



October 3, 2011

Mr. Terry Rees  
Executive Director  
Federation of Ontario Cottagers' Associations  
201-159 King Street  
Peterborough, Ontario  
K9J 2R8

Dear Mr. Rees:

Thank you very much for your e-mail on behalf of the Federation of Ontario Cottagers' Associations. I am pleased to provide you with the attached response, which outlines the Ontario Liberal Party's position on these issues of key importance.

Ontario Liberals are the only party with a positive plan to move Ontario forward. Together, we got through the recession the Ontario way: we protected education and health care, stood by workers in the hardest hit industries, and worked together to find new opportunities for our province and our families. Our strong leadership, experienced team and thoughtful long-term plan are getting results for Ontario families.

Eight years ago, during the dark days of Conservative cuts and conflict, Ontario was moving backwards. Today, our schools are rated among the world's best, our health care ranks first in Canada, and old jobs are coming back while new jobs are being created in emerging industries like advanced manufacturing and clean energy.

Our plan is working and Ontario is solidly on track. The Hudak PCs would take us off track and put our fragile recovery at risk with their reckless schemes. We need to keep moving forward, together.

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Mr. Rees, thank you for the opportunity to address these vital issues — and please accept my best wishes.

Yours truly,

A handwritten signature in black ink, appearing to read "Dalton McGuinty". The signature is written in a cursive, flowing style with a large initial 'D'.

Dalton McGuinty  
Leader of the Ontario Liberal Party  
Premier

Enclosure

## **WATERFRONT RESIDENTS SURVEY**

### **1. ENERGY**

The Province is responsible for outlining the province's electricity requirements for the long term, and how these needs will be met. Citizens expect the government of Ontario to have an energy plan, one that is reliable, clean and affordable.

a) As reliable, affordable and clean electricity is paramount to a successful Ontario, **what is your party's plan to provide:**

- **clean and abundant electricity generation;**
- **a sound and reliable transmission infrastructure?**

and

b) FOCA's membership consists largely of property owners classified as "seasonal" residential class, who currently pay a significant premium for the delivery of electricity to their rural properties. As some homeowners move to year-round residency of cottage properties, neighbours are paying wildly different amounts for the delivery of the same electricity.

**What is your party's stance on removing the "seasonal" class, and distributing costs evenly amongst all residential users?**

When we came to office in 2003, the electricity system was in a state of decay and disrepair. Previous governments had simply neglected making the necessary investments to keep the system up-to-date and reliable. The result was emergency power warnings, the threat of brownouts and diesel generators deployed into our downtown cores.

Businesses were concerned about the reliability of the system while families worried about their children's health because Ontario was burning too much coal to generate power. In fact, the PCs increased the use of smog-producing coal by 127 per cent — a decision that led to more mercury, lead, arsenic and sulphur dioxide in our air. By 2003, our province was on life-support from expensive, imported US electricity — something that cost Ontarians \$900 million in just 18 months. Ontario cannot afford to go back to those days of dirty air, negligence and a crumbling infrastructure.

The Ontario Liberal plan is helping secure a brighter, cleaner future. So far, we have shut down eight dirty coal units, and we will be shutting down two more this year. Compared to 2003, the use of coal in Ontario is down 90 per cent. By 2014 Ontario will be coal-free — which is the equivalent of taking seven million cars off the road. In addition, since coming to office, we have brought online more than 8,900 megawatts

(MW) of new, cleaner power — enough to power over two million homes — and upgraded over 5,000 kilometres of transmission lines.

Despite this success, both the PCs and NDP refuse to endorse the burgeoning clean energy economy and the Feed-In Tariff (FIT) program. The reckless commitments of the PCs threaten thousands of Ontario jobs and billions in private sector investment — and will return Ontario to the dark, dirty days of coal-fired electricity.

The NDP plan is no less disappointing. Their platform would kill new clean energy programs that represent approximately \$15 billion in private sector investment. This irresponsible proposal would have a devastating effect on Ontario's clean energy sector, driving billions of dollars out of our economy, and killing thousands of jobs.

To help Ontario families and businesses manage electricity bills during this period of system re-building, Ontario Liberals have introduced the Ontario Clean Energy Benefit, which will take 10 per cent off electricity bills each month for the next five years.

Rural year-round residential customers receive cost relief as part of the monthly Rural or Remote Rate Protection subsidy. Without this subsidy, delivery rates for serving rural year-round residential customers would be higher on average.

