beyond the everyday support that you would get in our health care system. She didn't have any source of income and depended on the insurance payout. I believe that she was covered under a previous limit, so it was $200,000. She went right through that, still was not fit to work and essentially was in a position where she could not get on with her life in any way that we would recognize as dignified or acceptable.

I have to say that these numbers worry me because I suspect that those of us who sit around the table, who go to constituency offices once a week, will increasingly encounter people who will not be able to get the medical care they need. Your description was very good: There does seem to be this system of services outside of OHIP. But if the amount of money that's set is so low, there will be people who won't get enough coverage to live the kinds of lives they need to be able to live, if they're unfortunate enough to be caught in an accident.

If you could comment, since you regulate this—

Mr. Philip Howell: Just a couple of comments: Obviously, there are many examples of quite tragic accidents. Again, one of the difficult things in the face of those individual tragedies is for people responsible for making decisions around the nature of that system to understand this closed nature of the system.

So yes, one could, I suppose, respond to individual circumstances, make the system extraordinarily rich in benefits. But remember, the people who are paying for that are the nine million drivers. It's that closed nature of the system that's important to keep in mind.

The second comment I should make is that part of the reforms—and this was interesting because it hadn't been done before in Ontario—included giving individuals more choice in terms of the coverage they buy.

Mr. Peter Tabuns: Yes.

Mr. Philip Howell: I think the reality of auto insurance is most people think they're never going to need it for a personal accident, but the fact is that the system does allow that people, if they think that risk is significant, can buy the coverage that will cover them.

The Chair (Mr. Garfield Dunlop): You have three minutes, Mr. Tabuns, please.

Mr. Peter Tabuns: Okay. Thank you, Mr. Chair, and thank you, sir, for those answers.

Minister, on another matter: The negotiations between Canada and the European Union on trade agreements will have some significant impact on Ontario. Is Ontario making it very clear in these talks that our domestic procurements for the Green Energy Act are not on the table?

Hon. Dwight Duncan: First of all, Ontario supports the discussions that are going on. Our procurement policies in the Green Energy Act were brought in at a time that those discussions, I think, had already commenced. While I am not involved in the day-to-day negotiations, I can tell you that we feel that the Green Energy Act requirements and the feed-in tariff requirements will stand up.

But again, I'm not the minister responsible for that. I'm not involved in the day-to-day negotiations. I'd refer that to the Minister of Economic Development and Trade.

Mr. Peter Tabuns: That's her purview. Okay.

The rise in gas prices—I noticed when you did your economic studies that you looked at the cost of oil. Have you looked at the cost of natural gas and its impact on home heating, hydro and the operation of economy, and what are you projecting at this point?

Hon. Dwight Duncan: The price of natural has actually come down quite dramatically in the last seven years.

Mr. Peter Tabuns: I know that, but I also know there are some changes that are happening in the—

Hon. Dwight Duncan: There's the finding of shale gas. I don't know if we have an actual projection on natural gas prices going forward. They are an important component of the economy. The price of natural gas is down considerably over the last number of years.

Do we have a projection, Deputy, on the price of natural gas—

Mr. Peter Wallace: I don't think we actually forecast it directly in the sensitivity table. We include oil as the leading indicator for the price of fossil fuels.

Hon. Dwight Duncan: We have that at $118 a barrel, and the last time I looked at the average, so far this year, it's been at about $121. So there's a variety of variables, but I haven't seen a forecast for the price of natural gas.

Mr. Peter Tabuns: Okay. I'm done. Thanks.

The Chair (Mr. Garfield Dunlop): Okay. Thank you so much, third party.

We now have the remaining time going to the Liberal caucus. You have about 10 minutes, Ms. Pendergast.

Ms. Leeanna Pendergast: Thank you, Chair. Minister, I have so many questions and very little time, so I'd like to try to maybe hit the top three questions I'd like to touch on. Anyway, these are the three questions that I hear from my constituents and people as we travel the province in committee.

The first one I was hoping you could speak to refers to the debt retirement charge. I try to explain it the best I can, but I'd love to hear you explain, Minister, about the amount of money that's been collected, so the $8.7 billion versus the $7.8 billion that was predicted for the residual stranded debt. If you can explain to us, please, why this residual stranded debt has not been retired and the DRC ended.

