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Mercredi 20 octobre 2004

**Standing committee on
estimates**

Ministry of Municipal Affairs
and Housing

**Comité permanent des
budgets des dépenses**

Ministère des Affaires municipales
et du Logement

Chair: Cameron Jackson
Clerk: Trevor Day

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

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*The committee met at 1541 in room 151.*MINISTRY OF MUNICIPAL AFFAIRS
AND HOUSING

The Chair (Mr Cameron Jackson): I'd like to call to order the standing committee on estimates. I'd like to welcome the Minister of Municipal Affairs and Housing, the Honourable John Gerretsen, and his Deputy Minister and assistant deputy minister. We have two hours and 14 minutes remaining. We are in 15-minute rotations, which means one of you will get 14 minutes. I do not want a fight to break out at this moment, but I will recognize Mr Prue immediately.

Mr Michael Prue (Beaches-East York): Yesterday, in my last opportunity to ask questions, I was asking about your commitment to strong rural communities. At that point, I only had one or two questions left. So I'll get right to it.

You're coming forward within the year with a new City of Toronto Act. That act is only a few years old. It's not very old at all and it has been amended already a couple of times. Are you coming forward with a strong rural communities act? Are you coming forward with something that will help the 300 or so small rural towns in this province?

Hon John Gerretsen (Minister of Municipal Affairs and Housing, minister responsible for seniors): What we're coming forward with is a review of the Municipal Act that was passed in, I believe, 2001. We've launched that review already. We launched that early in June together with the review of the City of Toronto Act. We have had a period of about three months in which we've asked municipalities, the Association of Municipalities of Ontario and a number of other stakeholders, interested parties and business organizations to come up with suggestions to the Municipal Act as to how the act can be changed and strengthened.

That period of time is just about over, if it's not over already. We will be reviewing all the various submissions, including the submissions from AMO, and we will then sit down with the stakeholders, with the municipalities, the municipal world to determine what effective changes can be made to the Municipal Act to, in effect, give municipalities greater autonomy, more permissive powers in legislation.

The City of Toronto Act review is going on at the same time as the Municipal Act review, realizing full

well that many of the issues are the same and some of the issues won't be the same because of the unique character and size of the city of Toronto.

Mr Prue: I just want to be clear here. You've had some discussion, but you really have, at this point, I would take from your answer, no real idea where you're going, other than to make the changes after you've studied them.

Hon Mr Gerretsen: That's correct.

Mr Prue: All right. The reason I was asking this—and I happened to be reading these Toronto Press Todays. They're always a wealth of information here. I see that the federal government is pondering an aid agency to help rural Ontario, particularly eastern Ontario. Is this part of your plan? Have you been consulted on this?

Hon Mr Gerretsen: No, but certainly, being from eastern Ontario, I realize the shortcomings over the years as far as eastern Ontario is concerned in a number of different areas. There is a lot of help required from an economic development viewpoint, and we welcome the federal government's intervention in that regard.

Currently, the government does not have on its agenda any particular plan of action with respect to a particular region, other than northern Ontario, which of course has had its own ministry for some time, the Ministry of Northern Development and Mines.

Mr Prue: What was quoted to the Toronto Star in this particular article in today's Toronto Press Today didn't seem to me to be benefiting the municipalities as much as the Liberal Party: "The official said"—in terms of this sort of aid, which you say is necessary out there—"the idea was packaged 'in terms of seats lost' in the June election, when the Liberals were reduced to 75 of 106 seats in Ontario," and then went on to say that it was "an idea that was floated in the context of a larger discussion...."

It's a way, I guess, of pork-barrelling. I want to make sure you're not doing the same thing here in Ontario.

Hon Mr Gerretsen: No; heaven forbid. We would never do that. We've got enough issues to deal with within the provincial level of government. We really do not control what's happening on the federal scene, but we certainly encourage the federal government, of whatever political stripe but preferably of the Liberal stripe, to get more and more involved in the community life of the people of Ontario by strengthening communities. As has been said by Mayor Miller, by a number of other muni-

cipal leaders over the last number of months and by our own Premier, the stars have aligned; at least, all three levels of government realize that there is a tremendous need for them to work together to make sure that the communities that exist in this province, large and small, have the attention paid to them, particularly from an infrastructure viewpoint, that is required by all levels of government.

I can tell you that back in the Peterson government days eastern Ontario did get special attention in that in a lot of ways it was regarded in the same economic development mode as northern Ontario. And I can tell you that people in eastern Ontario, from communities large and small, perhaps outside the immediate Ottawa area, feel that there is just as great a need in eastern Ontario as there is in some of the other parts of Ontario, particularly northern Ontario, and we would welcome any government involvement that will help to stimulate the economy in those areas.

Mr Prue: In the Peterborough Examiner on October 19, 2004, the Premier is quoted as saying that he wants to “bridge gaps between rural and urban Ontarians.” He went on to make quite a speech about there being a trickle-down effect if he helps Toronto, but really didn’t say anything about your government’s intent of helping rural Ontario.

Again, I would like to ask, other than the consultation and that no plans have been made, are there any plans to assist small-town Ontario?

1550

Hon Mr Gerretsen: As I mentioned yesterday, certainly the continuation and the enhancement of the OSTAR program, I think, is a positive step whereby rural Ontario can be helped from an economic development viewpoint. That’s one particular area. I would say, with the gas tax announcement that has already been made, there will be certain municipalities that have transit systems in some of our smaller communities, in what some people would regard as rural Ontario, that will be helped as well. Of course, the other major plan that there will be an announcement on, I hope within the near future, is the finalization of the COMRIF arrangements with the federal government, which will open up up to \$900 million worth of federal, provincial and municipal money, which of course is all the taxpayers’ money; it’s all our money in one way or another. That \$900 million will be available over the next five years to deal with the infrastructure needs of small-town and rural Ontario.

We all know that it’s needed when it comes to infrastructure repair—roads, bridges, water and sewer plants in the various communities—to meet the standards as required as a result of the Walkerton report and the implementation of its recommendations.

There’s a tendency in the media, particularly the Toronto media because it’s focused here in Toronto, and the provincial media, to pay more attention to the problems of Toronto and the larger communities. But taking into account the scale of smaller communities, I can tell you that there are just as many problems in smaller com-

munities. We think an awful lot of that has to do with the fact that, over the last eight to nine years, programs have been downloaded from the senior levels of government, certainly including the last government, when many, many programs were downloaded to local municipalities without adequate resources to go along with it, and the local councils were required to pick up the tab of those programs’ continuing. That imbalance that has been created over the last eight to 10 years—and not just at the provincial level, but certainly also as a result of some federal downloading that took place in the 1990s—has to be corrected. The property tax base simply isn’t the proper base on which to fund health care and social programs. Any expert will tell you that.