## **2. PROPERTY TAXATION**

a) With one of the highest municipal and education property tax burdens in the world, the fairness of distributing the load is most important. The use of an obscure, but volatile and unmodified current value assessment (CVA), as the means doesn't pass this fairness test. There are many precedents in other North American jurisdictions for a fairer process. To use pure CVA to calculate tax obligations ignores the inaccuracy of the process as well as imposing a tax on roughly estimated unrealized capital gains.

The inaccuracy with waterfront properties can be dramatic, as MPAC standards consider an average deviation of CVA from actual sale values of 25% in their formula acceptable. The homeowner that has actually sold his/her property has this CVA corrected to the sale price. The homeowner who has not sold his/her property must accept the formula value imputed - unless she/he understands the system well enough to object.

Failing to address the shortcomings within the current process will contribute to growing instability in many Ontario communities, forcing the untimely disposition of family assets. This is only one unfortunate if unintended consequence from the current unstable and unpredictable property tax system.

**What concrete steps will your party take to address the instability of assessed property values in Ontario?**

Previously, Ontario's assessment system was outdated and inconsistent across the province as many municipalities had not updated their assessment bases, which led to an unfair distribution of taxes and a lack of transparency. Standardizing the assessment process leads to stability and predictability for taxpayers.

In a 2006 report, the Ombudsman of Ontario made a series of recommendations aimed at improving the fairness and accountability of the property assessment system. All recommendations have been implemented, as confirmed by the Ombudsman in his 2009–10 annual report. In 2009, the Ombudsman's annual report indicated there has been "a significant decrease in volume of complaints about Municipal Property Assessment Corporation (MPAC) to the Ombudsman's Office — from 3,720 after the investigation was announced in October 2005 to 349 for the 2008/2009 fiscal year." That is a 90 per cent decrease in complaints.

Under Ontario Liberals, MPAC will more stringently review sales and follow up on building permit information. MPAC will follow a 12-year inspection cycle, prioritize inspections based on the risk of under/over assessment and improve documentation. We believe it is vital that MPAC, as with all public bodies, follow the highest standard in the conduct of its business.

b) The financial viability of our municipalities (especially in rural Ontario) is at risk. Relying on an increasingly overburdened property taxpayer is not an endless solution.

"Downloading" by the Province onto municipalities, and hence property owners in Ontario, is higher than all the rest of Canada. This inordinate local funding burden amplifies the unfairness inherent when property value is the sole determinant of how much an individual who pays for a lengthy list of municipal obligations.

On behalf of Ontario's hundreds of thousands of rural and waterfront property thousands, we believe the provincial government must hasten and broaden the provincial role in financially supporting social services through provincial income taxes, which has only partially been addressed in the recommendations of the 2008 Provincial Municipal Fiscal and Service Delivery Review.

**What is your plan to manage the burden of taxes shouldered at the municipal level, while ensuring critical services are maintained?**

Ontario Liberals believe the provincial government should pay for provincial

responsibilities — so municipalities have what they need to provide a great quality of life for local citizens. That is why Ontario Liberals partnered with the Association of Municipalities of Ontario (AMO) on a plan for uploads that would reverse the damage caused by the last PC government. When finished, it would put communities on stable footing so they can plan for the future.

Ontario Liberals have worked hard to reduce the property tax burden for Ontarians while forming strong partnerships with our municipalities. In 2011, we will provide over \$1.5 billion in support to municipalities through the combined benefit of both the Ontario Municipal Partnership Fund (OMPF) and uploads. By 2018, the province will have increased ongoing annual support to municipalities by over \$2.7 billion a year — an increase of over 250 per cent compared to 2003.

In contrast, the last PC government handed municipalities a \$3-billion bill for provincial programs like seniors' drug costs and services for the disabled or unemployed. This left less money in municipal budgets for other services like policing or snow removal, and made property taxes rise.

When Tim Hudak appeared in front of AMO this summer, he called for cancelling the upload and returning to the days of overburdened property taxpayers.

The Hudak PCs have a \$14-billion hole in their platform — which would mean deep cuts. They would need to make cuts to pay for the 229 promises in their platform and refused to commit to honouring the agreement to upload provincial responsibilities.

