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**Official Report
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(Hansard)**

Monday 18 April 2016

**Journal
des débats
(Hansard)**

Lundi 18 avril 2016

**Standing Committee on
General Government**

Climate Change Mitigation
and Low-carbon Economy
Act, 2016

**Comité permanent des
affaires gouvernementales**

Loi de 2016 sur l'atténuation
du changement climatique
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES**

Monday 18 April 2016

Lundi 18 avril 2016

The committee met at 1402 in committee room 2.

**CLIMATE CHANGE MITIGATION
AND LOW-CARBON ECONOMY
ACT, 2016**

**LOI DE 2016 SUR L'ATTÉNUATION
DU CHANGEMENT CLIMATIQUE
ET UNE ÉCONOMIE SOBRE EN CARBONE**

Consideration of the following bill:

Bill 172, An Act respecting greenhouse gas / Projet de loi 172, Loi concernant les gaz à effet de serre.

The Chair (Mr. Grant Crack): Good afternoon, everyone: members of committee, support staff, members of the public. I call this meeting to order. This is the Standing Committee on General Government. We are here this afternoon to continue our clause-by-clause consideration of Bill 172, An Act respecting greenhouse gas.

I'd like to thank all the members for all the work that has been done to date. We've still got considerable work to do on this clause-by-clause consideration.

When we ended last week's Wednesday meeting, we were on section 34. I'm just reminding everyone that government motion 32.4 was read into the record, but I would ask Mr. Potts to read it back into the record so that we can continue where we left off, sir.

Mr. Potts.

Mr. Arthur Potts: Thank you, Chair; I'm delighted to.

I move that subsection 34(5) of the bill be struck out.

The Chair (Mr. Grant Crack): Thank you very much. Further discussion?

Ms. Lisa M. Thompson: Thanks very much, Chair. First of all, I'd be remiss if I didn't reflect on the comments shared in the House earlier today, and I appreciate a particular comment that Minister Murray made during question period. Because it's a very valid point, Chair, I'd like to revisit it.

Specifically, he said that Bill 172 is "one of the most complex pieces of legislation ever introduced into the Legislature." Quite frankly, Chair, I couldn't agree more. This is a very complex piece. That is why we need to facilitate proper study and due diligence, and that's what we're embarking upon from the loyal opposition perspective. I just find it surprising to hear government members are continuing to call for the bill to be rushed

through committee and third reading debate. We have a duty to review. That's the big message here.

I think I've mentioned it before in debate as well that past behaviour is indicative of future behaviour. All I can say in that spirit is that we cannot have a repeat of the Green Energy Act. That's a piece of legislation that was rushed through the House without proper analysis, and just look at what's happened. Ontario has the highest electricity rates in North America and they're going up again May 1. Lower-income Ontarians are forced to choose between heating and eating.

Just this past weekend, I was speaking to a lovely couple. They are in their senior years. They have saved for a retirement they always dreamed of and they thought they were positioned to have, but now electricity rates for them are almost like a mortgage payment again. They're having to take a look at how to cut back.

The quality of life certainly has been impacted because of rushed legislation. We take our duty very seriously on this side. It's not just about the couple I referenced just moments ago, but I would say there were at least 10 couples that implored me on Saturday night to hold this government to account and try and help them because, again, their bills are going through the roof.

Whenever I see a bill that imposes a new tax on Ontarians, that will raise the cost of virtually everything in this province, I believe it's my duty and that of my neighbour and colleague Bill Walker, the MPP doing a great job representing Bruce-Grey-Owen Sound—it's our duty as lawmakers to get this right.

To that end, Chair, I want to be sincere in saying that we both appreciate the government's offer to provide additional briefing. Unfortunately, it happened during the CLEAN Alliance luncheon earlier today, but I got down there just at the tail end. Perhaps the minister didn't see me there. I was pleased to get around the room and chat with some people and make appointments with them to follow up.

But I need to share with you that the briefing that we had at that same time was very helpful. I thank the MOECC staff for taking time and talking through and helping us to put in perspective what the true amendments that are coming forward mean and the impact they would have. Certainly, we appreciate the time that they spent, because I know it was over a lunch hour and a difficult time for some.

I just want to say with regard to motion 32.4 that the time we did spend with officials has helped us come to a

conclusion on this amendment, and we understand the government's decision to have the regulation-making authority for offsets under 35.1. So as a result of time well spent, we'll be voting in favour of this motion.

The Chair (Mr. Grant Crack): Thank you very much. Further discussion? There being none, I shall call for the vote. Those in favour of government motion 32.4? Those opposed? I declare government motion 32.4 carried.

We will move on to section 34, as amended, in its entirety. Is there any further discussion on the section, as amended? There being none, I shall call for the vote on section 34, as amended.

Those in favour? Those opposed? I declare section 34 carried, as amended.

We shall move to section 35. We have government motion 32.5. Mr. Potts.

Mr. Arthur Potts: I would like to withdraw the motion.

The Chair (Mr. Grant Crack): Government motion 32.5 is withdrawn.

We have government motion 32.5.1.

Mr. Arthur Potts: I move that section 35(2) of the bill be struck out and the following substituted:

"Same, to the minister

"(2) The regulations may specify that a prescribed number or amount of Ontario offset credits created in respect of an offset initiative registered under section 33 shall be retained by the minister for such purposes as may be prescribed by regulation."

The Chair (Mr. Grant Crack): Further discussion on government motion 32.5.1? Mr. Tabuns.

Mr. Peter Tabuns: If we could just have the government's reasoning?

Mr. Arthur Potts: It just clarifies the syntax for French-language translation.

Mr. Peter Tabuns: That's it?

Mr. Arthur Potts: That's it.

The Chair (Mr. Grant Crack): Further discussion? There being none, I shall call for the vote on government motion 32.5.1.

Those in favour? There are none opposed. I declare government motion 32.5.1 carried.

1410

We have one amendment to section 35. Is there any further discussion on section 35, as amended? There being none, I shall call for the vote.

Those in favour of section 35, as amended? Any opposed? I declare section 35, as amended, carried.

We shall move to government motion 32.6, which is proposing a new section 35.1. Mr. Potts.

Mr. Arthur Potts: I move that the bill be amended by adding the following section:

"Retiring, cancelling credits

"Retirement

"35.1(1) The minister may, in such circumstances as may be prescribed and in accordance with the regulations, retire credits from circulation.

"Cancellation

"(2) The minister may cancel Ontario credits in accordance with the regulations in such circumstances as may be prescribed.

"Same, Ontario offset credits

"(3) Without limiting the generality of subsection (2), the regulations may provide for the cancellation of Ontario offset credits if the minister determines, in accordance with the regulations, that there has been a failure to comply with any requirements imposed under this act with respect to the offset initiative to which the offset credits relate.

"Number, amount cancelled

"(4) The number or amount of Ontario credits to be cancelled is prescribed by the regulations or determined in accordance with the regulations.

"Same

(5) Despite subsection (4), in prescribed circumstances, the number or amount of Ontario credits to be cancelled shall be determined by the director in accordance with the regulations.

"Opportunity to be heard

"(6) If the minister proposes to cancel Ontario credits, the director shall give every registered participant in whose cap and trade accounts the credits are held, and such other persons as may be specified by regulation, notice of the proposal in accordance with the regulations and shall, in accordance with the regulations, give them an opportunity to be heard.

"Conditions upon cancellation

"(7) The regulations may provide that, if Ontario offset credits are cancelled, the sponsor of the registered offset initiative to which the credits relate is required to submit an equal number or amount of credits to the minister in accordance with the regulations."

The Chair (Mr. Grant Crack): Thank you very much. Mr. Potts?

Mr. Arthur Potts: The motion is introduced to bring more clarity to the section we deleted in the last section about how and the circumstances under which, under regulations, credits can be revoked.

The Chair (Mr. Grant Crack): Ms. Thompson.

Ms. Lisa M. Thompson: Again, we really appreciate the time that the government's counsel took to explain this rather lengthy amendment that appears to be a major oversight of the government. I know the minister likes to claim that his amendments are fixing just a couple of typos, but really, we all have to admit around this committee table that this particular amendment is quite substantive.

Just to recap, this motion actually reintroduces the minister's ability to cancel Ontario offset credits. Specifically, 35.1(6) of this amendment requires the director to give notice to any participant who may have their offsets cancelled.

Earlier today, over the lunch hour, I asked officials why the government is all right with providing notice to participants before cancelling offset credits under this subsection, but it was not all right with our motion to provide notification before removing allowances and

credits from a participant's account. I was told at that time—over lunch hour, and again, I really appreciate their time—that counsel would be getting an answer on why notice could not be given before the removal of a credit, but it can be given after the credit has been retired. I'm just wondering if one of the government's officials has had a chance to provide that rationale to the committee.

The Chair (Mr. Grant Crack): Any further discussion? Ms. Thompson?

Ms. Lisa M. Thompson: Yes, I think it's just really important that we do due diligence and we take time to ensure that we know what's going on. We need a system in Ontario that Ontario businesses see as a creation of a strong Ontario market for offset credits, particularly from our agricultural sector. As you know, I've pointed out previously that the agricultural sector is MIA in the first compliance period. For the first three years, the agricultural sector isn't brought to the table one iota.

I think we need to give this some more thought, Chair. I'd like to call for a 20-minute recess, please.

The Chair (Mr. Grant Crack): Okay. There's been a request for a 20-minute recess. Do we have consensus from the committee?

Interjection: No.

The Chair (Mr. Grant Crack): I heard a no, so I'll entertain further discussions. Mr. Walker.

Mr. Bill Walker: Just before the vote, or can I still speak to it?

The Chair (Mr. Grant Crack): The process is, if I haven't called for the vote, then it has to be consensus, unanimous consent. If I call for a vote and there's a request for a 20-minute recess, it's automatic.

Mr. Bill Walker: Okay.

The Chair (Mr. Grant Crack): Mr. Walker.

Mr. Bill Walker: My colleague asked if we would be having a member of the government who's going to explain and provide more detail to this, and I didn't hear that being "yes" or "no," so I just wanted clarification on that, first and foremost. I believe there is a need for more clarification.

It's been very interesting. This morning, when my colleague asked her question in the House, the minister stood and said that there were a lot of technical details. It's rather bothersome for me to be the representative in my riding on such a contentious piece of legislation—that they rushed it out the door and yet there are 70 amendments. In another committee that I'm sitting on, we offered 29 amendments, of which the government didn't accept one single amendment on that piece of legislation. And yet this is theirs that they brought to the table, and you're telling me there are 70 amendments?

There are a lot of ambiguities, there's a lot of confusion. People become very suspect when you can't answer very quickly and you start to say, "Well, it's a technical detail. We didn't quite get to that before we tabled the legislation." That makes it very onerous on all of us, so I think it's very critical that we have clarity. I think it's only appropriate that the minister, in particular,

if they're going to bring this type of legislation—those technicalities should have been thought of. It's kind of kind like bringing the budget out before you finished the consultation process, if you will, and making sure that we actually listen to the people who this is going to impact.

My riding of Bruce–Grey–Owen Sound, as is my colleague's from Huron–Bruce, is a very large agricultural sector of our economy. This is going to have significant impacts on that community. When they hear things like there's 70 amendments to a bill where they're already wondering what's going on—we've removed the Auditor General's ability to provide oversight after this is done. There's a lot of speculation of where the actual dollars that are going to be collected via this act are going to go: Are they truly going to go to fight climate change or are they going to go into a general fund? So there's a lot of challenge, certainly in my riding, in regard to wanting to get clarity to ensure that we know what the legislation's truly going to do.

I think my colleague raised a good point. The government's all right to provide notice on their perspective, but what about the opposite, providing the right of motion to provide notification before removing allowances? It just seems, again, that there's more and more of a burgeoning sense of people out there—I think it gets back to that empathy and why people are getting disenfranchised with our electoral system.

When we put things out like legislation and we can't really put it in black and white, we really can't make it clear—Bill 100 is one that I would bring to the table to say that it's very similar to this. There's a lot of ambiguity. If there had been more clarity and they had brought all the stakeholders to the table before it was rushed to Parliament, then people would have had that proper buy-in. They would have had the ability to ask, engage, and truly know what was being intended, and then we would have taken out a lot of that challenge of confusion, anxiety, and people starting to go off on tangents. That's not easy; there may be very great parts of that bill that we will support and certainly want to support, but we also need to know what those other things are.

Our communities come to us, asking those very pertinent questions: "What does this really mean?" When all you say is, "It's a technicality. Just go with us. Just trust us," that doesn't cut it. So I really think it's important that we actually have a member of the government, an official of the government to actually provide that critical clarity that we all understand. It's very challenging for me to vote on any portion of a bill if I don't clearly understand the intent and what the actual reality of it will be. Sometimes unintended consequences, as you're quite well aware, Mr. Chair, are a challenge for legislators—if something comes out and we hadn't thought it all the way through and we hadn't made it crystal clear and listened to all the stakeholders.

I would ask that we have clarity on whether we're going to have a government official, and if not, then I think I would reinforce my colleague's request for a

recess to consider this amendment and truly understand it before we're put in a position by the government to actually have to vote on something we, in all rights, maybe don't understand clearly.

The Chair (Mr. Grant Crack): Mr. Potts.

Mr. Arthur Potts: I appreciate Mr. Walker's interest and concern. He wasn't here the last couple of days—and I don't mean that as a criticism—except that he didn't witness the critic for his party repeatedly using this as an opportunity to filibuster, to delay. You've had an opportunity to meet with staff; you could have asked questions about this particular amendment then, during the briefing. Had your party shown up earlier with your amendments and responded to any of the requests from our staff to get briefed, we would have been able to work with you on your amendments. You've already indicated your support in principle of the notice provision here, so you will not be getting unanimous consent to bring people forward—

The Chair (Mr. Grant Crack): I'm just going to interject for a second. There has been a request to have ministry officials come forward for an explanation. That is within order.

1420

Is there someone from the ministry—could we actually have a direct question? Ms. Thompson.

Ms. Lisa M. Thompson: Sure. Just to go back and reframe this: During our briefing, we were told—okay, I'll back up a little bit more. I asked officials today why the government is all right with providing notice to participants before cancelling offset credits under this particular subsection, but it was not all right, with our motion that we provided earlier, to provide notification before removing allowances and credits from a participant's account.

I was told, over lunchtime, when we had the additional briefing—I might say a little sidebar here: We were supportive of the lost amendment because we did have a valid explanation. This time is well-spent, Chair, no matter how this government chooses to spin it.

During our briefing, I was told that counsel would be getting an answer on why notice could not be given before the removal of a credit, but can be after the credit has been retired. I just wondered if one of the government officials was ready to provide that particular rationale to the committee. It may help in our decision as to how we go forward.

The Chair (Mr. Grant Crack): Mr. Potts, can you provide clarification?

Mr. Arthur Potts: Is it not my understanding that you need unanimous consent for us to bring someone forward?

The Chair (Mr. Grant Crack): No.

Mr. Arthur Potts: No?

The Chair (Mr. Grant Crack): It's within the rights of any committee member to ask for clarification from the government side. If the government side can't clarify, then they have the ability to bring someone.

Mr. Arthur Potts: Okay. Last meeting, we were voting on unanimous consent to bring them forward.

The Chair (Mr. Grant Crack): I was trying to be very nice.

Mr. Arthur Potts: That's a nice point of view. I love your impartiality, Chair. I appreciate that very much. Did you know?

The Chair (Mr. Grant Crack): Thank you. Is there anyone from the ministry who would like to come forward to speak—

Mr. Arthur Potts: Can I also have clarification, Chair, from the Clerk? She's asking a question about a motion that has already been voted down. Is it really properly before us, or is it about this motion specifically here? Her question relates to why the motion that was voted down was voted down, as opposed to why we should be supporting this motion.

The Chair (Mr. Grant Crack): No, I think it's a request concerning this particular amendment.

Ms. Lisa M. Thompson: No, no. It's totally different.

The Chair (Mr. Grant Crack): Is there anyone from the ministry who could come forward?

Mr. Walker.

Mr. Bill Walker: If they're not, then I think it would make it very apparent that we should have a recess to allow the government to have time to find that person who has the ability to truly, clearly explain this.

It would also give us time to be able to collect our thoughts and make sure we have good, pertinent questions for when they are in the room, so we actually resolve this and get that clarity, so that we can move on with this legislation.

I think my colleague has been here—although, I haven't, so I hear what my colleague Mr. Potts is saying, that I wasn't here. But she certainly has been here and, frankly, I think it's not appropriate for him to tell her whether she's clear in her mind about it and whether she has sat here.

If she says that she's not clear and she needs help from the government—our job is to ensure that this is the best legislation possible and that we have access to the resources to ensure that we're making a very effective and knowledgeable decision.

The Chair (Mr. Grant Crack): Thank you, Mr. Walker. Ms. Thompson.

Ms. Lisa M. Thompson: Again, as you saw in the previous amendment, we actually appreciated the explanation that we received during our lunchtime briefing today, and that did make a difference.

I think it's appalling that this government is trying to use spin to thwart our efforts to drill down on our particular rationale as to why another amendment is coming forward. Again, you're completely rewriting this bill on the fly. Ontarians, as well as opposition, deserve the respect when a question is asked for more rationale. That's it; that's all.

You weren't in the room earlier today for the briefing, but I was told, at that time, that counsel would be getting an answer on why notice could not be given before the removal of a credit, but can be given after the credit has been retired.