It then becomes a question of how quickly those imbalances that have been created over the last number of years can be corrected. That’s what we’re working on. If it wasn’t for the \$5.5-billion deficit that the last government left us with, we’d be able to attack those problems to a much greater extent than we have been able to so far.

Mr Prue: The next line of questioning, since I’ve still got about five minutes: We’ve just been given today what was asked for yesterday: a list of the north Pickering land exchange external consultants. I’m particularly intrigued by the number of contracts that have been let for archaeological assessment services: two to a group by the name of DR Poulton and the rest to a group by the name of Archaeological Assessment Ltd. My fast mathematics would put it in the range of about \$300,000.

I wonder if someone can explain exactly what these firms do. The reason I’m asking this, is my true great love is anthropology, which I studied in university, and I cannot for the life of me imagine why you would spend this much money in this particular area, and so many contracts.

Hon Mr Gerretsen: Do you mean in the area of study or the Seaton area? The Seaton area is a prime area in this province, and it has been for the last number of years. I hope you weren’t slamming the Seaton area at all.

Mr Prue: I’m not slamming the Seaton area.

Hon Mr Gerretsen: Oh, OK.

Mr Prue: In fact, the very first anthropological dig I ever went on was in the Seaton area.

Hon Mr Gerretsen: Then you probably know why this money is needed to do the digs.

Mr Prue: I’m very curious as to why there are nine separate contracts.

Hon Mr Gerretsen: I’ll ask the assistant deputy minister, Joanne Davies, to answer that, please.

Ms Joanne Davies: As you obviously know because of your interest in archaeology, historical records show that there were aboriginal settlements along the water-course that runs through that area in the past. As part of the environmental assessment to determine what lands should be disposed of by the province to the developers and as part of doing the land use planning for Seaton, the land, which is a large mass, was divided into sections. In

order to do the archaeological assessment in the season, because when you're looking—I'll start by saying what they do. They actually go and turn over the soil on a grid basis looking for pottery shards and artifacts—

Mr Prue: They're looking for fires, campfires, that kind of stuff.

Ms Davies: All of that stuff. So in order to do it in the growing season, when there's not snow on the land etc, we had to have those firms bid on the basis of their ability, with the resources they had, to complete the work within the months that were allotted. So the reason there are so many is, we divided the land, we did a contract procurement process for each section of the lands and then the successful bidder won it, and they are actually out doing it. They also have to compete not just with snow but with the crops growing and the height of the crops, because you can't see the land during certain portions of the year.

Mr Prue: Is there any evidence in the land that you are sending them into, or is this just hit and miss: dig down six to eight inches, which is the usual norm—it can be a little more in some places—see whether there's any pottery shards, see if there's any flint, see if there are any burnt fires? Are they just looking at random, or is there indication? Do they have some archaeological evidence from farmers tilling the soil or something in areas where they might expect to find it?

Ms Davies: In fact, in the 1970s, when there was an initiative to develop Seaton—as you know, over the years there have been some proposals to develop Seaton—there was some earlier archaeological work done. Part of that was discussions with the people who had been either tenant farmers or permanent farmers in the area, as well as discussions with the aboriginal communities which historically had settlements in the area, to determine the key areas. The work that was done in the 1970s was based on information that showed the highest probability areas. The work that's being done now, as is required as part of the environmental assessment process, takes that work as the underpinning information, but it is a thorough evaluation, and all of the lands are being examined.

The Chair: Thank you, Mr Prue. I'd like to recognize Mr Arthurs.

Mr Wayne Arthurs (Pickering-Ajax-Uxbridge): I've got some questions for the minister. I'm going to preface it with some comments. I'll give him a chance to hear some background as well as consider some response.

As recently as our meeting yesterday, Mr O'Toole was kind enough to comment on whether or not I'd be asking any questions about Seaton. Since it's our rotation, it seems like an opportune and appropriate time. I must say, Mr Hudak has been doing an interesting if not admirable job in tackling some of the issues, although at times misguided. But that's OK; that's part of the role.

Mr Tim Hudak (Erie-Lincoln): I need some assistance.

Mr Arthurs: I can understand that, and that's why I'm going to try to provide a little context that might be

helpful. Even Mr Prue went as far as to say at one point that it was fascinating, but proceeded on to some other matters in the interim—

Mr Prue: But there's so many.

Mr Arthurs: —there are so many—and to come back to it today.

Let me begin, if I can, with just a little bit of history that might be interesting and hopefully helpful. As a matter of fact, it was only in May 2002 when I was chairing a meeting as the mayor in regard to the Greater Toronto Airports Authority initiative that's being undertaken to do what's now a master planning process, including an environmental assessment and all the context of that—not just the physical, but the social and economic environment—to determine whether or not an airport would be appropriate in Pickering at this point in time, of some scale, on the federal lands. Maybe at some point I'll comment on that distinction, physically, as well.

It was in May of that year when we were in a meeting, and the gentleman who's a member of the Pickering community, Tommy Thompson—both he and his wife Isabelle have been very active for a long number of years. As a matter of fact, they've been active in this process since 1972 when, having just bought their home in the village of Whitevale, a matter of weeks after moving in, the announcement was made—and I don't know the exact date, but it was late May of 1972—that there would be a federal airport, and the process of expropriation began. Their property was expropriated for Seaton. So they've had a pretty active engagement for 32 years now, and they continue to be active. They were very active with People or Planes. The People or Planes organization, from 1972 to 1975, remained very, very active until the plug was pulled on the federal airport in the late summer, early fall of 1975.

1600

That's the very early beginnings of how we ended up with 25,000 acres expropriated by the provincial government of the day, which occurred almost simultaneously, I guess, to the federal expropriation of 18,000 acres. One can imagine 43,000 acres of expropriated land and the upheaval that caused within the community, both in the villages and the rural farming community. It was havoc for a long period of time, and that history hasn't gone away. It diminishes over time but it does manage to surface each time we address the matters of the provincial and federal holdings.

My own engagement, you might be interested, since certainly people are aware of my municipal background, at least in the context that I served municipally, started as early as 1980. As a matter of fact, it started before that. It started in the late 1970s when I was a brand new resident in the town of Pickering. On behalf of the townhouse I purchased, we formed our first condominium board and I probably had a little too much to say and ended up as the president. You can see how life evolves. I went to the local council to deal with some service issues. As a matter of fact, the mayor of the day, when I went to my first town of Pickering council meeting, was a former

member of this Legislature. The Honourable George Ashe served here for about nine or 10 years, from 1974 or thereabouts, maybe a little later, 1976, 1977, until 1987, when he was replaced by a Liberal member. As a matter of fact, Mr Ashe and I went nose to nose and head to head in 1988 for the mayor's office; he thought he might like to return to that position. I had my own particular designs on it, and the outcome was such that I became the mayor in 1988.