### **3. LAND USE PLANNING**

a) Ontario's waterfront property owners are a major economic force in rural Ontario, contributing more than \$600 million in property taxes annually, and collectively providing the financial base for extensive local infrastructure. Using appropriate planning policies, and providing the tools to deliver them, will help to ensure the long-term contribution of these areas to Ontario's prosperity and health. **What will your party do to ensure waterfront owners have a meaningful say in key land use decisions for their communities?**

and

b) The definitions in the current Provincial Policy Statement (PPS) overlook the lands designated as "Waterfront Area" in Official Plans. These areas are neither strictly "settlement areas" nor "rural" and as such aren't adequately dealt with in the existing Statement. This lack of clarity results in wide divergences in the effectiveness of locally-

developed waterfront policies in Ontario to require adequate environmental protection policies while providing for low density residential and suitable commercial development opportunities. FOCA recently recommended to the province that specific emphasis be placed upon waterfront recreational communities to ensure consistency at the municipal township level. **Will your party work to develop PPS policies that specifically apply to "Waterfront Areas" and require land use policies that result in the sustainable use of these special areas?**

and

c) FOCA notes several means of protecting recreational lake and river integrity which are not adequately addressed in current provincial, and local, planning:

- standardization of building setbacks from the waterfront
- limits on building massing and height and appearance from the lake
- regulations governing docks and other in-water construction
- the PPS and the Ontario Building Code should provide clear support and direction for the technical and funding aspects of on-site wastewater (septics) oversight
- the principles of the PPS can be undermined by local discretion, which can replace long-term vision with ongoing incremental "exceptions" that, over time, go unmanaged and unmonitored

### **How will your party address these issues?**

Since 2003, Ontario Liberals have made significant reforms to the land use planning system. The previous PC and NDP governments had cobbled together patchwork policies that were hampering the ability of municipalities to effectively plan strong, prosperous communities. The new reforms have allowed Ontarians to build their vision of how their communities should look, feel and function at the local level.

In 2005, Ontario Liberals enacted the Provincial Policy Statement (PPS). It is a key part of our province's policy-led planning system, providing clear direction on land use planning and how development should take place. It also protects provincial interests such as sustainable development and environmental protection.

We are currently undertaking a review of the PPS to assess whether it is working effectively. The review includes opportunities for input by municipalities, stakeholders and the public. The goal is to make sure that the province's land use planning policies are effectively protecting community interests and to determine whether any changes are warranted. We are open to proposals from FOCA and other organizations on ways to improve these policies.

#### **4. ON-SITE WASTEWATER SYSTEMS (SEPTICS)**

Most of Ontario's rural and waterfront property owners rely upon on-site wastewater treatment systems to deal with household water, and to protect the environment, and our lakes and rivers. Ontario's *Building Code* was recently amended to establish and govern mandatory on-site sewage system maintenance inspection programs, to be administered in certain areas by local enforcement bodies.

#### **What is your party position on the re inspection programs for on-site wastewater, and how will this program be implemented and funded?**

Ontario Liberals have worked closely with municipalities to ensure better accountability and financial management of water resources. Municipalities are required to have a financial plan that includes the full costs of providing clean water to their residents. Under the Ontario *Building Code*, local enforcement bodies have the authority to establish a legislative framework for sewage system maintenance inspections.

Under the last PC government, we learned all too well about the consequences of neglected water systems, with tragic results at Walkerton. Since then, we have implemented every recommendation of the Walkerton Inquiry, and created North America's strongest drinking water standards, from source to tap. Ontario Liberals will continue to work in partnership with municipalities to ensure that all Ontarians can rely on clean, safe drinking water.

#### **5. ASIAN CARP**

Immediate action is required to stop this invasive fish from entering the Great Lakes which would have detrimental effects on commercial and sport fishing industries, recreational boating and tourism across Ontario. A permanent ecological separation must be re-established between the Mississippi River and Great Lakes basins. **What will your party do to protect Ontario waterways from this imminent threat?**

Ontario Liberals take the threat of invasive species seriously and believe that Asian Carp represents a serious economic, social and environmental threat to Ontario and to all jurisdictions that border on the Great Lakes. We have already acted. In 2005, we prohibited the buying and selling of several live invasive fish species, including the four species of Asian Carp. We are also pushing for concrete action with our colleagues from other jurisdictions. For example, in 2010, Ontario participated in a US court case led by the State of Michigan to close the shipping channel.

Our Ontario Invasive Species Strategic Plan helps identify program gaps and better ways to address the threat of invasive species. For the past five years, we have provided \$300,000 annually to the Ontario Federation of Anglers and Hunters in

partnership funding to help combat invasive species. We have also committed \$15 million to the establishment of the Canada-Ontario Invasive Species Centre in Sault Ste. Marie. We are committed to working with the Canadian and US federal governments as well as individual state governments to keep Asian Carp and other invasives out of the Great Lakes — and to keep our precious resources safe.

In our *Forward. Together.* plan, we commit to a new Great Lakes Act, which will provide further protections against invasive species like Asian Carp. We look forward to working with FOCA and other organizations in developing this legislation.