I was just asking if that particular rationale was now available, and I don't know why they're not letting their own officials come to the table.

The Chair (Mr. Grant Crack): Okay, thank you very much. Mr. Potts, feel free to answer the question.

Mr. Arthur Potts: Sure. Maybe this will answer your question.

Under the previous motion that you made, you were actually interfering with the marketplace by giving a signal beforehand, which could affect people's decisions and speculations on the credits. Here, it's a courtesy to the people who are in the sector. It's a very different animal.

If it was a policy decision that we didn't support your motion back then, you're not going to be able to get a technical reason about that; it's a decision that we have made. You can hold us to account for it all you want, but in this case, it's a courtesy—a courtesy that I believe you support—in order to provide notice to people whose credits are being retired.

The Chair (Mr. Grant Crack): Any further discussion? Mr. Walker.

Mr. Bill Walker: Mr. Potts, you raise an interesting point for me. I guess what I'm trying to get, if you could give even further clarification—so you're telling me your concern by doing this is that it will actually have a huge impact, potentially, on our stock markets and the ability of the markets to do this, and yet you brought this forward as legislation? Is that not a pretty critical piece of anything we do here? You would have thought that would have already been in the legislation.

It further reinforces my concern that if there are 70 technical amendments—that's a pretty significant technical amendment if we're actually talking now about how we're going to impact the market. It's one of the biggest things, I think, we have brought to the floor in this whole piece of legislation: What's the impact to our economy, what's the impact to our jobs and to our agricultural sector, specifically in our ridings? But at the end of the day, it's why I need a bit more clarity. If I'm going to be called to vote on this—and yes, I'm subbing in, so I do apologize that I don't have as much knowledge as my well-versed critic—but at the end of the day, this is very interesting.

I want to understand a little bit—that you're going to impact the market that significantly, and it wasn't in the original piece of legislation. Why would that not be—you've had experts working on this.

Mr. Arthur Potts: No, I think you've misheard me.

Mr. Bill Walker: Could you then, please, further clarify?

Mr. Arthur Potts: We didn't support the previous motion from your government—

Ms. Lisa M. Thompson: Our government.

Mr. Arthur Potts: Sorry, I guess from your party—
Laughter.

Mr. Bill Walker: We like how you think, though.

Mr. Arthur Potts: —because it speaks to the enforcements of the allowances that are out there, and that would

have been a disruptive—so we didn't support that; whereas in this situation, it's a courtesy now that you can do it.

This is not a technical amendment. Granted, it's a longer amendment to clarify how credits can be cancelled and that process. This is where we clearly were listening during the public hearings when people said, "We need some more clarity around the cancellation of credits," so we brought forward a motion to do that. This is one of a number. Not the 70, but the vast majority of what we're bringing forward are, exactly, as I said, French translation issues; a word here, a word there; and clarifying language so that it's consistent throughout. Those are technical amendments. There are a number of them, this being one, that it is important that we get in so that we've responded to people's concerns that they brought forward to the hearings.

The Chair (Mr. Grant Crack): Further discussion? Mr. Walker.

Mr. Bill Walker: Again, I think I'm getting more clarity about what you're suggesting. Is there a way that we can address this so that all parties involved—because certainly, the last thing we want to do is do anything that's going to have a negative impact on the markets or supersede. Is there any ability that we can put in writing so that it's clear for all parties involved, as we do the negotiation on how this will be laid out, that you're never going to supersede or negatively and inadvertently, perhaps, trigger that?

Mr. Arthur Potts: No, we fixed that by not supporting your motion. This one doesn't have that impact. This is totally separate and apart. This is just a courtesy, that it's part of the regular process that people are notified of the credits being retired. That doesn't have the market impact, and this is why we can do it here and why we didn't do it before, under the motion that you put forward.

Mr. Bill Walker: I think I understand where you're going. On the other hand, I still in my head have—is the minister solely able to do this?

Mr. Arthur Potts: If you read the amendment, it has the director by regulations. It's under regulations. Directors, authorized persons, it's all here, very clear. So let's just vote on it and move forward.

Mr. Bill Walker: Thank you.

The Chair (Mr. Grant Crack): Ms. Thompson.

Ms. Lisa M. Thompson: Well, I'd be remiss if I didn't pick up for a moment and say that clearly, there's a lot of concern over how monetizing the environment in the name of a cap-and-trade scheme could lead to the gaming of a brand new financial market. There's so much oversight and so much layering that clearly, this government is a little concerned about their cap-and-trade scheme. The easiest way forward would have been a revenue-neutral pricing plan.

I just needed to say that for the record. Thank you.

The Chair (Mr. Grant Crack): Further discussion? There being none, I shall call for the vote.

Ms. Lisa M. Thompson: Chair?

The Chair (Mr. Grant Crack): Ms. Thompson.

Ms. Lisa M. Thompson: I would like to request a 20-minute recess.

The Chair (Mr. Grant Crack): That is within order, so we will have a 20-minute recess.

It is currently 2:29 p.m. This meeting is recessed.

The committee recessed from 1429 to 1449.

The Chair (Mr. Grant Crack): I'd like to call the meeting back to order. It is 2:49 in the afternoon on this glorious day.

There was a request for a 20-minute recess prior to me calling for the vote, so we shall continue with the vote. We are dealing with the new section 35.1, which is government motion 32.6. Since there is no further discussion—

Mr. Arthur Potts: Recorded vote.

The Chair (Mr. Grant Crack): There has been a request for a recorded vote, and that shall be entertained.

Ayes

Hoggarth, Martins, Potts, Rinaldi, Tabuns.

The Chair (Mr. Grant Crack): I declare government motion 32.6 carried.

We shall move to section 36. There is a new subsection 36 being proposed in PC motion 32.6.1. Ms. Thompson.

Ms. Lisa M. Thompson: We're going to withdraw this motion.

The Chair (Mr. Grant Crack): PC motion 32.6.1 is withdrawn.

Ms. Lisa M. Thompson: If I may, Chair, I want to speak to why we're withdrawing it. Essentially, we don't need to link its cap-and-trade scheme, if you will, with other programs. What we want is a made-in-Ontario—

Mr. Arthur Potts: Point of order.

The Chair (Mr. Grant Crack): Sorry, Ms. Thompson.

Point of order, Mr. Potts.

Mr. Arthur Potts: Once the motion has been withdrawn, it's no longer before us. Therefore, she can't be speaking to something that's not before us.

The Chair (Mr. Grant Crack): I will uphold Mr. Potts's point of order.

We shall continue to PC motion 32.6.2, which is proposing a new subsection 36(3). Ms. Thompson.

Ms. Lisa M. Thompson: I appreciate this opportunity to speak. Again, we need to be mindful that Ontario doesn't link its cap-and-trade scheme with other programs and—

The Chair (Mr. Grant Crack): Ms. Thompson, are you going to move the motion first?

Ms. Lisa M. Thompson: Oh, yes. Let me start over again. I just wanted to jump into a big message we need to get on the record.

I move that section 36 of the bill be amended by adding the following subsection:

“Offset credits, standards

“(3) For greater certainty, a prescribed instrument that is recognized under subsection (1) and treated as an Ontario offset credit for the purposes of this act is subject to the standards referred to in subsection 34(2.1).”

The Chair (Mr. Grant Crack): This motion that you're proposing was dependent on the previous PC motion, which you just withdrew, passing. As such, it would be out of order.

Ms. Lisa M. Thompson: That's fine.

The Chair (Mr. Grant Crack): There are no amendments to section 36. Is there any further discussion on section 36? There being none, I shall call for the vote.

Mr. Arthur Potts: Recorded.

The Chair (Mr. Grant Crack): There has been a request for a recorded vote. That shall be entertained.

Ayes

Colle, Hoggarth, Martins, Potts, Rinaldi, Tabuns.

The Chair (Mr. Grant Crack): I declare section 36 carried.

We shall move to section 37, which is government motion 32.7. Mr. Potts.

Mr. Arthur Potts: I move that section 37 of the bill be struck out and the following substituted:

“Actions not invalid

“37. A failure by the minister, the director or a delegate or agent of either of them to act in accordance with any requirement or restriction imposed under this act does not invalidate any of the following:

“1. The creation, distribution, retirement from circulation or cancellation of an Ontario emission allowance.

“2. The retirement of any other emission allowance from circulation.

“3. The creation, issuance, retirement from circulation or cancellation of an Ontario credit.

“4. The retirement of any other credit from circulation.”

The Chair (Mr. Grant Crack): Further discussion? Mr. Tabuns.

Mr. Peter Tabuns: Could we just have the government explain what, exactly, is the reason for this amendment?

The Chair (Mr. Grant Crack): Mr. Potts.

Mr. Arthur Potts: The amendment ensures that critical components of the cap-and-trade program affecting participants can be maintained. It actually is substituting the existing language in section 37 with new language that will provide some certainty that specified actions are not invalidated by the failure of a minister, director or delegate. It provides a guard or comfort against—if there is an omission or error, it doesn't affect the integrity of the system.

Mr. Peter Tabuns: Okay.

The Chair (Mr. Grant Crack): Ms. Thompson?

Ms. Lisa M. Thompson: I just want to reach out and thank the officials for spending some time with me this afternoon to go over this particular amendment. This

amendment—our understanding is, as a result of the briefing we had over the lunch hour—allows the government’s decisions to stand even if the minister, his director or one of his agents fails to act in accordance with the provision of this proposed law. Officials explained during the briefing earlier today that this could be, for example, applied to the minister missing a timeline on an auction, so they didn’t want a minister missing a timeline to hold up an auction. This amendment would protect the government from lawsuits, for example, if the government missed a timeline on holding an auction for the emission allowances.

We wouldn’t want to see the government abuse the rules and use this section to protect itself. It’s really important that we recognize that, whether it’s for creating or cancelling credits.

Upon reflecting on the briefing earlier today, Chair, one thing we didn’t get in our meeting today is an answer to a question that I would like to be thoughtfully addressed. That question is: Does this amendment provide any type of recourse for companies and organizations regulated under this act? In other words, is there an opportunity for an appeal, and if so, what type of appeal could be used?

The Chair (Mr. Grant Crack): Further discussion? Mr. Potts.

Mr. Arthur Potts: The answer is no.

The Chair (Mr. Grant Crack): Thank you.

Ms. Lisa M. Thompson: Okay.

The Chair (Mr. Grant Crack): Mr. Walker.

Mr. Bill Walker: Could the government provide a little bit more substantive response, so that we can understand why that wouldn’t be? I think the question’s valid. Many companies want to know, particularly if there’s a change—if they’ve entered into something and there’s going to be a significant change to their business plan that’s going to have a big ripple effect to their employees, their sustainability. Most things have an appeal process, an ability to at least understand why the change has happened. So just to hear “no,” Mr. Potts, my colleague—a little more, if you would, please.

Mr. Arthur Potts: It was a very specific question.

The Chair (Mr. Grant Crack): Further discussion? Ms. Thompson.

Ms. Lisa M. Thompson: I actually think that it deserves some more fulsome discussion, with all due respect to the member opposite. I specifically wanted to know further: Is there a type of appeal? The answer was no. If it would have been yes, we would have wondered why and there would have been an opportunity to explore the type of appeal that might have been allowed. But now that the response is a very curt “no,” I’d like to know the rationale behind not allowing anyone an appeal, because, to me, quite frankly, this doesn’t bode well for transparency. This doesn’t bode well for accountability in terms of this government’s actions. You would think that if they wanted stakeholders to be comfortable with their cap-and-trade scheme, they’d be more willing to come forward with a rationale to justify amendments.

This government, time and again, never ceases to amaze us as to how arrogant and short-sighted it tends to be. They say, on one hand, that they’ve listened to stakeholders, but on the other hand, with the curt “no” that we heard earlier, quite frankly, it’s clear that they just don’t care about stakeholders.

So I’d like to go back and revisit and echo the member from Bruce–Grey–Owen Sound and ask the member opposite to help us understand why there’s just a quick “no” on a sincere question that allows stakeholders an opportunity to have an appeal.

The Chair (Mr. Grant Crack): Further discussion? Mr. Potts.

Mr. Arthur Potts: Again, out of a sense of courtesy to my friends on the other side, the answer I gave to the member from the NDP, Mr. Tabuns, answered the question. You asked a whole bunch about how this is going to protect the minister against a lawsuit. It doesn’t. Whether there is an appeal of this process, it’s not necessary. What this motion does is clarify that as a result of any error or omission by the minister, director or others, the integrity of the program continues; it doesn’t delay it. So it’s fairly straightforward. The things that you asked—were they in there? I just said no, they’re not.

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The Chair (Mr. Grant Crack): Ms. Thompson.

Ms. Lisa M. Thompson: It’s just very unfortunate that, again, this government is seemingly thumbing its nose at all people who are going to be impacted by this cap-and-trade scheme, and that there’s no room for any type of appeal. Again, if I were Ontario businesses, it would be another reason to be very skeptical of this Liberal cap-and-trade scheme. It’s too bad.

The Chair (Mr. Grant Crack): Mr. Walker.

Mr. Bill Walker: I’m just wondering: From the government’s perspective, when this was being discussed and developed, and you engaged the stakeholders, was there much of a discussion on this point? Did the business community raise this as a substantive concern? And could you please provide a little bit of context of what that discussion was and how exactly you came to the decision, if there was much pushback or concern raised by the business community? I can’t fathom that there wouldn’t have been.

I’ve been involved in a lot of business transactions, as many of us have been. Especially in something as significant as this, typically businesses would want to protect their investment, assets and their business plans, so I think they would have brought this to the table as a fairly significant discussion piece. I would just like to see, from the government’s perspective, what that discussion was, and how significant the discussion was.

The Chair (Mr. Grant Crack): Further discussion?

Mr. Arthur Potts: I have no more to add.

Mr. Bill Walker: Sorry?

Mr. Arthur Potts: I have no more to add.

Mr. Bill Walker: So you won’t answer the question?

The Chair (Mr. Grant Crack): Further discussion? Ms. Thompson.

Ms. Lisa M. Thompson: Given their lack of ability to respond to questions that are being asked today, Chair, this is a huge flag for all of Ontario, because clearly this government is setting itself up to use this section to protect itself, whether it's for creating or cancelling credits.

First of all, they ban the Financial Accountability Officer from accessing pertinent information for him to hold them to account. Now, they're just arrogantly saying, "You know what? There's no room for appeal in this regard, to section 37."

It's an absolute travesty and yet another example of how this government is railroading its way through a scheme that is only devised to monetize the environment for, first of all, environmental photo ops. Secondly, they can't get to the money fast enough to offset the cost of their infrastructure.

I think it is a sad day for Ontario when we hear—it's one thing to expect that type of response from the Minister of the Environment and Climate Change, and cap-and-trade, but it's another thing to hear that sense of tone and that sense of arrogance translate through to committee members. It's too bad. The stakeholders will be very concerned about this particular discussion that we're having right now, and that the fact is there is absolutely opportunity for appeal here.

It's interesting: Again, I'd just like to echo, Chair, that I really appreciated the time spent over lunch hour with the officials. We did, I feel, share some pertinent discussion that allowed us to wrap our heads around a number of the government motions coming forward. Unfortunately, we did not get far enough in our briefing today, but clearly, with the curt answers that we are getting, any amount of briefing would not take away the intent of this government's cap-and-trade scheme. They just want to get their hands on a slush fund. That's more than apparent here now today. It's shameful.

The Chair (Mr. Grant Crack): Mr. Walker.

Mr. Bill Walker: It's a little bit incredulous, in my mind, that the members opposite would not provide—what I thought was a pretty rational question. We come here to represent people from our ridings from across the province. A government that always tries to suggest in the House that they are open, transparent and accountable—we're asking questions to try to ensure that we're as informed as we certainly can be, that we're representative of all the stakeholders out there. They certainly have a challenge in regard to trust and credibility on a number of different matters across the province.

As my colleague astutely pointed out, the Financial Accountability Officer has been cut out. The Auditor General has been cut out. A lot of people are asking—and I'll use the words already used in this committee—is this going to be a slush fund for general coffers to cover up and bail them out?

Of a number of mismanagement steps that they've had over their 13-year tenure, here is an opportunity for us to actually ask them accountable questions, to trust their credibility, to ensure for the public's perspective that

they're getting answers and they have thought through all of these and that they've engaged and listened to the people out there. I don't think what I asked was outlandish. I don't think it was something that didn't bear at least the respect to give me an answer so that I could make sure in my mind and for those I represent that I'm clear in my thinking.

I find it very challenging that the government would give up an opportunity to show their accountability and their transparency. So I'm going to ask the government again if they would please share—particularly Mr. Potts, as he seems to be the spokesperson; if not, I would open it up to any of the members. Certainly, they have the ability to speak on behalf of their government and their constituents.

I'm going to add another tweak. Was there at least one stakeholder who asked this question? If so, I think you're doing a disservice to that stakeholder or group of stakeholders who would have asked a very similar question about this. Businesses do not enter into something as significant as this type of legislation and get into a transaction which they could be staking their future on without understanding if there is an appeal, if there is going to be a change.

We've seen a lot of changes with this government. They say one thing, and a couple of days later, with a bit of political pressure, they flip-flop and they turn that discussion back over. So I can see why companies are coming to me and saying, "Can you just assure me that if we walk into this"—they're taking a leap of faith by saying that they're going to put this money in an area where it's going to benefit the climate and our environment. We need to ensure—it raises doubt—that they're actually going to utilize this money, when they won't even be accountable and transparent in committee, which is kind of the focus of committees.