My engagement goes back to the mid- to late 1970s, and 1980 was my first run at political office as a ward 3 council candidate against an incumbent regional councillor. It happens that Seaton and the federal lands all fall within the ward 3 boundaries. So it was really early on that I was asked, among the early doors I knocked at, to oppose Seaton. That was the position of many in the rural community—let alone the airport. There was absolutely no way anyone would touch the airport with a 10-foot pole. A political candidate could be assured of defeat, particularly if they weren't an incumbent.

The Seaton issue was not quite as intense. Enough time passed, a better part of seven or eight years, since the expropriations and the first foray of the airport itself had been put on the shelf and the Seaton stuff was sitting a little bit dormant. But there was still a pretty active interest in not seeing anything happen on those lands, ever—not then, not in the interim and, quite frankly, in some folks' minds, I would suggest, not today, in spite of the overtures on occasion. I think if you really got down to it, there are still quite a few people in the rural part of the community in particular, who, if they had their druthers, would see the land stay fallow for at least another 30 years.

I had the opportunity to first be elected in 1982 as the first of the three-year rotations on municipal council. I guess the whole discussion around the city of Toronto yesterday will make for another interesting discussion. It's one that I would be interested in hearing the outcome of as well. That was the first of three-year rotations. During that time, Peter Walker undertook a study. It was Walker-Wright, but I'm not sure whether that was the whole name of his company in those days. Peter undertook a study on behalf of—to my recollection—the town. As the ward councillor, I wasn't necessarily completely in the loop with all the things the veteran members were aware of. Peter undertook that study and the outcome of that process was, I think it's fair to say, there was no economic imperative to Seaton in those days. There was booming growth activity going on in the relatively small town of Pickering with lots of new subdivisions; I was living in one of those. There was a mix of higher and medium density. The community I lived in, right near what is now the new city hall and the town centre, which was a mall, had mixes of condominium townhouses, semis and singles. They have 1,100 condominium townhouses right in the downtown area. So I think it was kind of long-range thinking at that time that we had to create, even in a suburban environment, some fair density, some critical mass, and I think

that history has continued. But Peter undertook—I think it was 1983 or 1984, I can't recall exactly—but we went through the process in our chambers of the day with the community inputs and the like. The final outcome was kind of a walk away from it; no real interest. There was no economic imperative to drive that agenda.

The following—I think in these three-year windows, the sound bites of three-year municipal—I'll have to use four-year municipal bites now. Now that we have a fixed date to work with as well, there won't be the speculation I had to go through for six months last year wondering when Ernie might get around to calling an election. We waited and waited and waited. At least now we know exactly know what we're looking at for October 2007.

So the municipal thing, from 1982 to 1985, that activity of Peter Walker, ended up in the Seaton activity being shelved. From 1985 to 1988, it remained relatively inactive. I can't recall very much happening. I think everyone just sort of put it on the shelf. During that period there was a provincial election and one of our councillors, a former member of the Legislature Norah Stoner was elected to replace George Ashe and came to government.

In 1988, I was fortunate to be elected as the mayor, and shortly after that, there was a renewed interest in Seaton by the then-Peterson government. As a matter of fact, I'm not quite sure how the charge got led. That's respectful to government. But Henry Stolp made a private sector proposal, I guess, to the government of the day to develop Seaton. As a matter of fact, they held a press conference downtown somewhere, and I have to tell you that some of the Pickering council members—and you know what Pickering council members are like, Minister. They can be a little bit aggressive on occasion to defend their interests. A couple of my councillors of the day came down to that press conference and they really had a lot of fun with Henry at that point for holding a press conference in Toronto about activity going on in Seaton and in the town of Pickering.

I must say, the Premier of the day, Premier Peterson, was wise enough at that point to interject with significant provincial interest. I had the opportunity to host a press conference with the then Premier in the then town, now city of Pickering's brand new city hall. Again, I don't have the dates exactly, but that was in the spring—

The Chair: Mr Arthurs, if you wouldn't mind me interrupting you, you've got another 14 years to go and you've got three minutes left. I just wanted to let you know where you were in your loop and I didn't want to cut you off at the end if you needed to get a question in.

Mr Arthurs: That's not a problem. Thank you, Chair.

We had a wonderful press conference in which then-Premier Peterson came to the municipality and expressed an interest in pursuing a co-operative, joint initiative with the municipality. Unfortunately, he called an election and that put that aside.

The NDP government then picked up the cause, I would suggest, and started a fairly comprehensive, proactive process as well with the community. I was

involved directly, the regional chairman of the day was involved and his staff were involved. That process continued—as a matter of fact, Mr von Nostrand was, I think, one of three groups that submitted a submission on that; a general concept. It wasn't a plan, but it was a preferred kind of approach of the day. Glenn Harrington did some wonderful environmental work among the consulting group. I remember that Ray Simpson from Hemson Consulting made submissions to us on what was going to happen to population growth in the GTA and all those things, and it all came to pass, in spite of the dire time that we were having.

Minister, I know my time is running short and I could probably use a lot more time. I know that Mr O'Toole and Mr Hudak in particular, if not Mr Prue, would appreciate it if I had further rotation on this to allow me to finish a little bit of the history, anyway. But more specifically, to sort of finalize—can you advise the committee of the approach being taken by you, by government, on its working relationship with the region and the city in an effort to move this agenda forward in an effective fashion?

1610

Hon Mr Gerretsen: Your involvement with this has been a lot longer than my own involvement. My own involvement is exactly one year less three days. I started on October 23 last year.

Let me just say this: As far as the development of these lands is concerned, my approach right from the very beginning has been to work together hand in hand with the city of Pickering and the region of Durham because I realize full well that at the end of the day they are going to be the host municipalities in which this new community or communities of Seaton will function. I have indicated that personally to Mayor Ryan. I've had a tour of the whole area. I've indicated it to Chairman Anderson on a number of occasions.

I understand that perhaps some of them—I shouldn't say "some of them"—I understand from a comment the mayor made that he perhaps isn't as pleased with the way this has happened. I have once again indicated to him, in letter form as well, that that's the intention and the instructions I've given to the ministry. I realize that it's very important that at the end of the day the city of Pickering is going to be pleased with the final development as well. I believe we've bent over backwards in order to have the lower tier and the upper tier involved in this process.

I think there also has to be a realization, particularly since the land exchange has been agreed to with the owners in the Oak Ridges moraine area, that at the end of the day those individuals or those companies intend to build in this area. That's where it may be somewhat different from the past, when perhaps governments had great intentions, but maybe there wasn't quite the same need to ultimately come up with a development plan, because in this particular case, part of the land is going to be owned by the developers that we've exchanged the land in the Oak Ridges moraine area with. But it's

certainly the government's intention and our intention to make sure the property gets developed with the full knowledge, co-operation and input from Pickering and Durham.