1750

Hon. Dwight Duncan: Certainly. The debt retirement charge was slapped on every Ontarian's energy bill as a result of the previous PC government's failed restructuring of the electricity sector. From 1999 to 2003, the previous government further added to the stranded debt $1 billion. The true debt of the hydro restructuring—that is, the unfunded liability—was $20.6 billion when we took over in government in 2003. Through strong fiscal management, our government has steadily reduced the stranded debt by approximately $1 billion in each of the last six years.

The stranded debt is currently $5.7 billion lower than it was in 2003. This decrease means that the annual interest costs on the debt retirement charge have been reduced by about $408 million. The Ontario Electricity Financial Corp. is projecting stranded debt to be paid down by $1.4 billion in the year 2010-11, the year just ended. We are on track to eliminating the debt retirement charge sometime between 2015 and 2018, at which point it will be removed from all bills. So we have in fact been decreasing it every year.

Ms. Leeanna Pendergast: Thank you. I wanted to go back to what you were talking about in the Green Energy Act, if you don't mind, Minister. You mentioned earlier that the Conservative platform is dangerous and, you mentioned, reckless. I am concerned—from a rural riding as well, and my colleague, Ms. Van Bommel—that the Progressive Conservative Party has announced that they would tear up the Green Energy Act. We've heard in the House time and time again that they would do the same to the Samsung agreement. We've heard again from them that they would do that to the microFIT program, which the farmers in my riding depend on, as do families. What would that mean? I know that you've covered some of this in your answers but if you could just go back over, Minister, please, what that would mean in general to Ontario's green energy sector.

Hon. Dwight Duncan: First of all, we have in fact created the feed-in tariff, which benefits farmers. Yes, we do pay a higher price for the power. It represents a very small percentage of our installed capacity. There are those out there who try to portray it as having a major impact on the price of overall power. They tell you about that for a very small portion of our supply mix. They forget to tell you that the price of power coming out of Niagara Falls is under one cent per kilowatt hour. You've got to look at all of these factors. You also have to look at the transmission costs as well as the distribution costs. They're all important.

But we're trying to achieve two public policy objectives here with the Green Energy Act, with the Samsung contract. The first is to have a cleaner, greener and more reliable electricity system. The second is an economic development part of it. It helps farmers on the one hand. A farmer can have a windmill on his farm, be paid a lease rent for it to use the land and still farm the field. That's why it's been so popular with many farmers.

On the economic development side, our objective is to not only install these new forms of electricity but also to manufacture the components that go into them and to export those components, creating a new market. I just might take you through a few interesting—here are jobs that have already been announced and that are in development in Ontario, which the Conservatives would cancel:

—the Samsung-CS Wind tower plant in Windsor, 700 jobs;

—the Siemens turbine blade plant in Tillsonburg, 900 jobs;

—Canadian Solar's panel manufacturing plant in Guelph, 500 jobs;

—Fronius' solar inverter plant in Mississauga, 100 jobs;

—Silicon Solar module plant, 175 jobs. I just had the opportunity to do the opening of that plant. By the way, more than half the people they hired were hired off the welfare rolls in Windsor, just to put that into context for you. I applaud the city of Windsor's welfare department and social service department for working with us;

—Canasia solar panel manufacturing plant in London, 300 jobs;

—the ATS solar facility in Cambridge, 150 jobs;

—Solar Semiconductor's plant in Oakville, 200 jobs;

—the Samco racking plant in Scarborough, 60 jobs;

—the JNE and Daqo Group panel assembly plant in Hamilton, 300 jobs;

—the WindTronics small turbine plant in Windsor, 170 jobs;

—the Silfab solar module plant in Mississauga, 200 jobs;

—the Sustainable Energy Technologies/Melitron in Guelph, 300 jobs; and

—the SunEdison panel manufacturing plant in Newmarket, 100 jobs.

There's more, and we can talk about more of those.

Governments around the world are all doing things to incent this. Some of them are using different policy instruments to do it, but it's happening everywhere, because we know that over the course of the next decade, this is going to be a major area of economic growth. There is, I think, an overwhelming desire on the part of most of us to reduce, or to clean up, I should say, our energy footprint. We've also had to make enormous investments in transmission to bring our system up to date, and that's why smart meters are part of it. So, the twin objectives: (1) clean up our environment and (2) an economic development proposal. I guess the third point I would make is that farmers do tend to be among the largest beneficiaries.