At the end of the day, I would ask those very specific questions: Has at least one stakeholder or a group of stakeholders done that? Would he share with me a brief summary, at least, of those types of questions that have been asked? And why, very curtly, was it an absolute "No, we're not going to talk about this"? Why are we not going to talk about it?

The Chair (Mr. Grant Crack): Further discussion? Mr. Potts.

Mr. Arthur Potts: Chair, we've wasted almost 20 minutes on what is clearly a very technical change to this bill. The existing section 37 has almost every single provision in the replaced section 37. There's no talk of an appeal. This is something that came as a result of legal saying, "You want to just clarify." It's clarified. It's a technical amendment. For the caucus opposite to continue to filibuster demonstrates once again that they have no interest in moving this bill forward.

They refer to me as being arrogant. They show their ignorance by not recognizing that this is simply a technical amendment.

The Chair (Mr. Grant Crack): Further discussion? Mr. Walker.

Mr. Bill Walker: Just for the record, I don't think that I referred to you as being arrogant. A few minutes ago, you very succinctly said you want a specific question—you gave a very specific answer. I asked you a very specific question: Was there a company or a group of companies that brought this up in the context of your stakeholder engagement? You haven't done me the courtesy of even answering that question, so I'm trying to—

Mr. Arthur Potts: I just did.

Mr. Bill Walker: No, you didn't. You just keep going on and saying you want to steamroll this, like most things. You want to just take things—like you did with the Green Energy Act. How well is that working for us?

I hope you can respect that there are a lot of challenges across our province, particularly with stakeholders in rural and northern Ontario, who challenge when you say, "We just want to move on. We just want to get on with this."

I don't believe it's filibustering; I believe it's respecting our democratic right to ask questions until we're prepared to move forward with a government that has made a lot of decisions that are negatively impacting the taxpayers, the constituents, the great people of Ontario significantly. Some 85% of Ontarians have asked you not to sell Hydro One shares, and you continue to steamroll ahead, saying, "Just listen to us. We know best."

So with all due respect and reverence, I did not say you were arrogant. I have asked you out of respect and courtesy to answer my question so that I can have a better sense, and I believe there are stakeholders who want to hear that question answered as well.

Was there stakeholder engagement? Was this very specific area covered? Did at least one business—or the business community—ask this, and if so, please give me a basic summary of what decision was made and why you decided to move forward?

The Chair (Mr. Grant Crack): Further discussion? Ms. Thompson.

Ms. Lisa M. Thompson: I need to pick up where the member opposite left off. He was implying that there was some ignorance over the technical aspect of this particular amendment. I think I need to reflect and throw back across the floor that there is some ignorance happening today, and it's not on my part.

The fact of the matter is, I explained very clearly to the member opposite from Beaches—East York that one thing we did not receive in our meeting today—and I have every right to ask the question. His reply is a proof point to the arrogance that we in opposition have to deal with day in, day out.

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So I would like to repeat my question that came forward as a result of our briefing today. He needs to respect the fact that we are being proactive on this file and that we're doing our due diligence. If they want to call it anything but, shame on this government. I will repeat my question to make sure that he has it clear. As a result of our briefing today, one thing we did not get during our

meeting was an answer to the following: Does this amendment provide any type of recourse for companies and organizations regulated under this act?

That's a fair question. It's a continuation of a dialogue. It's a continuation of a discussion. There is nothing but arrogance in the manner in which it was answered. That's why we in opposition have taken offence to his very curt "no." If we're going to get somewhere, perhaps there needs to be a little bit more consideration given to a fair dialogue.

The Chair (Mr. Grant Crack): Mr. Walker?

Mr. Bill Walker: My colleague jumped in the rotation here, so I just want to make sure that my colleague opposite—I had asked very specific questions. I just want to ensure that he is actually going to provide a response. I hope it's not just a "no"—or go back to "We just want to drive on. We just want to steamroll this. We just want to move on to the next technical thing." He, I think, has even said, in his own words, that this isn't one of those technical—just a change for language purposes. So I can't understand why, when this one isn't one of those very supposed simplistic technical language ones, that he won't provide some kind of answer to address the concerns of stakeholders and the people of Ontario.

I want to ensure that we don't just pass over that, Mr. Chair. I want to ensure that the member has all opportunity to be able to express and be open, accountable and transparent to the people of Ontario, and give a very forthright answer. I think my colleague raises a very good question, and I think we need to understand, not just in a "yes" or a "no." I think we understand what the context of that discussion was and how significant the conversation was when those stakeholders, if they were engaged—how that went.

The Chair (Mr. Grant Crack): Further discussion? There being none, I shall call for the vote on government motion 32.7.

Those in favour of government motion 32.7? Those opposed? I declare government motion 32.7 carried.

As a result, there is one amendment to section 37. Any discussion on the section, as amended? There being none, I shall call for the vote.

Shall section 37, as amended, carry? Those in favour? Those opposed? I declare section 37, as amended, carried.

We shall move to section 37.1, which is a new section proposed by government motion 32.8. Mr. Potts?

Mr. Arthur Potts: I move that the bill be amended by striking out the heading "Inspection and Investigation" before section 38 and adding the following section:

"Verification, Inspection and Investigation

"Verification of reports

"37.1(1) This section applies if this act, a regulation or an order requires the verification of a report given to the director.

"Verification

"(2) Any verification, including any re-verification, must be conducted in accordance with the regulations by a person who is authorized by regulation to conduct it.

“Re-verification

“(3) The regulations may require a re-verification of a report in such circumstances as may be prescribed.

“Same, required by director

“(4) The director may require a re-verification of a report if the director is of the opinion that it was not verified in accordance with this act or the regulations or in such other circumstances as may be prescribed.

“Duty to comply

“(5) Upon receiving notice from the director that he or she requires a re-verification, the person shall have the re-verification conducted in accordance with such requirements as the director may specify in the notice.

“Duty to provide assistance

“(6) If a re-verification is required, the director may require the person who conducts the re-verification, and such other persons as may be prescribed, to provide such assistance to the director as he or she considers reasonably necessary.”

The Chair (Mr. Grant Crack): Thank you very much. Further discussion on government motion 32.8? Ms. Thompson.

Ms. Lisa M. Thompson: Thank you very much, Chair.

Again, I really appreciate the officials’ time earlier today over lunch hour. We had a good discussion around the verification process and who actually would be doing the verification exercise, if necessary.

I think it would behoove the government and benefit my colleagues here on the opposition side to hear directly from the government’s counsel a kind of snippet of the discussion we had with regard to the circumstances in which the government would need to re-verify reports. I think it would be fruitful for the entire committee to hear that.

The Chair (Mr. Grant Crack): So you’re requesting—

Ms. Lisa M. Thompson: I’m asking the—yes, thank you.

The Chair (Mr. Grant Crack): No, go ahead with your specific ask, please.

Ms. Lisa M. Thompson: I’m asking the government’s counsel to come forward and explain to everyone here today in committee the circumstances in which the government would re-verify reports.

The Chair (Mr. Grant Crack): Is government counsel available to come forward and address the question?

Okay, I believe not.

Ms. Lisa M. Thompson: It was a great discussion we had at lunchtime, so I think it would be a benefit to everyone.

The Chair (Mr. Grant Crack): It appears that there is no one coming forward at this point, so I’ll move to Mr. Walker.

Mr. Bill Walker: It’s interesting. I kind of thought that the reality of what government was was the debating of legislation and having a wholesome discussion so we could understand all the facts and tenets of any piece of legislation. Sadly, Mr. Speaker, my colleague across who

wouldn’t actually answer the questions that I put to him—it really disappoints me. It kind of reflects a trend.

In this case, we’re asking for the ability to have re-verification of reports—it would make you wonder why we wouldn’t do it right the first time around. It lends itself back to significant administration, bureaucracy and churning of paper. Again, I hear all across my great riding and across this province that we have way too much of it for small business, for the agricultural community, for medium business, for large business. Here we have a piece of legislation that has been rushed out—a very significant piece of legislation. It’s going to require 70 amendments. It almost makes you wonder, Mr. Speaker, if this was written on the back of a napkin at a fundraiser or a paid meeting with a minister of the government.

We would want to ensure, Mr. Speaker—I would, certainly, if ever given the privilege to serve in that type of capacity—that we had done substantive research, that we had made sure we had all of this discussion prior to rushing out a piece of legislation. I think we want to get a sense of, “In what circumstance would the government need to re-verify a report?” If this is valid and if there’s need, I trust the member opposite will give me at least one example of the type of time and circumstance where you would need to have a re-verification of reports.

Perhaps they could give me a policy rationale of why the government member explained why the system of verification is not sufficient to properly verify information the first time around. We have a lot of people working on these files; we have a lot of very bright people in our employ. So if the member opposite would please give me, I hope, an answer to those questions this time, it would be greatly appreciated.

The Chair (Mr. Grant Crack): Further discussion? Mr. Potts.

Mr. Arthur Potts: This is another one of those situations where we were listening very carefully. Stakeholders had indicated that they needed to be sure that fraud, as experienced in other jurisdictions, wouldn’t be repeated here. This provides a very important way of us validating the emitting reports, re-verifying them so that there’s confidence in the system so that people are getting to see the GHG emissions that they said they would, and they can move forward. That’s what this process is; this has been an amendment with some other details which just make it very clear how the director and staff of the ministry can go about doing this.

Mr. Bill Walker: Thank you very much. You’ve—

The Chair (Mr. Grant Crack): Mr. Walker.

Mr. Bill Walker: Sorry, Mr. Chair.

You’ve raised a good point, and it’s one that we’re hearing and getting queried about all the time, certainly from my constituents: this whole concern of fraud and the gaming of the system, that we’re going to play give-away and take-away in regard to these credits. One company can just buy their way out. Is big industry in California going to benefit from this? Are there going to be groups that can game the system?

Can you share with me a specific example of fraud? If this is the rationale that was used, can you give me an example of the type of conversation, the type of fraud, that someone might have led to? Because I need to understand this as well—what types of fraud we could be encountering where you haven't maybe already closed the loophole. I would certainly hope, again if you've done your due diligence on something that's as significant as this, that all those loopholes should have been thought of. Yes, we can always improve and tweak, but can you give me an example of the type of fraud that the person or the persons or the group alluded to in your discussion?

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The Chair (Mr. Grant Crack): Thank you very much. Further discussion?

Ms. Thompson.

Ms. Lisa M. Thompson: I actually think that it's absolutely appalling that the members opposite do not see the value and the need to have government counsel come forward and share a discussion that I was privy to over the lunch hour, because it would benefit all committee members and it would be a very productive initiative.

The fact that these members opposite are shielding counsel from coming forward to discuss key elements of this bill—the manner in which this government is introducing a price on carbon through a cap-and-trade scheme that has proven to be a failure throughout the European Union and full of fraud is exactly why we should be having everybody to the table to discuss these amendments.

There's nothing wrong with bringing government counsel forward. I'm sure that a number of members around this committee table aren't aware of the fact that a lot of what is happening in this particular initiative, this scheme and this particular bill is based on what's happening in other jurisdictions. For instance, when we talked earlier today about verification reports and who actually would be doing the verifying, a response over the lunch hour I had was that it was going to be third-party organizations like accounting firms.

Well, Chair, I think it's fair to say that Ontario is already overburdened with a lot of red tape. The last thing that this bill needs to do is outline a whole section on duplicating work. It's an interesting ride that this government is taking right now, and it's our responsibility as opposition to stand up and make them justify why they may not be only making the cost of everything in Ontario go up but why they might be introducing more red tape. Quite frankly, Ontario businesses don't have room to shoulder any more; they can't afford to shoulder any more.

I think it's very telling that, all of a sudden, when asked a productive question, and a fair request has been made for government counsel to share a perspective on something that would be of benefit not only to opposition, but I would dare say to members of the government as well, they go mum. How transparent is that?

I just feel that this is a sad day for Ontarians. That Bill 172 enables this government to introduce a slush fund through their cap-and-trade scheme is going to be a concern for all because they are doing absolutely nothing to instill confidence and transparency. They are actually doing the absolute opposite.

I repeat: Ontario is already burdened by far too much red tape at this time. Couple that with the fact that the government doesn't even want to speak to, or allow their own counsel to explain, in which circumstances governments would need to re-verify reports—it's absolutely staggering.

Again, let's think about this. When we were discussing this during our briefing over lunchtime, the example was given that this government would look to third-party people or organizations to work through the verification process. When we drilled down on that, they suggested large accounting firms like the Big Three.

That does nothing but give a hint of added expense for businesses to shoulder in order to comply with a monetization of the environment, just so this government has more of a slush fund to offset their misspending ways. I just can't believe that this government is taking the position that it is. We have to give more thought to how this is all going to roll out—no two ways about it.

The Chair (Mr. Grant Crack): Thank you. Mr. Walker.

Mr. Bill Walker: I was hoping that we'd have an answer in between there so that I could clarify some of this. But a couple of things that definitely still resound with me: What types of potential concerns of fraud have been brought to the government? You would hope that they have all this covered off in their legislation already, but I'd be curious because there are other jurisdictions that have certainly used these types of schemes and have gotten into fraudulent situations. I want to ask them what types of potential concerns of fraud they have. I want to ask the government if they're confident that the types of fraud that these schemes have encountered in other jurisdictions of the world will not happen. Will they guarantee that their legislation will not permit fraud?

It's interesting that they want to have verification and re-verification, but they've actually cut out two officers of the Legislature, the Financial Accountability Officer and the Auditor General, who really, if you think about it, Mr. Chair, are in the world of doing verification of all the things going on.

It's partly why I'm so concerned and confused here when I ask for questions that we won't get at because—they talk again about transparency, accountability, openness—"We're doing the right thing and we just want to steamroll this thing and get it in," because they have a timeline.

The clock's ticking. When they don't get this in, the monies aren't coming in and they've based their budget on a lot of this slush fund cash that they're trying to attribute in photo-op environmentalism, as my colleague refers to, when at the end of the day they're really just trying to get the cash cow moving as quickly as they

can—yet they've cut out the verification by two very, very significant officers of this Legislature that ensures, on behalf of the population of Ontario, that there's an independent third body that actually comes in and looks at these things.

I hear every day that I'm home in my riding, Mr. Speaker, the question: How can we guarantee the money—we're not really keen on another tax imposed upon us again. We're supportive of helping the climate, supportive of helping the environment, but how can we ensure that the money that's going in there, if you've cut out those two officers of the Legislature and they can't even have a look at them, is actually going to environmental and climate concerns as opposed to a slush fund to bail out some of the other mismanagement that has happened?

You know, the gas plant scandal, the Ornge scandal and all of the things that in the four and a half years that I've been here—I'm not doing anything other than just putting the facts on the table and the reality of what people are asking me in my riding. Frankly, it's my job to bring their concerns to this table, to the table in the House, in our Legislature. This is what I get asked on a very regular basis.

It's interesting when I read a clause that asks not only to verify the first time, which is a good thing, but to re-verify, and yet you've cut out the Auditor General and the Financial Accountability Officer whose jobs it is to provide oversight and verification that you did what you said you were going to do. How will we know what actions within their legislation they actually carried out successfully?

They've cut a lot of this stuff out in regard to our last budget that we just read a few months ago: The Auditor General never again will have the ability to ask, "Where did the money go? Did you actually accomplish what you said on behalf of Ontarians you were going to accomplish?"

I hope that people listening and who may read Hansard are understanding why we are suspect and why we will continue to ask, on behalf of the people we're given the privilege to represent, when we don't get answers, when we don't get the courtesy of at least having them regard us in that respect. It's not so much that they don't want to answer to me—that's not really a big deal—but the people of Ontario and the people I represent deserve that.

At the end of the day, this is certainly a case where I've asked fairly easy things to answer: What types of potential concerns of fraud do you have that this re-verification may prevent? If we already know most of them, then I don't understand why we'd have a duplication of effort and the cost and the expense and the challenge to those industries out there. Is the government confident that the types of fraud with these other schemes we've heard about in other jurisdictions that have been encountered will not happen? Will the government guarantee their legislation that they have brought forward and, frankly, are going to impose on us if they're not

going to take any of our amendments, will permit fraud? Why do they need the re-verification when they've cut out the Auditor General and the Financial Accountability Officer? Maybe they could comment at least on why those two people were cut out of this process when they're so concerned about verification and re-verification.

The Chair (Mr. Grant Crack): Thank you very much. Further debate?

I'm going to stop the debate right there for a second. Although I'm not the Speaker and there has been reference to me being the Speaker here on numerous occasions, I appreciate that, but it is an honour—

Mr. Bill Walker: A premonition.

The Chair (Mr. Grant Crack): —that I dream not of. I want to make that clear. So let's just remind all members that it's the Chair. There's only one Speaker of the assembly.

Having said that, I would also like to bring members back into the actual contents of the motion. There have been a number of questions repeated, so I'm just going to ask members to stay focused on what the motion is.

Ms. Thompson.

Ms. Lisa M. Thompson: Thank you very much. Actually, I am very taken with the fact that all of a sudden, this government has chosen to mute themselves over what the minister earlier today said was going to be the most critical piece of legislation in this government's history. It is absolutely going to be impacting all Ontarians.

During our deputations, there was an interesting thread from stakeholder to stakeholder, those who came in to join the deputations. Over and over again, they implied and cautioned against the rushing of this particular piece of legislation. The fact that this government has nothing to say when we ask even the simplest of questions is staggering, and it screams out a lot. This is nothing but a money grab that this government is employing.