Mr Hudak: Thank you, Minister, for getting back to us some of the information requested with respect to the outside contracts.

In the absence of Mr Kozman again today, maybe Ms Davies could come forward to respond to some questions on the Oak Ridges moraine land swap.

Thanks again for being here today. I think we left off yesterday with respect to how you determined the environmental value of the land in the Seaton area and the process for setting aside which properties could be developed and which ones were too environmentally sensitive. I had some follow-up questions at that point in time for the minister with respect to the government's commitments on preserving two thirds of the Seaton land and 100% of the agricultural preserve, and I look forward to the verbal gymnastics in the responses once Hansard comes forward.

What I didn't get to is the 47 acres that existed in the—

Hon Mr Gerretsen: If you want me to answer that—no? OK.

Mr Hudak: I think I gave the minister plenty of time yesterday.

How were the additional 47 acres, as part of the 2003 supplemental agreement in the Richmond Hill area, determined?

Ms Davies: There was no involvement of myself or my staff in that process.

Mr Hudak: Who, then, determined the appropriateness of those 47 acres?

Ms Davies: I don't know the answer to that question.

We were advised that additional lands were going to be protected, and staff moved forward to initiate negotiations with those new owners whose lands would be protected on the moraine and would receive lands in Seaton to ensure that the same level of negotiations that had gone on with the initial owner was undertaken with the new owners.

Mr Hudak: I'm a bit puzzled, because the North Pickering land exchange corp—I probably don't have the name completely correct—seemed to be intimately involved back a couple of years now in terms of what pieces of property in Richmond Hill, which pieces of property in Seaton, the analysis from an environmental point of view and the analysis from an appraisal point of view. So I'm very puzzled, then, why the group wasn't involved with the finding of the additional 47 acres in the Richmond Hill area in the 2003 supplemental.

Ms Davies: The north Pickering land exchange team was involved in doing the appraisal work and all of the detailed work on the additional lands that we were advised were to be protected in the same way they were on the original lands in Richmond Hill.

Mr Hudak: OK. So when you went to do your appraisal work, the 47 acres had already been determined

and you had a list of some kind of where those properties existed.

Ms Davies: The initial appraisal work on the first lands had commenced prior to the additional lands, and when we were advised that additional lands were to be protected, we, through the process that you have in the consulting information, also sought to have the same type of appraisals done on those lands, with the difference that I mentioned yesterday: the valuation date being different.

Mr Hudak: Help me understand the process, then. The Premier declared that he was going to stop all of the houses. The minister was set to work to try to save face, in my opinion—my words, not yours—for the Premier because he made an irresponsible promise. Somehow they came to a level of acreage and number of homes; I believe 900 homes is how it has usually been described in the media. Help me understand the process. How were those 47 acres or those 900 homes determined, as opposed to the initial tranche of 8,000 or whatever it was?

Ms Davies: They weren't determined by the civil service. We were advised, when the government took power, that additional lands would be protected, and we moved quickly to initiate the process to implement the government's decision to save those additional lands.

Mr Hudak: Somebody must have interacted with the Richmond Hill landowners to determine those 47 acres. It wasn't the north Pickering land exchange corp; it wasn't the civil service—

Ms Davies: Correct.

Mr Hudak: So who was it? Was it the Premier? Was it the minister? Was it the Premier's office?

Ms Davies: That, perhaps, is a better question for the minister than for me.

Mr Hudak: I'll ask the deputy. Deputy, were you involved in determining those additional 47 acres?

Mr John Burke: No, I wasn't.

Mr Hudak: You must have had a conversation. You must have found out somehow what these additional 47 acres were. How did that transpire?

Mr Burke: I was actually in another ministry at that time when that decision was made. But I can tell you this much—

Mr Hudak: Was it the previous deputy minister, then, that was involved in these discussions?

Mr Burke: The North Pickering Development Corp really wasn't involved in the determination of which lands were going to form the original transfer of properties. The government, as you know, at the time, made that determination. Our involvement really got started when Seaton lands became part of that mix.

Mr Hudak: Right. I'll ask the minister, then. Those additional 47 acres or the 900 homes as part of the supplemental agreement: Did you yourself determine that these 47 acres were appropriate? How was that determined?

Hon Mr Gerretsen: The negotiations were started at some point in time between the government being elected to office or the election day, being October 2, and the government taking office on, I believe, October 23. I

understand that, in a lot of different ways, once the electoral process determined who the government was going to be or which party was going to form the government, there are certain mechanics in place from the bureaucracy that directions are taken from different people. But before April 23, before my appointment, individuals within the Premier's office entered into the negotiations with the developers to try to create a wider corridor for wildlife.

Mr Hudak: So sometime after the election day and your swearing in as minister on October 23, individuals in the Premier's office sat down with the developers and said, "What land are you going to free up to help the Premier keep his promise"?

Hon Mr Gerretsen: I wouldn't categorize it that way. It's my understanding that discussions were entered into to see how a larger parcel of land could be part of the saved moraine.

Mr Hudak: Who was involved in those discussions, particularly?

Hon Mr Gerretsen: I don't know who exactly was involved in all of the negotiations at that point in time. I wasn't the minister at the time.

Mr Hudak: You didn't have the curiosity to ask how these 47 acres were come upon.

Hon Mr Gerretsen: Not on October 22. I wasn't a minister at the time, or before that.

1620

Mr Hudak: Since October 23, have you been briefed on how these 47 acres came to the table?

Hon Mr Gerretsen: Sure. It was determined that these 47 acres were regarded—all you have to do is look at the maps, schedule B, which is attached to the letter that the fairness commissioner has—

Mr Hudak: And in that—

Hon Mr Gerretsen: You asked a question. Let me answer, please.

There's a letter here of July 14 that has a number of schedules attached thereto. One of the schedules is a plan of the Oak Ridges moraine area, and it shows which lands are to come into public ownership, which included the 47 acres. So the additional lands, I believe, are indicated on that map, not the other map.

The Chair: Minister, could you identify the document?

Hon Mr Gerretsen: The document is the July 14, 2004, letter from the fairness commissioner addressed to myself.

Mr Hudak: So, Minister, we do know that you were briefed on the 47 acres sometime after you were sworn into office—

Hon Mr Gerretsen: No, I was briefed on the additional land exchange, not the 47 acres as such.

Mr Hudak: OK, but as part of that briefing on the additional land exchange, did they let you know the quantity of land that was involved?

Hon Mr Gerretsen: Yes, and the number of units that it represented.