Should Mr. Hudak be elected, those jobs will be gone, and our ability to compete in the world and export those technologies will be lost as well.

Ms. Leeanna Pendergast: That sounded like thousands of jobs that you were going through, and you said you're not even done yet; there's more. So we're talking about thousands of jobs, then.

Hon. Dwight Duncan: There are more: a total of 50,000 jobs, we estimate, as a result. Again, it's a growing area and it's an area that we think Ontario should lead in. We shouldn't just fall back and kind of turn a blind eye to what the future is.

Ms. Leeanna Pendergast: And so, Minister, you're saying that 50,000 jobs will be lost in Ontario—

Hon. Dwight Duncan: That's correct, yes.

Ms. Leeanna Pendergast: —if the Progressive Conservative Party were to go ahead and do what they're saying about scrapping the Green Energy Act.

Hon. Dwight Duncan: Yes, absolutely, and let me give you some other—

The Chair (Mr. Garfield Dunlop): Parliamentary assistant, you've got two minutes.

Ms. Leeanna Pendergast: Thank you, Chair.

Hon. Dwight Duncan: Let me just give you some other quotes, because the Conservatives use quotes for advocates of more fossil-fuel burning.

"Mr. Hudak should not be making policy statements that will hurt working families in Ontario." That's John Grimshaw of the International Brotherhood of Electrical Workers.

"Ontario's solar manufacturing industry has grown more in the last year than any other sector of manufacturing.... The result is a stronger province, clean energy and jobs for people in the communities where they live—often those hardest hit by the recession." That's Elizabeth McDonald, the president of CanSIA.

"This industry is right now driving much-needed job creation in places like Windsor and Niagara while reinvigorating this province's proud manufacturing tradition.... Any failure to ... respect signed contracts would cause investors to lose faith in the Ontario market, ultimately putting jobs and investment at risk at a time when this province needs both." That's Robert Hornung, the president of CanWEA.

The Green Energy Act and the Samsung deal represent important steps forward in developing a new industry. Our overall energy plan—and by the way, we've laid out a 20-year plan to say where we're going to get our power from, what we estimate the cost to be, what we're doing on the demand side, what we're doing on the supply side, so that we have a cleaner, more reliable energy system for the future. Interestingly, what we've discovered is that the average rise in prices over the next 20 years on an annual basis will be approximately what it has been over the last 20 years.

The final piece I would make is, to help people transition, we created the Ontario clean energy benefit, which the Hudak Tories would get rid of. We just think that's a mistake.

The Chair (Mr. Garfield Dunlop): Okay. You've got time for just a quick one.

Ms. Leeanna Pendergast: You're sure?

The Chair (Mr. Garfield Dunlop): Yes.

Ms. Leeanna Pendergast: I just want to take you back to a comment you made this morning. You talked about a multi-billion dollar hole in the PC platform. Do you think the people of Ontario will be fooled by that, Minister?

Hon. Dwight Duncan: No, I don't. Let me just read some of the quotes, even from fairly conservative commentators. Here's what Michael Den Tandt, from the Toronto Sun, had to say: "Hudak's campaign document, Changebook, is as mamby-pamby as its name. It is a collection of vague bromides stitched together with a smattering of weakly stated promises.... Changebook really should be called Statusquobook.... As a campaign platform, it is truly pitiful." That's the Toronto Sun.

The Chair (Mr. Garfield Dunlop): That, Minister, concludes your time.

Hon. Dwight Duncan: Okay. I've got others I could read into the record—

The Chair (Mr. Garfield Dunlop): I would suggest to you that the campaign's on.

Okay, ladies and gentlemen, that will conclude our estimates committee. Minister, I want to thank you for your time.

Hon. Dwight Duncan: Thank you.

The Chair (Mr. Garfield Dunlop): And to all the staff at the Ministry of Finance, thank you so much, and to all the committee members.

With that, we'll adjourn the meeting.

The committee adjourned at 1800.

CONTENTS

Tuesday 31 May 2011