Going back to my original question with regard to this motion, Chair, I asked if government counsel could come forward to offer some information that was shared during my briefing at lunchtime because I thought it was pertinent. Time and again, when we ask particular questions of these amendments that we're looking at today, the response would be, "Well, it's happening in California's system," or, "Quebec's doing it as well." Well, I think we've heard—I know we have in terms of the loyal opposition—that stakeholder after stakeholder wants a made-in-Ontario solution for addressing climate change.

Again, in terms of greenhouse gas emissions, Ontario's contribution at the global level is less than half a percentage point, but this Liberal government of the day is looking to cash in on \$1.9 billion—on less than half a percentage point of global greenhouse gas emissions. That shows me that they're nothing but desperate, and they don't care that they're going to increase the cost of everything in Ontario, just so that they can fund their slush funds because they can't stop their mismanaged ways.

I just want to make sure everybody's hearing what I heard earlier today in the briefing, and that is that in terms of verification and this particular motion, section 37.1 of the bill, they're moving forward with a significant amendment, I might say, because California's doing it. Who are going to be the verifiers? Who is going to get involved? Third parties. Who are the third parties? The answer to that was the Big Three—accounting firms. Everybody can conjure up, I'm sure—when you hear “the Big Three,” you're probably conjuring up a few ideas of who that might include, but the bottom line of all of this is that it's doing nothing but burdening Ontario businesses with more red tape and far too much bureaucracy that again is going to make the cost of everything go up.

I think the fact that this government has chosen to hit the mute button on this particular issue is indicative of what's to come. All I can say is, Ontario, hang on to your wallets, because this government's not going to stop until they take every last tax dollar you have available.

The Chair (Mr. Grant Crack): Further discussion? There being none, I shall call for the vote.

Mr. Arthur Potts: Recorded vote, please.

The Chair (Mr. Grant Crack): There's been a—

Ms. Lisa M. Thompson: Chair?

The Chair (Mr. Grant Crack): Ms. Thompson.

Ms. Lisa M. Thompson: I would like to call a recess so I can update my colleague.

The Chair (Mr. Grant Crack): A recess is in order.

Ms. Lisa M. Thompson: Twenty minutes, please.

The Chair (Mr. Grant Crack): I shall call for the vote. There has been a request for a recorded vote and, at the same time, there has been a request for a 20-minute recess. Both are in order. I declare this meeting recessed until 3:54 p.m.

The committee recessed from 1534 to 1554.

The Chair (Mr. Grant Crack): I call the meeting back to order. Welcome back.

Prior to the recess, I had called for the vote on government motion 32.8.

Mr. Arthur Potts: Recorded.

The Chair (Mr. Grant Crack): I shall now call the question.

Ayes

Hoggarth, Martins, Potts, Rinaldi, Tabuns.

Nays

Thompson.

The Chair (Mr. Grant Crack): I declare government motion 32.8 carried.

We shall move to “Inspection and Investigation,” section 38. There are no amendments. Is there any discussion on section 38? There being none, I shall call for the vote.

Shall section 38 carry? I declare section 38 carried.

We shall move to government motion 32.9, which is an amendment to subsection 39(3). Mr. Potts.

Mr. Arthur Potts: I move that subsection 39(3) of the bill be amended by striking out “except under the authority of an order under section 46” at the end and substituting “except with the consent of the occupier or under the authority of an order under section 46”.

The Chair (Mr. Grant Crack): Discussion? Ms. Thompson.

Ms. Lisa M. Thompson: This motion is undoubtedly an improvement on the original draft—no two ways about it.

Again, when discussing this earlier today, although we ran out of time and couldn't get through a large of number of motions, we certainly benefited from having the government counsel explaining who would be covered under the term “provincial officer.” I'm wondering, and would like to ask, if the government counsel could please explain, for the benefit of everyone on the committee—because I'm sure some don't know—all those who would be covered under the term “provincial officer.”

The Chair (Mr. Grant Crack): Further discussion? There has been a request by Ms. Thompson, of the official opposition, to have legal counsel come before the committee.

Mr. Potts.

Mr. Arthur Potts: I appreciate the member's concern for elucidating or edifying us on this point, but we're not needing it. If she's comfortable that she got the information already, we're content with that.

The Chair (Mr. Grant Crack): Ms. Thompson.

Ms. Lisa M. Thompson: Just for the benefit of those who are interested in what happens in committee and will be taking a look at what happens in Hansard, I think it would behoove the government to want to be transparent. Seemingly, the more they muzzle government counsel, the less transparent they are. I think they may want to just give sober second thought to allowing their counsel to come forward, specifically for the benefit of everyone looking into committee Hansard later today, to explain who would be covered under the term “provincial officer.” It's in the spirit of transparency, it's in the spirit of accountability and it's enabling people who are watching the committee and looking up Hansard later to actually have a chance to hear from the government's own counsel. Otherwise, they too might be wondering why the government is trying to muzzle their officials.

The Chair (Mr. Grant Crack): Mr. McDonell.

Mr. Jim McDonell: I'm concerned, because I know there are a lot of questions. I mean, this is the largest tax bill in Ontario's history. It makes a huge difference to our future way of life. Truly, the government is trying to change the way we operate. I know that putting a price on carbon is something that all parties agree with in this House. We just disagree, possibly, with the way we're doing it. We think it should be revenue-neutral, and in this case we see a huge amount of money going into government coffers, in spite of a government that we've seen more than double the revenue they're taking in—

\$65 billion to \$134 billion, I think, in the budget this year.

It really begs the question: Is the legislation before us going to have any impact on the price of carbon, or is it only about a slush fund that could be spent on many different things? The bill was rushed through, obviously, because we see over 70 revisions. We received a few minutes' briefing today that allowed some questions, but it was just really very quick—we tried to fit it into our day. But certainly we couldn't get the answers we were looking for.

Maybe that's something that legislative counsel could brief us on. They're here.

Ms. Lisa M. Thompson: Absolutely. That's a good idea.

Mr. Jim McDonell: I see some shaking heads.

The Chair (Mr. Grant Crack): Okay, there has been a request for legislative counsel.

Ms. Hopkins?

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Ms. Laura Hopkins: Sorry, could I ask you to repeat the question?

Ms. Lisa M. Thompson: Certainly. Given that the government opposite is not allowing their officials to come forward to explain a question that I thought would be of benefit to all, especially those here in the committee room as well as those watching on TV and referencing Hansard later—given that there is an apparent muzzling, we were wondering if perhaps the legislative counsel could offer their opinion as to who would be covered under the term “provincial officers.” This is government motion 32.9, subsection 39(3).

The Chair (Mr. Grant Crack): Ms. Hopkins?

Ms. Laura Hopkins: Thank you. The bill contains a definition of “provincial officer” in section 1, and the definition of “provincial officer” refers to another section: A provincial officer is a person who is “designated as a provincial officer under section 70” of the bill.

Section 70 describes who is eligible to be designated by the minister as a provincial officer: The minister is able to designate “public servants or other persons ... to exercise ... powers and perform ... functions” of provincial officers “under this act.” Beyond that, I'm not able to help the committee.

Ms. Lisa M. Thompson: Okay. I really appreciate that. Thank you, Chair.

So that begs another question just for clarification: I'm wondering if the government could identify how this might link back to the EPA, for example, in terms of enforcement officers.

The Chair (Mr. Grant Crack): Any further discussion? Mr. McDonell?

Mr. Jim McDonell: So just in the explanation—so it really is open-ended; he can designate anybody of his choosing? I hope it would be based on certain qualifications but it really leaves it open for—

Ms. Laura Hopkins: Section 70 of the act, which is the provision that allows the minister to designate provin-

cial officers, doesn't impose any restrictions on who can be designated.

Ms. Lisa M. Thompson: So it could be a director or another existing enforcement officer etc.

Ms. Laura Hopkins: I'd be guessing.

Ms. Lisa M. Thompson: Okay, that's fair. Thank you.

The Chair (Mr. Grant Crack): Further discussion? Ms. Thompson?

Ms. Lisa M. Thompson: Thank you very much. I feel that we need to be sure and understand—where we're coming from with this government; the fact that they're being muzzled or choosing not to speak is cause for concern. Either they themselves don't understand the implications of this act or higher-ups are muzzling them. I really think there should be a flag and stakeholders and Ontarians alike should be very concerned.

I just want to express my appreciation to the legislative counsel for shedding some more light on this particular situation. Again, clearly, given the amount of compliance and enforcement that's embedded into this rushed piece of legislation that the government is correcting with over 70 amendments from themselves on the government side, there are grave concerns.

I'm just wondering under what other acts are civil servants allowed to conduct warrantless searches? Again, we need to make sure that we're holding—we're monetizing the environment, we're raising funds and creating a brand new financial market in the name of the environment because this government is cash-strapped and they're looking for a slush fund. I'm just wondering if we have any other examples that the government can speak to.

Specifically, my question is: Under what other acts are civil servants allowed to conduct warrantless searches?

The Chair (Mr. Grant Crack): Further discussion? Mr. Potts.

Mr. Arthur Potts: Well, I'm tempted to answer it, but I find, if I answer it, you'll go on for another hour on a very small technical amendment, which is so inconsequential except for the fact it just allows an inspector to go in with consent. If they don't get consent and they need an order, they have to go get an order. This is how we do it under the EPA; this is how we do it in other pieces of legislation. So there's your answer: It's very small, technical. It just allows them to go in with the consent of the premises owner.

The Chair (Mr. Grant Crack): Further discussion?

Ms. Lisa M. Thompson: My question was very specific: Under what acts are civil servants allowed to conduct warrantless searches? If we're not getting a satisfactory answer from government, I'm wondering if, again, legislative counsel might be able to or be in a position to offer an example of other acts where civil servants can conduct warrantless searches.

The Chair (Mr. Grant Crack): Ms. Hopkins.

Ms. Laura Hopkins: Regulatory schemes created by statute often include inspection powers that allow public servants to conduct routine inspections. Those inspection

powers often include the authority to enter premises and look at things. The people who exercise those powers are usually referred to as “inspectors” or sometimes “provincial officers.”

I’m not able to give you the names of statutes under which this is created, but I can tell you that it isn’t unusual in statutes that create regulatory schemes. In all those statutes, the ability of the inspector or provincial officer to enter premises to search is restricted, so that in the absence of consent a warrant is required.

Ms. Lisa M. Thompson: Chair, I thank legislative counsel sincerely. This is information we need to be exploring, not only for the benefit around the table but, as I said, for people watching the committee and people accessing Hansard to see how the opposition is holding the government to account—and the fact that government is being muzzled, and as well, government officials are being muzzled. I really appreciate that legislative counsel was able to comment and clarify. Thank you very much.

The Chair (Mr. Grant Crack): Mr. McDonell.

Mr. Jim McDonell: I guess I hear the innuendo across that we’re doing some of this discussion to delay things, but stakeholders are really concerned about this bill. They came and talked—we heard a couple of days of stakeholder comments—then the bill was radically changed, and we don’t see the connection. So there is a lot of concern. There’s a lot of concern from our stakeholders as to just what the changes mean, because they haven’t really had a chance to comment on them.

Seventy amendments in a bill is unprecedented. You know, who wrote the thing? I heard today from Minister Murray that they spent over two years on this bill—

Mr. Arthur Potts: Point of order, Chair.

The Chair (Mr. Grant Crack): Point of order. Mr. Potts.

Mr. Arthur Potts: I would hope that the member is addressing the amendment, which talks about “consent of the occupier.” There are just four words in there that he should really address his remarks to.

The Chair (Mr. Grant Crack): Thank you, Mr. Potts. I’d just advise Mr. McDonell to stay focused on the amendment that has been proposed.

Mr. Jim McDonell: Well, as I’ve tried to explain, we’re very much concerned. We heard there was a lot of time put into this bill, even though during the last election there was no intention to go ahead with this, but obviously that’s different. We heard that today.

Ms. Lisa M. Thompson: Good point.

Mr. Jim McDonell: So there is a lot of concern. It’s a huge bill. Now the ability for people to come onto sites—we already have those issues with other agencies, the TSSA being one. I have concern, through my own constituents and from people through my critic’s role. They’ve talked about issues they have with the inspectors: their training and how they have the ability to override other professionals, even though they don’t have even close to the credentials that are required under the law for the manufacturers to employ.

We want to make sure that in this case—and here I’m referring to the propane issue, where they ask for

professional engineers to do reports on all transferring of propane, only to find that inspectors with very little knowledge come through and add unspecified preferences to the bill. That’s what happens when it’s open-ended. They may not have any credibility when it comes to the industry, but they are making decisions, and sometimes it almost looks like if they don’t come up with something, they are not doing their job—instead of assisting industry to really work together as a team to come up with the outcome we’re looking for, which is less carbon being used in the environment.

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So that’s why we have concern when we see something like this that is not specific and does not talk about credentials or education. Yes, we’re concerned, and with good reason, because I guess the old past record is something that talks about somebody’s future record, and we’ve seen this and we expect the same thing.

The Chair (Mr. Grant Crack): Thank you, Mr. McDonell. Ms. Thompson.

Ms. Lisa M. Thompson: I just want to make sure everybody understands how pertinent my colleague from Stormont–Dundas–South Glengarry’s comments were, in the sense that he referenced that many stakeholders want to be heard on this, and they’ll be watching these committee proceedings. They will be watching these committee proceedings. They’ll be watching and looking in Hansard for any indication that this government truly does want to be open for business, and the fact that government is muzzled and they have in turn muzzled their government officials is going to be staggering.

That point is not going to be lost on our stakeholders, because just to revisit and support what my colleague said, if you might recall, when we were trying to come forward with a fulsome approach to deputations, it was our party, the loyal opposition, that managed to secure 10 minutes of deputations versus five. Staggeringly, when we suggested at least extending deputations to three days, the government shot us down and restricted stakeholders and us in opposition to only two days of deputations.

If I recall, I believe one comment was made about, “Well, who wants to talk about this anyway?” The fact of the matter is, at that point in time, when we were discussing deputations, out of the 18 time slots, 10 were already taken, and, in the end, 49 stakeholders wanted to come forward.

There is a lot of interest in how this government is moving forward with their slush fund under the name of a cap-and-trade scheme, and no one should be muzzled. Everybody should be wanting to work forward and allow as much opportunity as possible to clarify amendments, to make sure that terms are clarified. It doesn’t matter whether you’re watching on a closed monitor or actually reading in Hansard later; everybody understands what the point is.

Again, I just can’t help but think Ontario businesses and Ontarians alike will be more than disappointed with the behaviour of government today in this committee.

The Chair (Mr. Grant Crack): Thank you very much. Mr. McDonell?

Mr. Jim McDonell: It's interesting to note—I was at a number of events in my riding on the weekend, and this is a major item. This carbon tax is something that's got a lot of people concerned.

Mr. Arthur Potts: “Consent of the occupier” is a major issue in your riding?

Mr. Jim McDonell: I can't repeat some of the things that were said about this government because I don't think that would be parliamentary for sure, but people are fed up with the whole notion of just higher taxes, no relief, and really question the government's initiatives here where they try to proclaim that they are really interested in the environment, really looking at cutting back carbon—or they are really just looking for another source of income?

I don't think there are many people in my riding who believe it. Maybe there are in other ridings. I don't know in your riding—

Ms. Lisa M. Thompson: Oh, absolutely.

Mr. Jim McDonell: Or do they see this as, you know, like we've seen over the last couple of weeks where money is transferred through grant systems only to be refunded or repaid in other ways? I think that's the wrong way of government. It's been front and centre, so people are concerned that this bill just allows more of that. They've got a fund here that's outside the view of the Financial Accountability Officer, a post that was created so that we could provide some civility to the spending of this government, and obviously all it takes is legislation that removes it from their area of perusal.

I think, again, that's a government that talks about transparency, but when we sit down and look at their actions, it's anything but transparent.

The Chair (Mr. Grant Crack): Further debate? There being none, I'll have some comments after I call for the vote.

There being no further debate, I shall call the vote on government motion 32.9.

Those in favour? Any opposed? I declare government motion 32.9 carried.

As a result, section 39, as amended: Any further discussion? There being none, I shall call the vote.

Shall section 39, as amended, carry? Those opposed? I declare section 39, as amended, carried.

I would like to just take this opportunity to remind all honourable members that there will be an opportunity to discuss the bill as a whole. What I'm hearing through debate is that on every amendment that's being proposed, the same argument is coming forward each time. I think the points have been made on numerous occasions, so I'm going to be reminding members of the committee to stay focused on the motions at hand, the amendments that are being proposed from whichever party, and that will be the manner in which we shall move forward. Thank you for listening.

We've finished section 39. Now we're going to move to section 40, where there are no amendments, and also on section 41 there are no amendments. With the committee's approval and consensus, would we be able to bundle those?

Interjections: Yes.

The Chair (Mr. Grant Crack): Any opposition? I do not hear opposition. Any discussion on sections 40 and 41? There being none, I shall call the vote.

Shall section 40 and section 41 carry? Those in favour? Any opposed? I declare section 40 and section 41 carried.

We shall move to section 42 and government motion 32.10, which is an amendment to subsection 42(1). Mr. Potts.

Mr. Arthur Potts: I move that subsection 42(1) of the bill be amended by striking out “During an inspection under section 39, a provincial officer may” at the beginning and substituting “A provincial officer who is lawfully present in a place pursuant to a court order or otherwise in the execution of the provincial officer's duties may”.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Potts. Any further discussion?