Mr Hudak: And was it the same individuals, then, from the Premier's office who did the negotiations who briefed you?

Hon Mr Gerretsen: Indirectly.

Mr Hudak: I don't know if I understand "indirectly."

Hon Mr Gerretsen: There were briefings held with some of the ministry officials as well, and I believe they had access to the individuals that were involved as well. I don't remember any direct briefings from those individuals, but there could have been some discussions at some point in time.

Mr Hudak: I imagine when you describe it as "Premier's office staff," it was political staff. It wasn't civil servants at work in the Premier's office.

Hon Mr Gerretsen: They worked for the Premier. Whether or not they were officially, at that point in time, staff at the Premier's office, whether or not all the necessary employment documents had been signed, I really know nothing about. All I know is that they were with the Premier-to-be.

Mr Hudak: Right. But you don't know who the individuals were in the Premier's office who entered negotiations with landlords?

Hon Mr Gerretsen: I know one of the individuals, but I have no idea as to how many other people were involved at that time.

Mr Hudak: And the one individual?

Hon Mr Gerretsen: Is Dave MacNaughton.

Mr Hudak: So one of the top guys in the Premier's office entered into negotiations with the landowners—the 47 acres.

Hon Mr Gerretsen: Yes, that's right.

Mr Hudak: Did Mr MacNaughton have expertise in appraisals or environmental assessment or anything like that?

Hon Mr Gerretsen: You'd have to ask him that.

Mr Hudak: To your knowledge, Minister?

Hon Mr Gerretsen: I have no idea.

Mr Hudak: We've understood how it works on the Seaton side. There's a very detailed environmental assessment process; there are outside experts brought in from the appraisal process. Did Mr MacNaughton bring these skills to the table, or how did he determine the appropriate 47 acres in Richmond Hill?

Hon Mr Gerretsen: It's my recollection that the appraisals came after a determination was made as to how many additional acres would be part of the bad deal that you had made with the developers before that—in order to make your bad deal a better deal, you see. So the actual appraisals were done well after that. As a matter of fact, they were done so much after that, it was only recently—near the end of May or June—that the appraisals of both properties were made, the deal was put together and the deal was sent off to the fairness commissioner, and he commented on that on July 14 of this year. His letter is only about three months old.

Mr Hudak: But I don't think the fairness commissioner's report talks about Mr MacNaughton's meeting

with the land developers. I think that is new news, as far as we know.

Hon Mr Gerretsen: No, I think the fairness commissioner looked at the results of the various documentation signed by the province and by the developers that were involved, and looked at the various appraisals that I assume were done of the property.

Mr Hudak: So how did Mr MacNaughton make the determination that the appropriate level of acreage in the supplemental deal was 47 acres in Richmond Hill?

Hon Mr Gerretsen: It's my understanding that basically the developments had either been totally approved or were before the Ontario Municipal Board. There were certain owners—I believe there were six owners involved—who owned a certain amount of land, and these were the areas that were agreed upon that would be brought into public ownership in the Oak Ridges moraine area, and a determination would be made later on as a result of the appraisals that were going to be done of both the Seaton land and the Oak Ridges moraine land as to how many acres would be exchanged for the total 1,050 acres, and it turned out to be about 1,250 acres.

Mr Hudak: Thank you, Minister. I think we all know what transpired later on; I'm just trying to understand how the 47 acres were determined. You said just now that you looked at the different contracts that existed and the OMB. I'll ask the assistant deputy minister, if I could.

Hon Mr Gerretsen: If you look at that map, they are rather at a crucial period of time.

Mr Hudak: Did the civil service assist—

The Chair: One at a time.

Hon Mr Gerretsen: You asked me a question and you won't allow me to answer.

Mr Hudak: Actually, Chair, I didn't ask him a question.

The Chair: We all went through this, parenting. The fact is, when one stops, that's a signal that it's time to answer. I only need one of you. Hansard's not getting it and it looks terrible on TV. Let's try it. If it is a question, frame it as a question and proceed. The minister will be brief and we'll be able to use up your last minute effectively.

Mr Hudak: Thank you, Chair. Just to the assistant deputy minister, did the civil service assist Mr MacNaughton in his negotiations with the landlords?

Ms Davies: It did not.

Mr Hudak: So we don't know how he got the information about what contracts had been signed, what land was before the OMB. The civil service is not aware of how Mr MacNaughton got these details.

Ms Davies: It had no direct involvement.

Mr Hudak: As far as the civil service knows, he entered these negotiations on his own from the Premier's office.

Ms Davies: I have no knowledge of how he entered into negotiations.

Mr Hudak: Minister, will you make any documentation available, given this revelation with respect to Mr MacNaughton's role in the Premier's office, about how

they determined which acreage to make part of the 2003 supplemental agreement; whom he had meetings with to determine the appropriate acreage, if there were any third parties involved; and lastly, any briefing material that was given to the minister or the Premier?

Hon Mr Gerretsen: I don't think we're in a position to make any of that documentation available. I believe they were basically in the nature of advice to the minister and to the Premier at the time. I think the results of the acreage that was subsequently agreed to and what it was exchanged for in Seaton speaks for itself. But certainly, the documentation with respect to the actual appraisals, I don't see any reason at this time as to why they shouldn't be released, once all of the transactions have been completed between the owners on the Oak Ridges moraine and the owners of the Uxbridge lands. Once all of those deals have been finalized, then the documentation with respect to those transactions can be released.

The Chair: Thank you very much, Minister. Mr Prue?

Mr Prue: How much time do we have in this rotation?

The Chair: Fifteen minutes.

Mr Prue: Fifteen minutes again?

The Chair: Yes.

Mr Prue: And then how is the balance used up at the end, whatever that is?

The Chair: I'll let you know when we get there.

Mr Prue: All right, when we get there. OK.

Don't go away. We're doing Seaton some more. You're not that lucky today.

What I've heard today came as a little bit of a surprise, in terms of all these archaeological contracts. It would appear to me—and tell me if I'm wrong, any of you: the minister, the deputy minister, anybody—that what has happened is, you have swapped land that was environmentally sensitive in the Oak Ridges moraine for land that is archaeologically sensitive in Seaton.

Ms Davies: Is that a question?

Mr Prue: Yes.

Ms Davies: I think that, as part of the normal planning and development process anywhere in the province, it requires a number of studies to assure the decision-maker of the suitability of the land for development. That includes environmental work, archaeological work, servicing work, all of the range of studies that municipalities require.

As the minister identified, there is a natural heritage system to be protected. That includes the river valleys associated with the watercourses that go through the Seaton lands and the expectation, based on the work done to date, that any artifacts to be found will be found on those banks because, historically, aboriginal communities settled on the banks of rivers because that was the source of water.

As a matter of due diligence, the parcels that are proposed to be exchanged—they aren't in the natural heritage system; they're the tableland in between—are being assessed, as would be required in any development of this type, to ensure that there weren't aboriginal

community settlements that we don't know about. So that is the purpose; not because there is knowledge that there will be artifacts found in that land, but to ensure that any aboriginal heritage is identified and protected through the development process.

1630

Mr Prue: That's all well and good, but what is going to happen if you find archaeological remains? What if you find shards or postholes or perhaps even a midden? I doubt very much you're going to stop the sale of the land or the subsequent construction on it. Would I be correct in that?

Ms Davies: I think there are several parts to the answer to your question. The reason we have said that the documents cannot be released and the agreements haven't closed is that the environmental assessment process is a critical component in determining the parcels to be exchanged. The agreement to effect the land exchange is predicated on the outcome of the environmental assessment, and should it show that a particular piece of land is not suitable to be exchanged, it won't be.

To answer your question more specifically—and I asked the very question myself when this process was commenced—there's a hierarchy of actions that are taken depending on what is found in the land.

Mr Prue: Yes, I was going to get to the more serious ones in a minute.

Ms Davies: For example, generally in Ontario, where the environmental assessment has found some arrowheads or pottery shards or those types of artifacts and nothing further, there are discussions with the appropriate aboriginal community. Those are sometimes put into local museums or returned to the community. As you know, all of southern Ontario had a fair amount of aboriginal cultural history on them, so there's established practice on how to treat them. Different types of findings, though, require different types of responses.

Mr Prue: If you were to find a graveyard—and we know there's a very large one near Keene, on the Serpent Mounds. I don't think that would have gone that unnoticed in the Seaton lands, but you never know. If you were to find one down a few feet, what would be the action then?

Ms Davies: Dealing with aboriginal cultural heritage is the responsibility of the Ministry of Culture, but we have had consultations with them as part of this process so that we understand the possible range of actions that might be required.

Depending on the wishes of the aboriginal community and the extent and scope of the burial ground that is found, two things generally can happen. One is the burial ground is preserved in its current place or, alternatively, occasionally those burial grounds are located in a place which the aboriginal community desires, if they have other burial grounds where they want to bring the ancestors into it or lands that they own in the vicinity. That is generally done as a matter of negotiation, based on a specific fact situation with the aboriginal community whose ancestors are found in the burial ground.

Mr Prue: Will the government make it a matter of contract with the developer, say, if the archaeologists don't find anything? Because they can't dig up, quite literally, 1,275 acres, but I'm sure the developers are going to dig up quite a bit of that 1,275 acres over the course of the years that follow. Is there something in the contract that the work would cease and desist if anything were found of a major—if they're digging in a house and they come across a graveyard or an aboriginal settlement of some size or significance unknown, would they be forced to stop?

Ms Davies: First, to answer your question, you had asked me earlier about the number of archaeological contracts. In fact, the archaeological assessment is being done on every part of the Seaton land holding—all acreage.

Mr Prue: They're digging up 1,275 acres?

Ms Davies: They are overturning the sod of 1,275 acres, plus the additional provincial holdings. You had asked why the number of archaeological contracts, and that's because the government advised staff that the aboriginal cultural heritage in Seaton was of critical importance. We were to undertake a thorough assessment as part of the environmental assessment process so that, prior to the exchange taking place and the normal development process kicking in, there was as much knowledge as is possible with current technology on the outcome of that exploration.

Mr Prue: Well, I have to say I am impressed you're turning over 1,275 acres; I am.

Hon Mr Gerretsen: You want to do it right, Mr Prue.

Mr Prue: My goodness. But there's also the problem—having done this myself before—that you can turn over the sod and sometimes it's a little bit deeper than that. Sometimes it's another six inches, and you have no way of knowing. Nobody would have any way of knowing. That's why I want to ask the question about the contracts when it is sold, because it is archaeologically sensitive land, as you have said and I have said. Will there be something in the contract, if you're going to turn over this archaeologically sensitive land to developers, that they will have to cease and desist if something major is found?

Ms Davies: The first point is that the environmental assessment is about disposition. Any land that is found to be culturally significant won't be exchanged. Once the land is exchanged, the developers then own the land and they will need to go through the normal planning approval process with the municipalities.

For example, a plan of subdivision: the normal process for approval of a plan of subdivision will be the process the developers would be required to follow. They will have to submit the necessary studies. They will be subject to the law—and I am not an expert in it—that is under the Ministry of Culture about what happens if in fact, as you said, during deeper excavations something was found: for example, the foundation of a longhouse or the other types of things that can be found deeper. At that point, there is a process where the Ministry of Culture

becomes involved, but it is the municipality that is the decision-maker at that point, not the province.

Mr Prue: And the province will not make that part of the contract in the eventual swap of the land?

Ms Davies: The province will be exchanging land on Seaton for lands on the Oak Ridges moraine. The minister mentioned earlier about the respect for Pickering and Durham. The intention, as I understand it, is that once the province's commitments have been adhered to, the municipalities—both Pickering and Durham—will be in control of that process. I have not received any direction to do anything that would interfere with their role after the exchange.

Mr Prue: How much time do I have, Mr Chair?

The Vice-Chair (Mr John O'Toole): Six minutes.

Mr Prue: OK. I have enough to start into my next section. This is, I think, almost exclusively to the minister.

In June, I stood in the House and asked you a question about the referenda that took place in Quebec. You told me you'd get back to me as soon as you'd had time to study it. Four months are up. What is your ministry doing in terms of companion legislation or looking at that, or do you plan anything in the future for giving Ontario's citizens, Ontario's towns and cities, the same rights as exist in the province of Quebec?

Hon Mr Gerretsen: We've certainly looked at the Quebec situation with great interest. As you know, a number of municipalities voted in favour of a different system than what currently exists, I guess is the best way to describe it.

However, I think you should also understand—and if you've looked into the situation, I'm sure you've come to the same conclusion—that the municipalities that voted in favour of a different arrangement than what they currently have were not talking of basically separating and going back to the entities that were there before. Basically, the way I understand it, it's almost like a community council model that's being set up whereby the municipalities that showed an interest or voted in favour of these new arrangements, and where at least 35% of the people who were eligible to vote voted in favour of the new arrangement, those municipalities or those new entities—I don't think they call them municipalities; they call them something else; the name escapes me right now—will function like a community council, whereby certain issues will be dealt with locally, I believe, such as libraries and parks. I think I've got a complete list of it here.