Ms. Lisa M. Thompson: I would like to hear from the government why they feel this amendment is necessary.

The Chair (Mr. Grant Crack): Further discussion? Mr. Potts.

Mr. Arthur Potts: I'm happy to clarify. The motion amends subsection 42(1) to clarify that a provincial officer may seize property during an inspection that is produced to her or him and anything that is in plain view if the officer is lawfully present in the place that's being inspected. It's an authorization procedure if they're lawfully where they need to be, without warrant, but either with consent or pursuant to an order.

The Chair (Mr. Grant Crack): Further discussion?

Mr. Jim McDonell: I'm just wondering why this amendment is coming forth. We have to be worried about the seizure of anything without warrant. This has come up. There's just some concern because government is getting involved maybe where you wonder whether it should. Any comment of why this becomes an issue?

The Chair (Mr. Grant Crack): Further discussion?

Mr. Arthur Potts: No, I explained.

The Chair (Mr. Grant Crack): Okay. Ms. Thompson?

Ms. Lisa M. Thompson: You know, in terms of crony capitalism, this particular Bill 172 is setting up an opportunity for government to yet again choose winners and losers. You've designed a scheme, a cap-and-trade scheme specifically—

Mr. Arthur Potts: Point of order.

The Chair (Mr. Grant Crack): Excuse me, Ms. Thompson.

Mr. Potts, on a point of order.

Mr. Arthur Potts: I'm not hearing anything about seizure issues with a provincial officer. I'd like her to please stick to the motion at hand.

The Chair (Mr. Grant Crack): Thank you for your point of order. I'm going to be a little bit more patient and request Ms. Thompson to deal with the motion at hand.

Ms. Lisa M. Thompson: Thank you very much. I appreciate that, Chair, very much.

Essentially, where I was going before I was cut off was that this government is setting rules, you're selecting participants, you're appointing officials, and you're absolutely working through who will or will not have the authority to offer oversight and accountability. We feel strongly on the Conservative side of the hall here that officers of the law should have the authority, with or without a warrant, to enter and inspect a building. We're worried that the current wording of Bill 172 is too specific by referring to inspections only with regard to section 39. The rationale that was offered as to why this amendment was necessary really doesn't hold a lot of water.

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You've heard it time and again because the messaging just screams over and over again that, just like stakeholders have said, you've rushed this legislation. You are in the midst of monetizing the environment in the spirit of creating a slush fund to offset your mismanaged spending ways. As a result, we see here yet another amendment that has to be made because the original piece of legislation was rushed through so that your Premier could have a photo op in Vancouver with the Prime Minister. The reality is, Ontarians deserve so much better.

With regard to subsection 41(1)—

Mr. Lou Rinaldi: Chair, a point of order.

The Chair (Mr. Grant Crack): Sorry, Ms. Thompson, point of order—and I know what the point of order is going to be. I will hear it and make my comments.

Mr. Rinaldi.

Mr. Lou Rinaldi: I think, Chair, you were very eloquent in your description of what your expectations were and within about 30 seconds, we fell right back. I would ask that you help bring the discussion back to the amendment. Thank you.

The Chair (Mr. Grant Crack): Thank you very much. I'm going to be very strict from here on in, as my job is to make sure that the business is moving forward in this committee in a reasonable manner, without taking away the rights of the individual members to express themselves. But when things become repetitive on every motion, then I'm going to be clamping down.

Ms. Lisa M. Thompson: Well, that was a new one. Come on, Chair. That was a new one.

The Chair (Mr. Grant Crack): That's why I was giving you a little bit more leniency. However, please wrap up and stay focused on the motion.

Ms. Lisa M. Thompson: Okay.

Before I was cut off, I was going to respectfully ask yet again for a more fulsome explanation as to why this particular amendment is necessary.

The Chair (Mr. Grant Crack): Thank you very much. Any further discussion? Mr. McDonell.

Mr. Jim McDonell: I was somewhat concerned about who does the inspections. Under our law, basically police

officers have the ability to seize—it's not specifically like that, but I have some concerns that this really opens the door.

You've got to remember that when we have companies looking to operate in Ontario, they have to deal with a cap-and-trade deal that our neighbours to the south don't have to deal with. Most of our competitors in the automotive industry—the vast majority, almost all our industries are not facing competition from California or Quebec, they're facing competition from the other 49. We want to make sure that the legislation that goes through is not going to limit somebody's outlook as far as whether they should want to set up new business in Ontario.

We all know that we have the highest increasing energy rates in the continent, and that's already chased away a number of our employers. Cap-and-trade, which is going to put another tax on energy, has got to be an issue, because it's a tax on an increased cost. Again, I think that by jumping ahead of our competitors, we've got a problem here. Trying to convince entrepreneurs that we would like to see in this province that Ontario is still a good place to come to gets tougher and tougher when they look at the cost of doing business up here and the forms of regulation and red tape. I've already seen this type of thing in the manufacturing and fabrication industry.

Quite frankly, as I was told by one of my constituents, they no longer do work for Ontario companies because they're tired of the inspection and the techniques that are used, which are not used anywhere else in Canada, in none of the other provinces and none of the states. Accepted, accredited procedures that are accepted all over the world are not accepted in Ontario. It puts that level of uncertainty—when you're investing millions of dollars, and sometimes billions, if you look at some of the pipeline initiatives across this country, if you're taking a risk, any CAO is charged with making sure that they limit that as much as possible. Unfortunately, we're making it so that a way to limit it is to do business elsewhere.

I've always had a concern about moving this bill ahead of our competitors, not working with them to make sure that we have a plan in place that, basically, all of our manufacturing competitors have to work with. We're doing something ahead of time. We're doing something that is unique, essentially, to the US and Canada. I mean, California is a very nice state, but it is one of 49. The other 49 states are not using this method and another eight provinces aren't using it. We have Quebec coming into this, which has a huge supply of hydro-based electricity, so that gives them a huge advantage.

We're not quite sure whether inside this bill, with the way it's amended—has the government given them a favourable advantage over us just to get this bill off the table quickly and into the House? We see 70-some amendments, a pile of them here. I guess the government is upset that it's taking a long time to go through them, but I've never seen as many amendments on any other

bill, and I've sat on a number of them. I've seen one or two, maybe three on the outside, but 70 is certainly the exception.

The Chair (Mr. Grant Crack): Further discussion? There being none, I shall call the vote on government motion 32.10.

Mr. Arthur Potts: Recorded.

The Chair (Mr. Grant Crack): There has been a request for a recorded vote. I shall call the vote.

Ayes

Hoggarth, Martins, Potts, Rinaldi, Tabuns.

The Chair (Mr. Grant Crack): I declare government motion 32.10 carried.

There is that one amendment that just carried to section 42. Any discussion on section 42, as amended? There being none, I shall call the vote on section 42.

Shall section 42, as amended, carry? Those in favour? Those opposed? I declare section 42, as amended, carried.

Ms. Hoggarth.

Ms. Ann Hoggarth: Is it possible that we could bundle those since none of them are amended?

The Chair (Mr. Grant Crack): Is it the will of the committee to bundle these four sections? I heard a no.

We shall move to section 43. Any discussion on section 43? There being none, I shall call the vote. Mr. McDonell.

Mr. Jim McDonell: I just have a concern. I see the power of force and the requesting of police assistance. I don't see in 42 where it referenced the fact that you would have to be a provincial police officer to seize, and so I wonder, when it comes in here—I mean, we have great respect for our police force and we would like to see, when you're seizing property, that people who are trained, such as our provincial officers or the RCMP that have jurisdiction in some places in Canada, have the ability, or we would require their assistance. I'm glad to see they have it here, but I'm just worried that it's not carried through in some of the other sections.

The Chair (Mr. Grant Crack): Further discussion? There being none, I shall then call the vote on section 43.

Shall section 43 carry? Those in favour? Opposed? There being none, I declare section 43 carried.

We shall move to section 44. Any discussion on section 44? Ms. Thompson.

Ms. Lisa M. Thompson: Subsection 44(1) reads, "On request, a provincial officer who exercises a power under this act shall identify himself or herself as a provincial officer either by the production of a copy of his or her appointment or in some other manner and shall explain the purpose of the exercise of the power." I would really appreciate it if the government could explain what they mean specifically by "production of a copy" in terms of his or her appointment.

The Chair (Mr. Grant Crack): Further discussion? Ms. Thompson.

Ms. Lisa M. Thompson: Given that this government still tends to be muzzled for whatever reason, I was wondering if legislative counsel could offer an explanation or an example of what is meant in section 44, "production of a copy."

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The Chair (Mr. Grant Crack): Ms. Hopkins?

Ms. Laura Hopkins: The section of the bill, section 70, which allows the minister to designate people as provincial officers—the designation is sometimes referred to as an appointment, and usually the appointment is made in writing. The reference to a copy of an appointment is a reference to the document that displays the minister's designation of the provincial officer.

Is that all right? Okay.

The Chair (Mr. Grant Crack): Ms. Thompson.

Ms. Lisa M. Thompson: Just to clarify, legislative counsel, in reference to the materials in front of her, said that it's a written appointment, if you will. We're obviously looking at an extensive amount of legislation dedicated to enforcement. What is to preclude fraud in this particular instance? If somebody wanted to find out exactly what another business was up to, how could they protect businesses in Ontario from someone just coming up with what looks to be an official piece of documentation? How can they protect themselves from making sure that, in itself, is not a fraudulent piece of documentation?

The Chair (Mr. Grant Crack): Further discussion?

Mr. Jim McDonell: On that line, generally, the public is very familiar with certain types of identification. There's no indication that there would be a standard document or a standard card. People certainly understand our police force, the cars and their uniforms, but there is that distress when you have somebody coming up and flashing some type of card that is not standard. We think that if you're going to go this route, somewhere in the legislation we should talk about some standardized identification so that companies are—we have a lot of proprietary information technologies. We want to make sure that if it's going to get the eyes of somebody, it's somebody who's authorized and somebody who's bonded, so that information is not all of a sudden appearing on their competitors' floors, some technology they're using to produce a product.

We do talk about the new technology of the new age. I think of the words "smart technology"; there's smart manufacturing. That requires the latest technology. We want to make sure that those companies feel secure, because if not, again, we're competing against jurisdictions where, really, I hear many times—in a region where you have companies advertising in the newspaper and the radio, "Come on over to New York state. We're happy to have you. We have a feeling that you're not welcome at home"—they're very much welcoming these businesses.

The Chair (Mr. Grant Crack): Further discussion? There being none, I shall call for the vote on section 44.

Shall section 44 carry? Those in favour? Those opposed? I declare section 44 carried.

I shall move to section 45. Any discussion on section 45? Ms. Thompson.

Ms. Lisa M. Thompson: For the record, subsection 45(1) reads, “Where a justice is satisfied, on evidence under oath by a provincial officer, that there is reasonable ground for believing that it is appropriate for the administration of this act or the regulations or to protect property, the justice may issue an order prohibiting entry into all or part of any land or place or prohibiting the use of, interference with, disruption of, or destruction of any thing.”

When I was reviewing this particular section, gas plants screamed out at me, which I’m sure you can appreciate. Some people are saying, “What?” so I’ll go back and revisit what it particularly said: “The justice may issue an order prohibiting entry into all or part of any land or place or prohibiting the use of, interference with, disruption of, or destruction of any thing.” You can’t help but think of the emails that were purposely destroyed to try and hide any evidence of the gas plant scandal.

I think it’s an interesting point here under subsection 45(1) that this government is actually identifying that this could happen. Again, I need to repeat my concern under section 44 that was just totally ignored by the government: that we need to be very mindful of what a provincial officer is allowed to go in, because again, as we know, as we’ve read in Hansard with regard to the gas plants that were reviewed in the estimates committee, there was an individual who was allowed access to a very secure area within Queen’s Park. It shouldn’t be allowed. How did that person get access to the most secure office in Queen’s Park?

We, and I would think all of us here, serving Ontarians, should be very cognizant of this government, which is trying to tighten things up on one hand but leave things very loosey-goosey on the other. I think some more thorough discussion should be had around exactly who the provincial officer should be.

The Chair (Mr. Grant Crack): Further discussion?

Mr. Jim McDonell: Yes. My colleague here brings up a good point. In that case there, I’m not sure of the credentials the computer expert had, but he certainly had the direction from members of the government.

Ms. Lisa M. Thompson: How’d he get in?

Mr. Jim McDonell: He had 30 days that he was allowed to walk through and delete records, destroy records. Obviously his defence is that he had authority from somebody within the government to do this work—

The Chair (Mr. Grant Crack): Mr. McDonell, I would ask you—and I’ve made it clear previously that we stay focused on this as we continue to move forward.

Mr. Jim McDonell: We’re talking about provincial officers, somehow identifying just who they are, their accreditation, and proof of what they’re doing. There’s a case that’s well documented now where we could see this go wrong unless it’s done right. Sometimes a supposed order from just anybody is not reason enough for information and evidence to be destroyed.

The Chair (Mr. Grant Crack): Thank you very much. Further discussion? There being none, I shall call the vote on section 45.

Shall section 45 carry? I declare section 45 carried.

We shall move to section 46. Any discussion on section 46? Ms. Thompson.

Ms. Lisa M. Thompson: Again, we’re not going to let these sections slip by without expressing our absolute concern over a provincial officer and how they’re defined and selected, because this is going to be a piece of legislation that is going to impact Ontario for decades. It’s interesting that under clauses 46(1)(a) and (b), it reads:

“(a) it is appropriate for the provincial officer to do anything set out in subsection 39(1) or (4) for the purpose of determining any person’s compliance with requirements imposed under this act; and

“(b) the provincial officer may not be able to carry out his or her duties effectively without an order under this section because,

“(i) no occupier is present to grant access to a place that is locked or otherwise inaccessible”—again, this shouts out gas plant concerns.

“(ii) a person has prevented or may prevent the provincial officer from doing anything set out in subsection 39(1) or (4),

“(iii) it is impractical, because of the remoteness of the place to be inspected or for any other reason, for a provincial officer to obtain an order under this section without delay if access is denied, or

“(iv) an attempt by a provincial officer to do anything set out in subsection 39(1) or (4) might not achieve its purpose without the order; or

“(c) a person is refusing or is likely to refuse to respond to reasonable inquiries.”

1640

The little sidebar is: Isn’t it rather rich that even this government has muzzled its officials today and that they’re refusing to respond to our reasonable inquiries just this afternoon alone?

Overall, with regard to provincial officers: It is a grave concern of ours that, based on how this government has performed and based on what we know they have done which has been inappropriate—I look to my colleague here—I just don’t trust this government to get it right, be it the gas plant scandals or be it allowing a person off the street to access very secure areas of Queen’s Park. How are we going to ensure that provincial officers appointed under this government are going to do the appropriate duties to ensure that people are complying with a scheme that is doing nothing but generating dollars for a slush fund?

There are grave concerns about every single aspect of this particular bill, Bill 172. I’m sure, had we been able to allow more deputations, as opposed to being restricted to two days only, some of this would have come up in discussion.

The Chair (Mr. Grant Crack): Thank you very much. Mr. McDonell.

Mr. Jim McDonell: It’s interesting when you go back. It talks about 39(1) and 39(4). Subsection 39(1)

talks about the officer having concern about a place containing records and the destruction of such records.

I know that you would think that would stop such a destruction of, say, computer records or paper records, but, of course, it is already against the law in the House to do that type of thing, but we know that has occurred. So far, we have somebody who has agreed to be the person who performed that action, but the question really becomes, who gave him the authority or who told him to do it?

I'm just a little concerned. If those things go on, you want to make sure that if we're going to go in and strong-arm our way in, it's authorized. Really, not only does it protect the records that are there, which would be required for prosecution, but it is also set up so it protects the confidentiality of the records so that nobody benefits from the release of any information that could harm the company that is there.

It is something that is of concern, and we want to make sure that all of the issues are covered.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Thompson.

Ms. Lisa M. Thompson: Thank you very much, Chair.

People should not be surprised that we're skeptical of this. We have undertaken hours and hours of our own consultations and meetings with stakeholders.

I think it's important to put on the record that even past finance ministers of this particular government are skeptical of the path that this particular Liberal government has chosen.

During second reading debate, I referenced this particular piece of information, and I'd like to go back and revisit it again. That is, specifically, quoting the former finance minister of the Liberal government, Greg Sorbara: "Until I see that evidence, I have to be a little bit skeptical about the whole scheme."

Well, Chair, we echo his concern, other than it's going to bring a lot of new money into this government. That's why we feel it's very important to take time. We didn't want to bundle sections 42 through 46. We need to exercise our right to draw people's attention to areas within this piece of legislation that are cause for concern.

Again, I think it was just an attempt to glaze over another area when the member opposite suggested that we bundle sections 42, 43, 44, 45 and 46, just to gloss over and expedite particular pieces of this legislation that should be talked about in a very serious light.

I appreciate your willingness to allow us to share our perspectives and our concerns.

The Chair (Mr. Grant Crack): You're welcome. Mr. McDonell?

Mr. Jim McDonell: I'll try to condense this down. I certainly don't want to take up too much of the committee's time. But climate change is very serious and we need a credible plan. It's such a serious occasion that this government promised they would not increase taxes on gas or home heating in the last election, but obviously, from what we heard today from the Minister of the En-

vironment and Climate Change, this was the plan all along, because they've been working on it for more than two years.