They will certainly not be able to de-amalgamate or go back—

Mr Prue: I'm not asking that. I'm asking—you've had time to study it. You've obviously—

Hon Mr Gerretsen: We've studied it, but quite frankly, Mr Prue, we've got so much on our agenda right now with the greenbelt legislation, with the Tenant Protection Act legislation, with Planning Act amendments, with the provincial policy statements that we're involved in with our Ontario Municipal Board review. I could go

on and on. This is not immediately on our agenda, but as I mentioned to you the other day, it's my understanding that a request has gone to the council of Kawartha Lakes whereby—

Mr Prue: I'm going to deal with other municipalities.
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Hon Mr Gerretsen: Their council has been asked to take a certain position on something and, if we hear from them, we will deal with that. It's certainly our intention to deal with any requests in a very serious—

Mr Prue: There are requests from other municipalities. In the Chatham area, there is a large group that is looking for this kind of legislation. There's a large group around Hamilton and Aldershot. All of those communities are looking for that. I am sure the people of Kawartha Lakes are looking at that, and I am sure that there are even people in the city of Toronto who think the mess that was created by the previous government around amalgamation should be at least in part undone. What I want to know is, you don't think this is a priority?

Hon Mr Gerretsen: This is not a platform that we got elected on, but we will certainly take the concerns of municipalities into account, and if a resolution comes from a municipality, we will obviously have to deal with that.

Mr Prue: I want to get this, and you now have had the time to study it. If a municipal council comes forward, or a large group of citizens, through petitions or something else, who say they wish to have legislation that will allow them the same exercise as the people of Quebec, your ministry will proceed with it?

Hon Mr Gerretsen: We will certainly take a very close look at it. As I've mentioned to you before, we're always looking at ways in which the municipal services that local taxpayers enjoy can be improved upon. This is certainly part of the package, and we'll take a look at it, yes.

It's not a priority area. We did not get elected on a platform of de-amalgamation. Let me make that straight. There are dozens of priorities within my ministry that we're working on right now, on very important greenbelt legislation, on Planning Act reform, on provincial policy statements that we feel need updating on Ontario Municipal Board reform, on tenant protection legislation. The ministry and the elected people can only work on so many things at once, but we will be looking at the kind of issues that you've brought forward—no question about it.

The Vice-Chair: Thank you for that extensive response, Minister. Mr Arthurs, you have 15 minutes.

Mr Arthurs: Thank you, Mr O'Toole. I appreciate that. The Chair will be back momentarily, but for your benefit, I'll try not to have my preamble quite as extensive this time. That might be helpful.

Hon Mr Gerretsen: Go ahead. It was very interesting.

Mr Arthurs: I thought it would be but, obviously, the committee Chair was anxious for me to get to a question. I hope others found some of the preamble at least of some degree of interest anyway. I'll skip much, if not all,

of the last decade of the last millennium and, maybe, if there's another day, we can pursue that decade, because it's an interesting one in and of itself.

Let me just come to a little bit about the last couple of years, without getting into it extensively, and then to my question. We may be able to back up a little bit from there.

During the period from 2000 to 2003, I had the distinct pleasure of chairing the regional planning committee at the region of Durham. It was during that time frame that a number of activities were happening that ended up in part creating this environment for the land swap. I know that's not something our government had on its agenda. It's an inherited activity.

The portion that dealt with Richmond Hill is clearly outside the mandate of the region of Durham, but there's another large block of land that remains under negotiations, as I understand it, in Uxbridge. It just so happens that not only is Uxbridge within the regional municipality of Durham, but it happens to be in my riding of Pickering-Ajax-Uxbridge in its entirety. The Uxbridge lands are extensive lands, and I'm going to ask the minister in a minute to provide some additional information on those. They were held by prominent and well-known development interests in Ontario and certainly in the GTA. As a matter of fact, I think there was an interest by more than one developer group in those lands, both those who held them initially during that period of time in the early part of 2000, 2001, 2002, and then some subsequent interest by other developers in those lands, just about the same time as this land exchange process was initiated, interestingly enough.

The Uxbridge lands are on the moraine. I think they're wonderful, and I had the opportunity to visit them a couple of years back. They're fabulous lands, if one is able to retain those lands as a part of the overall Oak Ridges moraine strategy.

Minister, might I just ask at this point, can you provide some additional elaboration on the importance in the overall process of those Uxbridge lands, to the extent reasonable and possible today, where we might stand in the context of the ongoing negotiations with the landowner and if you anticipate that will come to a positive conclusion in the near future?

Hon Mr Gerretsen: First of all, it is my understanding that the lands that are subject to further negotiations in Uxbridge are about 1,300 acres and that about half of them are subject to a pending OMB hearing. Obviously, I don't want to make any comments on that, because that may possibly prejudice that hearing. So I will not make any comments about that at all.

It's my understanding that the previous government agreed to include these lands in the current exchange. In other words, this is another situation we inherited from the previous government. This is not a process we were initially involved in, prior to October 2 or October 23 last year.

It is also my understanding that the lands were in a much different situation than the lands in Richmond Hill

in terms of the development potential. That's really about all I want to say about that.

It's my understanding further that the ministry has been trying to negotiate an acceptable agreement, but as yet has not been successful.

Now, as Mr Houlden makes quite clear in his letter—and I know Mr Hudak's going to disagree with me on the interpretation of this—I think by the fifth page of that letter he feels the same principles that were involved in the final negotiations that took place with respect to the Oak Ridges moraine lands for the Seaton lands should apply to the Uxbridge lands and the Seaton lands.

Therefore, to be prudent to the taxpayer of Ontario, it is best not to release all the documentation with respect to the deal that has been concluded with the Oak Ridges moraine people until the arrangements with the Uxbridge people have been finalized as well. It is just prudent, in my opinion, in the government's opinion, in the ministry's opinion, not to release all the documentation with respect to the Oak Ridges moraine because the same principles will be applied with respect to the negotiations on the Uxbridge lands. I'll just leave it at that. It's something we inherited from the previous government. We want to continue.

If I could add just one other thing, and this gets back to the point that Mr Prue raised: We're talking here, with respect to the Seaton lands, of exchanging about 1,250 acres, I believe, that are being provided to the developers for the Oak Ridges moraine lands in Uxbridge. The total acreage, I believe you indicated earlier, was something like 25,000 acres. The ministry, together with the Ministry of Natural Resources, has already identified 53% of that land, so roughly 13,000 acres, as being environmentally sensitive and should be protected.

Yes, Mr Hudak, we will live up to our commitment to protect two thirds of this land, as well as the agricultural preserve in its entirety, just in case there's any misunderstanding about that. That was our platform commitment and we intend to live up to both of those commitments.

So even if you take those 13,000 acres away, and even if you were to find some of the archaeological things that Mr Prue and we, as a society, are concerned about, there is more than enough land available there to replace whatever land would be taken out of the equation, because of the archaeological finds etc, with other land, because we're only talking about 1,250 acres.