Being that it was not an election issue and the people did not have a chance to speak on it, it's up to us to make sure that we look at and consider carefully all the aspects of this bill. If we go back, the former PC government started the initiative to close the coal plants—

Interjections.

The Chair (Mr. Grant Crack): Order, please. Excuse me, Mr. McDonell.

The back-and-forth is causing me some concern as I am having a very hard time listening to Mr. McDonell, who is within four to five feet of my left ear, and that's my good ear.

If you could continue, Mr. McDonell, that would be much appreciated.

Mr. Jim McDonell: I want to thank you for that, Chair, because it is hard to speak when you've got people—no matter how close they are to you—being loud and belligerent.

Mr. Lou Rinaldi: Oh, come on, Jim.

Mr. Jim McDonell: I mean that lightly.

To go back, I was mentioning that the PC government saw that carbon was an issue. Elizabeth Witmer, in her role, started the closure of the coal plants. It was a project I know the government had promised to have done by 2007—a reasonable approach—and, knowing it couldn't happen, didn't commit to that. Of course, we only saw the completion in 2014-15.

Our plan would not have involved the closing of an industry to make it happen. We would like to have seen Ontario grow and really look at alternative energies that were required to meet our growth. But, unfortunately, we see our requirement for energy actually significantly lower than it was in 2003. We like to think that whatever we put in—this is another tax—we want to make sure that the tax deals with growth, not just by closing our manufacturers down. We want to make sure that, at the end, our manufacturers have the confidence that the plan we're putting in place is well thought out and that it's actually practical in its enforcement.

We've seen cap-and-trade legislation in many modern economies, such as Europe, fail because it wasn't well thought out and wasn't put in place. We have an example there of a cap-and-trade system that failed. We should be able to learn from that. I don't think there's any argument that essentially every government on this planet wants to see the climate change effects created by man reduced. We hear that all the time, what with Paris. We know that China is working actively on it—more from the case that they're running out of an environment or an atmosphere that their own citizens can survive in. They're walking around with surgical masks.

If you're going to make an impact, one thing is for sure: Climates cross borders. That's why we'd like to see us be a leader and actually work with our American cousins and neighbours to work in lockstep in putting a system in place that's going to work. It's very hard when

you're talking of three out of 60 jurisdictions working on a plan that's going to save the continent, let alone the planet. We need to be more of a leader in really coming up with—whether the democratic government in place today and whatever government is there later on in the year, to make sure we have something that people can't just skirt across borders and that the offenders are actually reduced. The people who are doing good work should be recognized for their work, both publicly but also economically so that if they do the work and do their due diligence to make sure that they're falling within the overall direction that the world wants to take us, they are actually able to perform economically, retain a market and stay in business.

1650

The Chair (Mr. Grant Crack): Thank you very much. Further discussion? There is no further discussion on section 46. I shall call for the vote.

Those in favour of section 46 carrying? I declare section 46 carried.

Enforcement: On section 47, government motion 32.11, which is an amendment to subsection 47(1), Mr. Potts.

Mr. Arthur Potts: I move that subsection 47(1) of the bill be amended by adding “except in the case of a failure to comply with the requirement set out in paragraph 2 of subsection 14(7)” at the end.

The Chair (Mr. Grant Crack): Further discussion? Ms. Thompson.

Ms. Lisa M. Thompson: As we mentioned before, Bill 172 is very much a punitive bill—incredibly so, actually. This government may want to pass this particular amendment off as being only technical; I would suggest to you that it means a lot more. In Ontario, companies are already being punished. Be it global adjustment, be it continued hikes in hydro rates, be it the astronomical ways this government nickels and dimes every step they take to try and meet their business goals and keep people employed, the fact of the matter is that this bill is going to see companies punished for failing to meet their allowance targets and it screams out that they should not be further convicted of an offence under this proposed act.

This is only one fix. Ladies and gentlemen of government across the room here, note that this is a huge, comprehensive bill and what you're proposing is only one fix. There is an absolute liability for administrative contraventions, and companies will need to walk on eggshells—eggshells. As I said, they are already dealing with the impact of your global adjustment, they're already dealing with the fact that Ontario has the highest electricity rates in North America, and they're already dealing with the fact that there are jurisdictions setting up economic development offices ready to lure and attract them and draw them out of this province into their own jurisdictions. They shouldn't have to feel that they should be walking on eggshells out of fear of making mistakes.

While, as Conservatives, we agree that there should be penalties for the fraud, market manipulation and corrup-

tion that cap-and-trade is known for, we believe prevention is the best way to combat these offences. Again, we know that the cap-and-trade scheme in Europe was absolutely fraught with fraud and with gaming. Ultimately, it was ill-conceived—so much so that the ceilings were too high and the prices were too low. It didn't work, any which way you looked at it.

It's interesting that this government in Ontario today is trying to absolutely burden with red tape and come down heavy on enforcement, all the while forgetting that prevention in the first place would be the best way to combat all of these offences. The best preventive measure—and please take this to heart—is not to set up cap-and-trade in the first place.

Chair, we've seen this government backtrack on its daycare initiatives, just as recently as last week. Again, most recently, we've seen this government backtrack on the manner in which they were going to make seniors pay more for their prescription drugs. We've seen this government backtrack and hit the pause button on the ORPP. We have seen this government backtrack on their land transfer taxes. The list goes on and on and on. This is the government of backtracking.

We want to encourage the people across the hall to go back to your caucus room and go back to your ministers that you work with and say, “You know what? It's not too late to backtrack on the ill-conceived Bill 172.” It's not too late to backtrack on the most horrific piece of legislation that Ontario will ever see, that makes the cost of everything go through the roof.

Ontario would be far better-served with a revenue-neutral plan, whereby taxpayers and businesses alike are protected and encouraged to grow their businesses. Really, Chair, as you know, a revenue-neutral plan could be and would be much simpler for industries to follow.

What do farmers look for in Ontario? What do businesses look for in Ontario? They look for sustainability—

Interjection.

Ms. Lisa M. Thompson: —certainty; my colleague from Stormont–Dundas–South Glengarry said certainty, and I certainly agree with him. They're looking for predictability. They're looking for stability. They're looking for bankability. This cap-and-trade scheme that this government has dreamt up is doing nothing to support that.

Cap-and-trade, on the other hand, is costly and fraught with risk. As my colleague was alluding to earlier, what is going to be the end result of this? It's going to be that Ontario won't be open for business. They're going to be closed because people are going to pass Ontario by, getting out of this province as quickly as possible, to jurisdictions that are giving them breaks on their taxes; giving them breaks on their electricity rates; welcoming them and helping them realize their dreams, as opposed to finding every which way to generate more dollars out of their pockets to cover off for a mismanaged government.

It's an interesting time that we have here. This particular government motion for subsection 47(1) is just

another example where companies who fail to report emission allowances on time—they are already forced to pay three times the number of additional emissions compared to their shortfall.

You're doing nothing but creating a long list of companies wanting to get the heck out of Ontario, and you're just increasing the cost of doing business. That's it; that's all.

The Chair (Mr. Grant Crack): Further discussion? Mr. Potts.

Mr. Arthur Potts: I'm just noting that, in three hours, we've got five technical amendments adopted and two substantive, but not too controversial, ones—in three hours. I just want the members of committee to appreciate that others are now starting to take notice. I just got a copy of the Queen's Park update, and it's very clear that at a preliminary—it says right here:

"An April 11 committee hearing on the bill began at 2:02 p.m. and adjourned at 5:47 p.m. In that three-hour-and-47-minute span, the committee recessed four times, for nearly an hour. All of the recesses were at the request of PC MPPs. Moreover, during an April 13 committee meeting, a lawyer from the Ministry of the Environment and Climate Change was called on several times to provide clarification, slowing down the proceedings.

"The committee met again on Monday"—which is today—"to discuss Bill 172, and recessed for 20 minutes after a half-hour of work...."

Of course, this is all allowed under the rules, but it's very clear that at this rate, we have at least another four or five days of this bluster and filibustering. It's really quite surprising. I wish your constituents—I hope they do read Hansard and they can see how you're wasting this committee's time.

The Chair (Mr. Grant Crack): Mr. McDonell?

Mr. Jim McDonell: Thank you for that. I guess one thing that was not mentioned is that we had lawyers called in, but not allowed to speak. That's a little concerning. We're putting through legislation.

I have a constituent of mine who actually works—a major part of his business is in the province of Quebec. He talks about meeting the cap-and-trade—they obviously started before we did—and large, huge amounts of money being written out to companies in California, to the California government, for offsets, to be able to function under this bill. That's money that's leaving this country; it's resources; it's looking at another export. Money is not good to export. It adds to your deficit and your trade balance. What are they getting for it? Artificial credits. If we were paying our own Ontario government, that'd be one thing. He talked about the administration, the number of people they hired—lawyers, accountants—to put this in place, because the legislation is so complicated. The legislation he's talking about is this legislation. So there's somebody that will be affected, again, by the Ontario portion of what he's doing. He also has stations in New York state; he won't be impacted there.

So what's next? Move your head office over there? We've seen Xstrata, a company in Timmins—600 jobs

moved east just because of the rate of increase of electricity they've seen in Ontario. There was more certainty if they moved to Quebec, on the energy side, so they moved. There are 600 employees—their wages and their taxes that are paid that have been lost to this province. So we are concerned.

1700

I know they talk about some of the enforcing and penalties. Now, this bill already penalizes based on performance. To go after somebody, unless it's—I guess they give this as examples of serious penalties such as fraud or market stipulation or corruption. I'm not sure why we would look at this as being a key part of this bill. My understanding of cap-and-trade was that you penalize them economically.

In a capitalist system, of course, you want to make sure that you're able to make a profit; if you don't, you're not in business. By making it more expensive, it starts to bring along a better initiative to conduct your processes in a more economical way so that you can maximize profit and eliminate loss. Of course, now you're saying that the system, which is designed that way—it's not designed to lay charges or to send people to jail for not meeting their targets.

Companies start off at different locations and with different technologies; it sometimes takes years to make those changes without going bankrupt. It should be our goal to keep our companies healthy, allow them to modify their processes so that they can stay in business and, down the road—actually, through their investment in infrastructure, because there's no question that they will be investing in infrastructure if they're going to meet these goals—turn around and be good corporate citizens who pay good property taxes and hire many employees who pay income taxes back to the province.

We don't need to escalate the number of people who are demanding social services in this province. There's nothing better for people than a good job. We see that a lot of these things—because of the timing, because of the way we're moving ahead of some of our neighbours to the south—are going to put the ability for them to stay in business in question. We saw more than 300,000 manufacturing jobs leave this province, in a country that was built on manufacturing, that was the envy of the country and the envy in North America. We used to be the number one car manufacturing jurisdiction. I know a couple of years ago we were down to number three and declining quickly.

It's legislation like this that has jumped in, hastily done. We see no shortage of amendments, and we see our stakeholders are concerned. They come in and they talk very freely on this bill, the few that had the opportunity. Then they sit down, and it's almost like there are controversial sections now being added that they didn't want to have public scrutiny on during the chance for deputations.

So we are concerned, and we are looking at every little piece of legislation here and we want to make sure, at least within our capabilities as the official opposition, to point out as many of the problems that we can see. I

know the government doesn't always listen, maybe it's a tendency that we're seeing far too often, but we think the people of Ontario deserve better.

The Chair (Mr. Grant Crack): Ms. Thompson?

Ms. Lisa M. Thompson: I appreciate the comments from my colleague from Stormont–Dundas–South Glengarry. He caused me to reflect back, and while this particular amendment is going to be touted by this government as being “technical,” we need to recognize that this technical amendment is essentially an excuse to monetize the environment in the spirit of protecting the environment. I think that is an absolute reason to give pause and reflect on this.

I'm sure that just the like the member from the third party did in doing his due diligence—there were a number of seminars hosted in the winter of 2015, and time and time again, the overwhelming response during those government consultations on climate change, the common consensus, was that we needed to move towards something like a price on carbon, like a carbon tax, because it was easy. It was transparent. It was easy to account for.

Here we are moving forward with all these amendments on a piece of legislation that is going to change the landscape. Essentially, as I said before, they have used the goodwill that people have in terms of their concern for the environment to create a brand new financial market. During our briefings, it was specifically said: “This is a new financial market.” I am very concerned that, in that light alone, they rushed Bill 172.

They have come forward with over 70 amendments. I think it's an absolute travesty that so much of the government's own legislation has to be corrected in committee. Therefore, people watching the committee or looking at Hansard need to know that we're representing their best interests.

In the spirit of punitive initiatives, there should be some reflection on the fact that we need to hold this government to account. While those winter workshops or facilitations were happening across Ontario during the winter of 2015, I saw Minister Murray in Peru, which was the global initiative that was pulled together to discuss climate change in 2014. He actually said, and we have it on tape, that: “It's going to be cap-and-trade.”

Here, in late 2014, when Minister Murray is in Peru wanting to address climate change, he has already pulled the rug out from under Ontarians because he's on record as saying it's going to be climate change. Meanwhile, he instructs his ministry to facilitate what I would then call bogus consultations, because the majority of those people—because I attended four or five out of seven—wanted a carbon tax. To that, I say shame on this government and shame on them for rushing through this piece of legislation that has, by their own hand, had to be improved by 70 of their own amendments.

Again, this particular amendment, subsection—

Ms. Ann Hoggarth: Point of order, Chair.

The Chair (Mr. Grant Crack): Sorry, Ms. Thompson.

Point of order: Ms. Hoggarth?

Ms. Ann Hoggarth: What's being said over there has nothing to do with the amendment.

The Chair (Mr. Grant Crack): Thank you for the point of order, but she was getting back to talk about the amendment, so I'll allow her to continue. But I will be monitoring very closely, Ms. Thompson.

Ms. Lisa M. Thompson: Thank you, Chair. So, subsection 47(1) of the bill: “I move that subsection 47(1) of the bill be amended by adding ‘except in the case of a failure to comply with the requirement set out in paragraph 2 of subsection 14(7)’ at the end.” This particular amendment probably deserves some more thought. It's an interesting one to bring forward.

I think we'll leave it at that at this time.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Walker?

Mr. Bill Walker: Thank you very much—I almost called you “Mr. Speaker” again—Mr. Chair. It's a pleasure to be back again and important to be able to get my constituents' concerns and stakeholders' concerns on the record. This is certainly one of those opportunities for me to do that and—

Interjections.

Mr. Bill Walker: I want to make sure that the government is listening to me. I'm told by my mother many years ago that you can't hear when you're talking. I think I have the floor and I think I'll—

Interjections.

The Chair (Mr. Grant Crack): Excuse me. To my right—thank you.

Mr. Walker.

Mr. Bill Walker: Thank you, Mr. Chair. It's interesting; when I was here a couple of hours ago, they wouldn't say a word. They wouldn't give me an answer. Now they're trying to talk me down before I can even ask them—a fairly, I think, reasonable expectation that they would actually listen to what I had to say and try to provide a rational response to some of their thoughts.

1710

When we're looking at this bill, Mr. Speaker, I want to say, on the record, that as Conservatives, we certainly agree there must be serious penalties for fraud, market manipulation and corruption. We have certainly heard about that and I get asked in my riding on a very regular basis, because people have read things like auditors who recently warned that the EU's emissions trading system remains at risk of future scams after they discovered a massive tax fraud amounting to a loss of €5 billion.

Mr. Speaker, those are credible questions. We need to make sure we are protecting our systems from that. The fact of the matter is that the word “scheme” was used by Greg Sorbara, a former member of the party opposite. He goes on to say that there are a lot of challenges with this and acknowledged that Kathleen Wynne's cap-and-trade is nothing more than a new tax to generate money for the government. He admitted that “There's no evidence, anywhere in the world, that the cap-and-trade ... actually does work ... to significantly reduce carbon emissions.”

He continued, “Until I see that evidence, I have to be a little bit skeptical about the whole scheme,” other than it’s going to bring a lot of new money into the government.

Ontarians know that the Liberals’ cap-and-trade scheme is just about the money, not the environment. Businesses are asking me those questions. They have a fear of making mistakes and being unduly penalized for something because, again, of the 70 amendments to their own legislation. They can try to hide behind their “they are just technical motions” but when I’ve asked about other substantive ones, I don’t seem to get much response, which again leads me to be concerned on behalf of those constituents who are equally concerned and who are asking me very pertinent questions and very direct questions.

It’s very challenging to be put in a position in my riding to try to answer questions that I am given by my constituents, on behalf of the government, and they won’t even give us answers and clarification when we ask for them. We have asked about many points in here today.

These businesses are concerned about increased costs due to this scheme. It’s another tax that there’s no guarantee, and I brought this up earlier, that the Auditor General and/or the Financial Accountability Officer will have any ability—in fact, they’ve written those out of the ability—to have oversight. Again, people are very skeptical and concerned.

Now we have a penalty side that they’re very skeptical and concerned about. The onerous responsibility for something that, again, I can’t overstate—70 amendments to their own piece of legislation, Mr. Chair.

We believe that at the end of the day prevention is the best way to combat these offences, and the best preventive measure is to not set up cap-and-trade in the first place—if you can’t totally define it, if you don’t exactly know what’s going to happen with those details, and you put doubt and fear in the minds of people, when you have companies coming and saying, “Why would we come here if you’re going to put us through this?”

We already have a challenge with all the other things, like increased hydro rates that have quadrupled under the tenure of the Liberal government. They are already challenged. We’re adding the ORPP, which is going to add another cost to business. And now we’re going back to—

The Chair (Mr. Grant Crack): Mr. Walker, I apologize. I’m going to interrupt you. I did make reference earlier, during your absence, that I’m asking members to speak specifically to the motion at hand, the amendment that is being proposed, and that I’m clamping down on the repetition that I’ve already heard on numerous occasions here. I’m trying to encourage the members to stay focused on the amendment at hand.

Continue, please.

Mr. Bill Walker: Thank you, Mr. Chair, and I apologize. I obviously wasn’t here before so I missed that point of clarification but I will try my best to stay within the realm of what we’re doing here.

Part of my challenge, sadly, to have to repeat my question, is when I’ve actually asked openly to be able to give an answer and they just either skirt by it or they throw back their—it was like question period a little bit. I asked a question and they talked way over here, so I had to unfortunately repeat some of my concerns and challenges. I don’t do that very—

The Chair (Mr. Grant Crack): Let’s go to the amendment, Mr. Walker, and thank you for clarifying your position.

Mr. Bill Walker: Again, the concern is that these companies have a fear that they’re going to have a failure to comply with the requirement and we just want some clarification on that, Mr. Speaker. We want to make sure, on behalf of these companies—this isn’t just us sitting here in committee. This is us asking very legitimate, pertinent—

Ms. Lisa M. Thompson: It’s a brand new financial market they’re creating.

Mr. Bill Walker: Absolutely. These companies have the lives of their employees at stake so they want to better understand what they’re actually entering into. If they are going to enter into an agreement, to a contract that is going to totally impact—

Interjection.

Mr. Bill Walker: Excuse me?

Mrs. Cristina Martins: I was just saying that—

Mr. Bill Walker: I know. I think I have the floor, though. If I could—

The Chair (Mr. Grant Crack): Okay, just wait.

Mr. Bill Walker: I think I have the floor. I don’t interrupt you when you’re speaking, so thank you very much.

The Chair (Mr. Grant Crack): Okay, Mr. Walker, speak through the Chair, please.

Mr. Bill Walker: Mr. Chair, thank you very much for bringing this back to order.

The Chair (Mr. Grant Crack): You’re welcome.

Mr. Bill Walker: I’m trying to get through this as quickly as I can and ensure that the government knows where I’m coming from. It’s very distracting to have members in committee heckling and trying to talk over me.

Mr. Speaker, at the end of the day, we’re bringing valid concerns by the government. We believe that there need to be serious penalties for fraud, market manipulation and corruption. Those are concerns that are out there in the public, and we want to make sure, as we’re going through these types of amendments, that we’re addressing those. As I stated, we believe prevention is the best way to combat these offences, and the best preventive measure is to not set up cap-and-trade in the first place.

This amendment—I just want to make sure, again, that we’re not putting undue administration and duplication into the process.

Thank you, Mr. Chair.

The Chair (Mr. Grant Crack): Thank you very much. Any further discussion? Mr. McDonnell.

Mr. Jim McDonell: I thank Mr. Walker for bringing up some points. We talked earlier about the certainty that needs to be in legislation. We are a little disappointed when we see a government that talked about consulting and came up with a plan that was the result of that consultation. We know that their biggest cheerleader likes to get out there and brag about how the decision was made well before consultation even started.

It does create some red flags for us. We want to know that the people of Ontario, and the businesses that spoke, were listened to. It's not just the corporations. It's the people who work there, the people who rely on them for their livelihood.

We are the province with the highest percentage of people on minimum wage—not something that we ever had before. I guess that's another glowing achievement of this government, but it's not something that we want to see continue.

We think that we have to put some strong rules in place. I know that industry, and the population as a whole, would rather see a tax on carbon. Let people, by their own means, look at how they can bring their use of carbon down. Let them make economic decisions through some well-crafted legislation that would encourage that. We chose not to do that. We chose just to make life a lot more expensive in Ontario. We're going to see even more people have trouble.

Of course, you can't take tax dollars. The top economists in the world will say that when you do that, there's less employment.

One of the merits of a communist system is that you can make these decisions, and it really doesn't impact what you're producing, because everything is paid for anyway by the state. But we know that everybody who has gone through those types of regimes has fought to get out of them—us being one of them, if you go back long enough, many centuries.

We want to make sure our democracy and our capitalist system is healthy and can compete and give us the best standard of living that's possible. We're certainly dropping a few slots, as we're seeing over the years, but there's no reason to think that this is a new initiative that the planet is embracing. I think we should be more in lockstep with the companies.

We know that a majority, or a good percentage, of the states in the US are challenging this in court and do not want to move ahead. So I'm not sure what benefits we're going to have when we only produce less than one half of 1% of the carbon in the world, whereas our neighbour to the south is dozens of times more there in the producing of carbon.

We're going to bankrupt our facilities here. When a real plan comes out and the planet really gets around to something, we'll be cutting wood to heat our houses, because we can't afford the fuel.

Ms. Lisa M. Thompson: They'll find a way to tax that too. They're looking at that now.

Mr. Jim McDonell: Yes.

The Chair (Mr. Grant Crack): Thank you very much. Mr. Walker had his hand up.

Mr. Bill Walker: One other point that I've been asked to bring to the table, as we're debating this and going through the clause-by-clause review is, under Bill 172, the Liberals designed the cap-and-trade scheme, set the rules, selected the participants—

The Chair (Mr. Grant Crack): Mr. Walker, does that have anything to do with the penalties?

Mr. Bill Walker: The clause? Yes, definitely.

The Chair (Mr. Grant Crack): Okay.

Mr. Bill Walker: The concern is that they select the participants, appoint the officials, and of course, pick the winners and losers.

But to stop industry opposition—and there are companies out there that are going to be definitely impacted on both sides of the ledger here, Mr. Speaker, particularly the targeting of the natural gas and petroleum industries with excessive new compliance costs. We're very concerned about what this subsection and the amendment would be—“except in the case of a failure to comply with the requirement set out in paragraph 2 of subsection 14(7)....” We need to understand again a little bit further what the realities of that exception would be.

These companies are very concerned about the game that they're going to enter into, and they are looking over their shoulder all the time. I said earlier in my remarks that the fear of making a mistake and being penalized—that's a very legitimate thing that I think we have to make sure is addressed here.

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These new costs will be passed on to consumers and businesses through higher prices for gas, diesel and propane heat. We need to protect those interests, Mr. Speaker. It's one thing to say we're going to put in cap-and-trade and we're going to save the climate and save the environment, but at the end of the day we also have to make sure that we are protecting the actual people who are going to pay the freight on all of these types of things.

When I walk into these committees and do clause-by-clause, it's so that I can have a better understanding, so when I make my final vote, I've had the ability to ask the government why. Maybe I misinterpreted what their intent was. Maybe I haven't been able, because in some cases they haven't answered in an articulate, concise, clear way, or in fact sometimes they haven't even had the courtesy to answer.

So it's very challenging when we see things—and that's why we do clause-by-clause. When I stand up and put my hand up to say yea or nay, I've done my job. I'm educated and aware of every part of the legislation, so that I can make a good, informed decision.

Interjection.

The Chair (Mr. Grant Crack): Thank you. Is there a point of order? Ms. Martins.

Mrs. Cristina Martins: No, Mr. Chair. Thank you. I believe the speaker has now stopped and we can continue with the debate at hand.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Thompson.

Ms. Lisa M. Thompson: You know, it's interesting, because this particular amendment references and impacts how this government is going to enforce from a punitive perspective their legislation on Ontario businesses. It's galling, actually, to hear them come back and thrust at us that we're just playing games. We're doing our due diligence.

It's interesting that just today in QP Briefing—some people are watching, they're listening and they're taking a look at Hansard, and people understand that we're doing our due diligence. We're taking time with each and every amendment because of "the Liberal government's shoddy work in drafting the legislation." That's what it says right in QP Briefing today.

Further to that, relevant to this particular amendment, subsection 47(1): In our briefings we were told that this government is creating a brand new financial market. We deserve every right for drawing to people's attention the fact that the transparency and the usage of the Greenhouse Gas Reduction Account is one of the main points of debate around Bill 172.

We were taken aback a little bit when they wanted to bundle sections 42 to 46. People will understand why we said no, and people will understand why we're taking a sombre look at subsection 47(1)—because let's not forget what the Financial Accountability Officer said during his deputation. Thank goodness he at least got on to the schedule for deputations because, as I said before, the government limited us. We wanted to go for at least three days. They cut us down and restricted us to two days, and there were 49 people who wanted to offer up deputations.

The common thread I might share at this point, Chair, is that they are all feeling this legislation is being rushed through, and therefore, registering for deputations was limited to two days.

But at least, as I said, in recognizing that this bill and this particular amendment are speaking to the brand new financial market that this government is choosing to create because they're cash-strapped—they need a slush fund. They are looking to ram it through, but at least the Financial Accountability Officer, Stephen LeClair, was able to go on record by telling the committee that the legislation as it's currently worded could block him from providing MPPs with information on the fiscal impacts of the bill; namely, the programs being paid for with cap-and-trade cash.

I go on to quote the QP Briefing that came out this afternoon, April 18. It goes on to say, "Funding decisions will be made in secret." That's why we're taking our time here today, ladies and gentlemen. That's why we are looking at every amendment and we wish this government wasn't muzzled, and we wish this government didn't even muzzle their own officials earlier today.

"Funding decisions will be made in secret. Taxpayers will receive no relief, and the Financial Accountability Officer will not have access to spending plans," said Thompson." That was in today's QP Briefing, and that is why we are taking our time, working through and paying our due diligence, subsection by subsection today.

The Chair (Mr. Grant Crack): Mr. McDonell?

Mr. Jim McDonell: I have a stakeholder in my riding that had the experience of this same legislation in Quebec. He pleaded with us to stay away from a cap-and-trade scheme. He said, "If I'm going to be paying this kind of money, hiring this many employees, I'd rather put the money into a tax that would have me try to actually reduce carbon but would stay in Ontario and stay in Canada." He talked about huge bills—hundreds of thousands of dollars of cheques being written to California to allow him to buy the offsets that they need up here. That's something that maybe the other petroleum companies are paying in Quebec but they aren't paying south of here. That gets passed back on to the consumer, and everybody knows what happens to that; it means that, on top of the tax, people are paying more. There was a need of keeping it revenue-neutral but keeping it simple.

The member opposite quoted the QP Briefing today, and it talked about the lob question from the Liberal MPP that the Tories haven't got the memo. We are in support of a tax on carbon; our leader was very clear on that, but there's a big difference between the cap-and-trade program that's being proposed by this government and a simple taxing of carbon. Experts around the world are saying that the simpler plan that just gave people and companies or corporations the desire economically to reduce their carbon output was superior to something that's so complicated that you're spending money on artificial quotas allowing you to produce carbon if you buy them somewhere else.

We've seen in Europe that there were some huge scams—fraud—where companies were generating assets and selling them off, to the point that they had to step back from their plan. We see the same thing happening. Cap-and-trade—there's no question—is a very hard system to put in place. Because of that, we see the problems that were fraught in Europe.

We want to make sure that, if they're determined to go this way, at least the question is why we're jumping ahead of our neighbours to the south. I bring this up because we've seen so many of our businesses leave. I've seen even some of our agriculture people in my riding of Stormont–Dundas–South Glengarry move down, purchase land and operate in New York state because they don't have the regulation and the issues they have up here. That's definitely a concern. We're depopulating our area through bad economic policy, as we see in our manufacturing. We want to make sure we limit that.

It is a concern. I did tell my constituent that I would bring up the concerns he has over cap-and-trade, but they're also concerns that everybody else has as well.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Thompson?

Ms. Lisa M. Thompson: I really do appreciate the comments shared by our colleague from Stormont–Dundas–South Glengarry, as I'm sure my colleague from Bruce–Grey–Owen Sound appreciates as well, because, when he refers to the business from Quebec—

Mr. Jim McDonell: An Ontario business that operates in Quebec.

Ms. Lisa M. Thompson: Yes, an Ontario business that operates in Quebec—I really appreciate him sharing that real-life example because all of these punitive measures are scaring Ontario business off.

Given this government's track record, as I mentioned before—in late 2014, Minister Murray is on record, on tape and on video—YouTube—saying in Peru, “We’re going with cap-and-trade.” Meanwhile, this government yet again exercises the facade of consultation in the spirit of hearing from stakeholders. The collective thread, through everything I attended in those consultations, was that people suggested that a carbon tax was the easiest to track and the easiest to understand. This government strung them along. Again, we had a minister in Peru, in late 2014, saying, “We’re going with cap-and-trade,” but instead, they—“they” being the Liberal government of the day—exercised a consultative facade, leading people to believe that they actually could make a difference with input—good people who have taken the time to be heard.

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Coming back to this particular amendment, subsection 47(1): When we’re talking about punitive measures, it’s amazing that we are, for lack of a better word, questioned by government because we want to have time to talk about this on behalf of our stakeholders and on behalf of our constituents. They’re slushing it off, like they do every time. But again, that’s the whole theme here: slush, slush fund.

With that, we need to make sure that we do not have punitive measures that scare our Ontario businesses away from a province that once was the economic engine of Canada. More punitive measures equals more red tape, which equals a greater burden, and that’s in addition to the cost of everything going up. You couple that with a government that says one thing when they’re in Peru and follows through and tries to have a facade of proper consultation, all the while knowing that they were going with cap-and-trade. It’s a travesty.

The Chair (Mr. Grant Crack): Ms. Thompson, I’m going to interrupt you there. That’s probably the third or fourth time I’ve heard “Peru.” Your point is well taken.

Ms. Lisa M. Thompson: Okay, good. So you heard it. Good.

The Chair (Mr. Grant Crack): It’s needless repetition. I’m going to be clamping down on it. We are going to move over to Mr. Walker.

Ms. Lisa M. Thompson: Duly noted. I just wanted to make sure that the point was received.

Mr. Bill Walker: Thank you very much, Mr. Chair. One of the points that has also been asked of me to bring to this table is the rushed legislation. I think that isn’t something we can overlook. This is a very substantive, very significant piece of legislation that’s going to have a huge impact on the taxpaying public, on the consumer, and on business and industry, who we believe have not been listened to enough.

One of the things that they’re asking—an open-ended question—is the concern of the cost to defend against being charged with an offence. I’m going to read how it originally was:

“Offences

“47(1) Every person who contravenes or fails to comply with this act or the regulations is guilty of an offence.”

Now, of course, we have the amendment: “I move that subsection 47(1) of the bill be amended by adding ‘except in the case of a failure to comply with the requirement set out in paragraph 2 of subsection 14(7)’ at the end.”

It again speaks to when I was earlier in committee. If you had really done your homework, if you’d really consulted, if you’d really gone through all of the channels and listened to your stakeholders well, you would think that that might have been in there. There are a lot of people who, when they read the way it was in the bill, that you “will” be charged with an offence, are going to have to step back and challenge if they don’t believe that’s rightful, if that’s an actual legal concern that they have. That, again, puts money on the table that they’re going to spend that they’re not now putting into expanding their business and keeping their employees employed.

I think this is a very legitimate concern. We have to be very cautious. It comes back to that rushed legislation. If you brought in and you have 70 amendments—that’s a pretty significant number if you’ve really done the due diligence and worked through. Now I think the fear is that they’re actually just frantically trying to rewrite on the fly so that, again, they can get it out. I think I might have mentioned this earlier, but for those who might have joined us since I was here the last time, the costs that we’re going to be impacted by because they frantically rushed legislation out—and we know. We stood up and said, “We think there is a need. We need to be doing some things.” But we need to be revenue-neutral and not unnecessarily impose more fees onto our businesses, as my colleague from Stormont–Dundas–South Glengarry and my colleague from Huron–Bruce have said. We’re driving businesses out of this great province. We have people who are truly saying, “Why would I continue? Why would I maintain my business? Can I maintain my business? Why would I ever consider expanding when you’re putting obstacles?” This is a big one for people. Because it has been rushed and because there are so many unanswered questions, businesses are very leery of what it really will be if the legislation comes in.

I need to be able to say this one, Mr. Speaker, and I hope that you’ll see the relevance of why I’m trying to compare. The Green Energy Act was sold on a very similar basis: “This is going to be the panacea. It’s going to solve all of our ills. It’s going to definitely be the thing that we need to do.”

What I hear in my riding is that it has added a whole lot of expense. It has added a whole lot of challenge. It hasn’t come anywhere close to the 40,000 or 60,000 jobs

that the government said it would produce. In fact, those aren't even close.

They stripped away the democratic right of local municipalities to make a decision.

Just as recently as a week and a half ago, my colleague from Elgin–Middlesex–London's one community, Dutton Dunwich, said, "I don't want this. I'm not a willing host." The other said, "Bring it on." Guess where they went? They ended up there.

So the skepticism with these types of things, when it's rushed legislation, Mr. Speaker: That's why I'm trying to build the pertinency back into this. I'm trying to draw the parallel that there are a lot of people who are suspect. There are a lot of people who have, I believe, very appropriate and rationalized fears of what this means when it's rushed legislation.

To my colleague's points: We have to, on their behalf, respectfully ask all of the questions and not leave a stone unturned to make sure, because they rushed. Did they forget? Why are they adding these amendments? If they'd really done a thorough, comprehensive job—and they've got lots of people around their tables who are bringing great knowledge to the legislation. So why are we back talking about 70 amendments?

I keep hearing the words—when they'll answer—that it's just a technical language thing. These aren't technical language things, Mr. Speaker. If you're the company that ends up being in non-compliance of a bill that they don't really understand fully to begin with because it has had to be changed on the fly, that's a very definite concern of an employer who has to bear those legal costs.

It's very interesting, Mr. Speaker: In my riding we have a lot of quarries. Those people who are trying to get new quarries are put through extraneous challenges to actually get approval, and those are all very appropriate, but the government keeps adding on. It keeps adding on and there's more cost to be borne. Those people are businesspeople who are coming with similar concerns about what the cost is. What is the fear of making a mistake and being penalized?

I think it's only fair that we bring these points to the government. If they'd like to address them, that would help for us to clarify and perhaps we could speed up the whole process. It's when we get obfuscated, and we're talked over and we're expected to just move on with this—"You're just delaying." No, we're doing what we're sent here by our constituents to do. We're in opposition. Our job is to actually challenge and hold a government to account that frankly needs to be held to account on a lot of issues.

People in my riding say, "Bill, I saw you in question period the other day holding that government to account. You've got a lot to hold them to account for."

This is one of those where we need to be able to come to committee, bring our legitimate concerns on behalf of business and our constituents and ensure we're putting amendments that are good.

Mr. Arthur Potts: Chair, point of order.

The Chair (Mr. Grant Crack): Point of order, Mr. Potts.

Mr. Arthur Potts: The member, who's not even a voting member of this committee, has a right to speak to the amendment. We've reminded the party on the other side numerous times, as have you, Speaker, and I don't know what sanctions you can take. I would ask the Clerk or the counsel to advise what sanctions we can take so that they do not repeatedly abuse privilege and abuse this committee by talking way off topic on all these matters.

The Chair (Mr. Grant Crack): In response to your point of order, I would say that the process is unfolding democratically as per the standing orders of the House and the historic manner in which the Legislative Assembly has operated.

Yes, I would admit, in my own opinion, there is some straying off of the actual amendment, but it seems on occasion that after a little bit of straying, I'm just about to call the individual back to order to focus, and then there is a mention of—

Mr. Arthur Potts: Quarries? Wow.

The Chair (Mr. Grant Crack): Well, I was getting there, Mr. Potts. Your point is well taken. I will remind all members that it is my duty when I determine that there is a needless repetition on specific comments, I will start to interject a little more forcefully than I have in the past.

Do you have any wrap-up questions or comments, Mr. Walker? Then we'll go to Ms. Thompson.

Mr. Bill Walker: Thank you, Mr. Chair. I certainly respect your role and that you are conducting these meetings the way they're intended to be conducted: that we as opposition actually have the right, whether I'm a voting member or not, to be in this room and express the concerns raised to me by my own constituents and those who might be stakeholders who come to me from outside of my constituency.

I'm not going to apologize to the member across the floor, who seems to want to always just be able to steamroll, as this government does—it's their way or the highway; "we know better." The job of me is to hold them to account. I believe you do an exceptional job of ensuring that we stay within the bounds. I've tried to bring relevance, and I've tried to paint a picture for those people at home who may not live in what we refer to as "the bubble" here in Parliament—and all the discussions we have. The people out there listening or reading Hansard don't always know all of which we live in every day, so I try to bring relevant examples to the table to be able to show them.

So, Mr. Speaker—

The Chair (Mr. Grant Crack): Thank you for that. That's exactly what my point is. Let's talk about subsection 47(1), which is the—let me just get this correct—the enforcement component. I think you were making comments around the penalty component of subsection 47(1).

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Mr. Bill Walker: I'll defer to my colleague.

The Chair (Mr. Grant Crack): Ms. Thompson. Please stay focused.

Ms. Lisa M. Thompson: Yes, thank you very much, Chair. With regard to subsection 47(1), I want to go back and revisit something that the Minister of the Environment and Climate Change—or cap-and-trade—said earlier today. Minister Murray said specifically: “This is one of the most complex pieces of legislation ever introduced into the Legislature.”

I just want to share with people—because right now, subsection 47(1) refers to the Greenhouse Gas Reduction Account. On Friday, I sent an open letter to the minister specifically mentioning the Greenhouse Gas Reduction Account. Given that subsection 47(1) pertains to this particular account, I’m sure the members opposite will understand why I’m referring specifically to this one paragraph. I’m going to read it in for the record:

“You specifically designed the Greenhouse Gas Reduction Account to allow the government to spend cap-and-trade funds on virtually anything it wants—with no accountability. In fact, the Financial Accountability Officer stated in his testimony before committee that he would ‘likely be unable to access’ spending plans related to this account. That means your government can decide which companies and organizations will receive nearly \$2 billion in new tax revenue behind closed doors.”

Well, Mr. Chair, I think that we have to be very cognizant of the fact that here we have a government that’s looking to allocate nearly \$2 billion. They’re going to pick winners and losers on a tax-and-trade scheme—

The Chair (Mr. Grant Crack): Ms. Thompson, let’s talk—

Ms. Lisa M. Thompson: —that is based on a punitive bill that has a lot of scare tactics that will make businesses seriously consider whether they really want to invest in Ontario any longer.

Again, while the folks may want to say this particular amendment is technical in nature, its impacts will be far-reaching for generations. That’s why we need to use every opportunity to recognize that, as was said in my briefing around this particular amendment, you’re creating a brand new financial market with actually no oversight—that was in my briefing today—

The Chair (Mr. Grant Crack): Ms. Thompson, I’m going to interrupt you—

Ms. Lisa M. Thompson: In our discussion today—

The Chair (Mr. Grant Crack): Ms. Thompson, I’m going to interrupt you. I have the floor. I happen to be the Chair, everyone.

Previously, you made reference to section 68 and tried to wrap that into section 47, which is what we’re dealing with. We can look at the semantics of how this is all unfolding—

Ms. Lisa M. Thompson: It all is interconnected.

The Chair (Mr. Grant Crack): It’s a very interconnected bill, that’s for sure. However, I would like to just advise Mr. Walker as well that—perhaps when he was out of the room—there will be opportunity to speak to the bill as a whole as we continue to proceed. So please: Let’s stay focused on this, and then I will determine on how we proceed.

We are on the amendment to subsection 47(1). Ms. Thompson.

Ms. Lisa M. Thompson: All right. Very good. I appreciate that, Chair, very much. I’m glad you recognize that a lot of our debate here today in committee is going to pertain to subsequent sections as well. I look forward to sharing those—

Interjection.

Ms. Lisa M. Thompson: I thought you would be.

With that, there was a comment made from across the floor: “A new financial market?” Absolutely. Members need to recognize that Bill 172, in the name of the environment, is setting up a brand new financial market. We discussed it during my briefing over the lunch hour. We discussed it during our briefing a number of weeks ago.

This particular amendment is actually, in effect, talking to the punitive measures that we feel strongly about, and we want to be on record about, in no uncertain terms. These punitive measures that we are talking about in this particular section of the piece of legislation are going to scare off business. They’re going to run away from Ontario, Chair, as opposed to allowing us to grow and have a bright, hopeful future for our children and grandchildren. Thank you very much.

The Chair (Mr. Grant Crack): Thank you very much. Further discussion? Mr. McDonell.

Mr. Jim McDonell: Thank you, Chair. I know it says in here, in section 47, that “Every person who contravenes or fails to comply with this act or the regulations is guilty of an offence,” and it goes through some of the penalties. It certainly refers to, in section 48, severe penalties. I guess if we were to look at taxing carbon, it’s a way of actually penalizing a company or a corporation or somebody who is breaking the intent of the law, economically. You change the behaviour, so of course they want to follow the law, and you actually get a desirable impact.

By simply going after somebody and trying to charge them with offences, it’s not money that is really going—also, there is an encouragement there to try to beat the charge, tie it up in court, because you’re not really going after the reduction of carbon. You are going through an artificial cap-and-trade system that we have seen other countries around the world try and fail, quite frankly.

It failed because you’re putting in something that’s very complex. You’re trying to do it without involving all your trading partners, as they did in Europe. It created too many problems for other jurisdictions that were allowed not to have to follow your cap-and-trade scheme. You’re making the desire to try to contravene the regulations too appealing because you’re not really going after—the use of carbon costs more money, so you are going to try not to use it. That’s really the whole premise that we have: You tax the carbon; you don’t throw up a bunch of artificial credits here that somebody can buy. That allows them to beat the system and then they try to cook the books with what these credits are worth—

Mr. Arthur Potts: Cook the books?

Ms. Ann Hoggarth: Come on.

Mr. Jim McDonell: Well, I mean, that's what they are. They are an artificial system in place. By directly taxing something, the penalty is actually purchasing it. That's what you want people to avoid and you do that quite simply by putting a tax on the product.

In our case, of course, we are talking about then making it revenue-neutral, returning it to the consumer—

The Chair (Mr. Grant Crack): Mr. McDonell, I think you have made it clear to the members of the committee what the official opposition's position is on where they would go. But let's talk about enforcement. Let's talk about the penalties. If you could stay focused on that, it would be much appreciated.

Mr. Jim McDonell: And that's why we're talking about the penalties here. They're not geared towards really getting a person or entity to reduce carbon. They're talking about if you contravene or fail to comply with the act or the regulation. By overusing a product—they're paying for it by the tonne in this case. There's a charge for it, of course, and then you force these companies to want to get off this product.

But even as we run this program, we are not talking about eliminating carbon completely. We know we can't do that—

Ms. Ann Hoggarth: Point of order.

The Chair (Mr. Grant Crack): Excuse me, Mr. McDonell.

Point of order: Ms. Hoggarth.

Ms. Ann Hoggarth: I move that we vote immediately. It has been more than 45 minutes.

The Chair (Mr. Grant Crack): Thank you very much. I will continue. I appreciate your comments. I'll continue to hear debate as long as it is focused upon the section at hand that we are looking at amending.

Mr. McDonell.

Mr. Jim McDonell: We were talking about the contravention and the enforcement of something. It's so much easier to have the enforcement done by the companies themselves as they try to reduce the carbon they're using, because that reduces the costs and makes them more competitive. That's the way our market works. Our market has been very successful. We're one of the envies of the world. Our capital system is certainly the system around the world—maybe not of the majority of the population, but certainly the majority of successful countries are utilizing it.

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We want to make sure that when we talk about enforcement, we're not talking about something with a heavy hammer of law; that we actually give the incentives to the companies or the people to want to cut back because it saves them money. The money that is being returned to them in another way—overall, they're better off. If you're not able to cut back, the way our system is built—we don't want to get to zero. That's not sustainable. We need, certainly, living in the northern hemisphere—far in the north—we have a need to utilize and to generate carbon. That's what people do. They like to eat; they like to live in comfortable surroundings. Unfortunately, that takes carbon.

The Chair (Mr. Grant Crack): Thank you very much. Mr. Potts had his hand up prior.

Mr. Potts, and then Ms. Thompson.

Mr. Arthur Potts: Thank you, Chair. From the comments I'm receiving, in the over almost an hour we've talked about this very technical amendment, I get the impression that I don't think the members of the opposite party actually understand what paragraph 2 of subsection 14(7) is. If you're going to spend this much time filibustering, you'd think you'd actually go to that section and recognize that what makes this a technical amendment is the fact that we don't allow penalizing a penalty.

This just excludes one paragraph out of subsection 14(7). It's not like double jeopardy. I'm just surprised that they haven't even raised that piece. With all of the things they've talked about—from quarries to windmills to flip-flopping on cap-and-trade—I just find it a little bit surprising.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Potts. Ms. Thompson?

Ms. Lisa M. Thompson: Thank you very much, Chair. In response to that, I invite the member opposite from Beaches–East York to go back and take a look at Hansard because, early on with regard to this particular amendment, I did out-and-out say that Bill 172 is an incredibly punitive bill.

This particular amendment, when we talk it through and work through debate, we're recognizing that it's a marked improvement over what it was. We felt it was important to recognize that it's a marked improvement over what it was because the original piece—you've had to introduce 70 amendments because your original piece was rushed. We know, as was mentioned earlier today during question period, that the Premier needed a PR document so she could go and have a photo op with Prime Minister Trudeau.

Again, with that, Bill 172 we recognize is punitive. It's all about punishing. We also recognize that this particular amendment is a marked improvement, but it's only one fix. Your cap-and-trade scheme is going to absolutely make opportunities available to game the system. But again, this particular amendment that we've debated this afternoon—subsection 47(1)—is only one fix. Just to make sure—because I said it earlier and I'll say it again right now—there is still absolute liability for administrative contraventions. Companies will need to walk on eggshells.

As I mentioned before—you know what? Your heavy-handedness is going to scare business off. We, as Conservatives, we agree that there should be serious penalties for any fraud, any market manipulation. But we believe that the ultimate prevention—the best way to combat these offences—would be to have an accountable, transparent system that is easy to understand. That particular system, like was supported during the consultations during the winter of 2015—even though the minister was in Peru in 2014 saying “cap-and-trade,” people were saying that a tax on carbon is easy to understand. It's revenue-neutral.

We as Conservatives are still working on identifying a revenue-neutral plan that makes sense and is fair because we want to do what's right for taxpayers—

The Chair (Mr. Grant Crack): Ms. Thompson, again, with all due respect, I've heard the opposition's plan. We're dealing with the government's plan—

Ms. Lisa M. Thompson: Okay, I'll come back.

The Chair (Mr. Grant Crack): Pardon?

Ms. Lisa M. Thompson: I understand.

The Chair (Mr. Grant Crack): I'm just going to remind you to stay focused on the amendment. Again I heard the word "Peru," so I'm hoping that that's going to be the last in this discussion.

Ms. Lisa M. Thompson: Okay. For today. I will go back and make sure—

The Chair (Mr. Grant Crack): Ms. Thompson.

Ms. Lisa M. Thompson: Chair, thank you so much. We want to be on record stating that subsection 47(1) is an improvement because this legislation was so rushed, but I can't stress enough that it's only one fix. There is still absolute liability for administrative contraventions. Companies will walk on eggshells.

Is that really going to foster economic growth in this province? We on this side, as Conservatives, do not think it will. While the most serious of penalties need to be assessed for fraud, market manipulation and corruption, we feel that the best way around this is an approach that takes into consideration taxpayers and businesses and that is simpler and easier to understand.

Again, while this is an improvement, we would suggest that you should just withdraw Bill 172.

Mrs. Cristina Martins: Excuse me, Mr. Chair.

The Chair (Mr. Grant Crack): Ms. Thompson has the floor. Are you asking for a point of order?

Mrs. Cristina Martins: Yes, a point of order, Chair.

The Chair (Mr. Grant Crack): Ms. Martins, on a point of order.

Mrs. Cristina Martins: You've reminded the opposition more than once, more than twice, more than three times that they need to really speak to what's on the table here. Repeating over and over and over again is not very conducive to having things move along.

People have elected us to be here and do our work. To delay the way they have is absolutely ridiculous and unnecessary, the way they have filibustered. I would really appreciate that we continue.

You can't remind them enough that they have to speak to the motion at hand. Thank you, Mr. Chair.

The Chair (Mr. Grant Crack): Thank you very much on the point of order. It is a point of order; however, as Chair, it is my duty to ensure that all voices of all committee members are heard.

I think I've made it quite clear that there have been a number of times where I've asked the official opposition to be less repetitive. So I'm going to ask you again to continue to stay focused on this particular amendment that has been put forward. I will allow Ms. Thompson to continue.

Ms. Lisa M. Thompson: Thank you very much. I just want to clarify that I was actually responding to the member opposite because he forgot about what my key message was around this particular amendment. While it's a marked improvement, we feel that we would do something totally different.

The Chair (Mr. Grant Crack): Thank you. Again, I'll remind members, when there are comments made back and forth, to make sure that, whatever the response is, it's pertinent to the amendment that's on the table.

Mr. Walker.

Mr. Bill Walker: Thank you, Mr. Chair. My colleague across the floor, a few minutes ago, accused my fellow member—

The Chair (Mr. Grant Crack): Mr. Walker, I just made it clear that if you would like to speak to the amendment, that would be much appreciated, regardless of what the comments are on the other side.

Mr. Bill Walker: Thank you, Mr. Chair. I was trying to draw the parallel that the member said that my colleague didn't understand the amendment—

Interjections.

The Chair (Mr. Grant Crack): Order, please.

Mr. Bill Walker: —so I was going to ask for clarity. If he would admit that this was rushed legislation, then we would probably agree that this amendment was needed because they rushed through this. We're trying to get clarity.

If you took your time, if you did a thorough analysis, if you wrote the legislation without needing 70 amendments, we wouldn't probably need these amendments and we wouldn't have to debate whether we need them—

The Chair (Mr. Grant Crack): Mr. Walker, I'm going to interrupt and just remind you that those comments have been made previously. If you could focus on the substance of the amendment that has been put forward, as opposed to the reasons why. All members on the opposition have expressed your opinions as to why it has come forward, so let's talk about the substance of the amendment at this particular point. Just let me know when you're ready to move forward and vote on it.

Mr. Bill Walker: Certainly, Mr. Chair. I would ask the members opposite, in regard to the enforcement, which is what this amendment is about, can you share with us what types of concerns would definitely be ensured to not happen by the amendment?

The Chair (Mr. Grant Crack): Any further discussion on the motion?

Ms. Ann Hoggarth: It's 6 o'clock.

Mr. Bill Walker: You want to get out of here, do you, Ann? Are we rushing you through the democratic process?

Interjections.

The Chair (Mr. Grant Crack): It is 6 o'clock. I apologize. This meeting is adjourned till Wednesday at 4 p.m. Adjourned.

The committee adjourned at 1800.

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