1650

I have no idea as to how many acres of land will be required to satisfy the Uxbridge exchange, but I've been advised by the ministry that there is more than enough land there. Presumably, you've got almost 10,000 acres of total developable land, or let's say 9,000 acres, if you want to be clear about it—between 8,500 and 9,000 acres—to satisfy both of these requirements.

That's really about all I want to say, other than, to clear up any misunderstanding about the earlier comments with respect to our government's involvement, that the Premier instructed Mr MacNaughton to deal with the developers who had already agreed to exchange the land

on Seaton under the previous government's agreement in 2001, to see if more land could be made available. As to what negotiations took place—he was in charge of that. As to how many other people were involved, I just have no knowledge of at all. I was briefed on those issues by the ministry and, eventually, agreements were signed in exactly the same way as the agreements that were signed with the previous government for the original parcel of land, including the same protocol agreements that the previous government insisted on: that all of the documentation would be held outside of public view and what have you. It was their protocol, which they agreed to with the developers, that we basically followed in our negotiations on what turned out to be the 47 acres of land that were additionally negotiated in the Oak Ridges moraine area.

Mr Arthurs: I can advise you as well—and it might be helpful to the committee in understanding a little more of the context of the Uxbridge scenario—that there were two large blocks of land and two development interests that were proposed for development to the region of Durham. One was the Gan Eden lands, as they were referred to, and those are the Uxbridge lands that are talked about in the land exchange. The other lands were referred to as Sandhill, and they're in the area of Coppin's Corners. Both of them were the subject of an OMB hearing process.

In the case of the Uxbridge lands, I believe that hearing was set aside down the road. It's my recollection the Sandhill lands proceeded but not to an ultimate board decision—I'm sorry, the deal was brokered before it got into a full board hearing. In the case of the Sandhill lands, there is considerable development that's going to occur. In the case of the Uxbridge lands, if you're successful in your negotiations, those 1,300 acres will come under public control in the Oak Ridges moraine. I can tell you that my Uxbridge constituents will be very pleased with that outcome if in effect that's what occurs.

Both the local municipality, the township of Uxbridge and the regional municipality had to make a considerable investment in the initial board activity because of the magnitude of those two developments. There were considerable public expenditures related to that whole process. If there had been a way to curtail that even earlier, it probably would have been better than the process that ultimately ensued and that we're left inheriting.

Minister, I know it almost seems repetitive, but I think it's important for us to put in your words yet again the importance of consummating all of these agreements in the interests of the people of Ontario. I know in my own constituency, in the municipalities, it's a little more controversial for a variety of reasons, but in the broader interest, can you provide for me an overview of the importance to the broader public on consummating these land exchanges?

Hon Mr Gerretsen: I'm sorry, I missed the totality of your question. I think it is very important to do this. I can well understand, having been a municipal politician, the sensitivities of both the city of Pickering council and the

regional council. Obviously, they want to be involved. They want to see their community develop along a certain way, and we want to work with those communities to make it happen. We also have to realize, as you so adequately stated earlier, that these lands have been vacant for more than 30 years and we'd like to see some development there. We feel this is an opportunity to do it and to have a development that we all can be proud of, including Pickering and Durham.

Could I just ask the Chairman a question at this point in time, which is highly unusual? I had been under the assumption that the July 14 letter from Mr Justice Houlden, together with the schedules attached to it, had been given to the members of the committee. Is that not the case?

The Chair: They have not.

Hon Mr Gerretsen: If that's not the case, I apologize for that. We have copies for everybody here. I was just passed a note asking if I wanted to give the copies of the Houlden letter, with maps. I had assumed, since they're available, that they were publicly released when a news conference was held about a month or so ago; that they were given to everyone.

The Chair: Thank you, Minister. That's helpful.

Mr Arthurs: Minister, as they're circulating the letter, the context of Justice Houlden's review has said that this is a fair deal overall for the people of Ontario, and it talks even further. So what's good about the agreement? What is it in the agreement, in your view, that's good for Ontario?

Hon Mr Gerretsen: I think it's good for Ontario in a number of different ways. First of all, when we look at the Oak Ridges moraine lands, there will be more lands left for generations to enjoy as part of the moraine property. The 47 acres that have been talked about in effect provide for a much wider corridor for wildlife to migrate to and from, from one place to another. As far as I'm concerned, we made a bad deal better.

Everybody keeps forgetting—and I go back to the day in the House, back in May 2001, when we were told by the then government and a bill was passed that was going to protect the Oak Ridges moraine. At no point in time were any of the members of the Legislative Assembly ever told, until much later, that a side deal had been arranged whereby 6,000 units of housing were going to be built right on the moraine property. Everybody was left with the distinct impression that the entire moraine area was going to be saved for future generations to enjoy as parkland, with lots of wildlife in it etc. I will maintain forever and a day that we made a bad deal a heck of a lot better by not allowing 900 of those units to be built and by acquiring 47 acres of additional lands to the Oak Ridges moraine lands to be preserved, as well as the \$3.5 million that was contributed by those developers for the creation of a parkland. Hopefully that parkland will be built there as soon as all the agreements are finalized. That's one thing.

Secondly, I think when you look at it from the Seaton lands viewpoint, there's finally going to be some devel-

opment on the Seaton lands. Certainly it's my hope and desire and my instructions to the ministry to make that development as nice as possible, not only from a residential viewpoint but also from an employment lands viewpoint. The northern part of these lands, as you well know, Mr Arthurs, will have the future extension of the 407 attached thereto. It goes without saying that those lands that are not environmentally sensitive along the 407 lands would lend themselves perfectly for employment lands. So I think in the long run, and although there may be some controversy about it within the Pickering and Durham area at this point in time, this will be a winner for everyone.

The Chair: Thank you, Minister. Mr Hudak.

Mr Arthurs: Is that our time?

The Chair: Yes, it is.

Mr Hudak: Ms Davies, if you don't mind, I have a couple more questions, and I do thank you for responding to my inquiries. Just a basic question to the assistant deputy minister: How do we actually know where the Oak Ridges moraine is?

1700

Ms Davies: That's a very interesting question.

Mr Hudak: Uh-oh. Is it defined in legislation or some sort of study? Physically do we know?

Ms Davies: I'll answer quickly. The Oak Ridges Moraine Conservation Act establishes boundaries of the Oak Ridges moraine plan. So as a matter of law or legislation, it is defined through that plan. However, there is a scientific basis for that, and I take it you don't want to understand the scientific process.

Mr Hudak: I guess if we had to know where the boundaries were in law, they're in the Oak Ridges Moraine Protection Act?

Ms Davies: The conservation act.

Mr Hudak: That's not the 2001 legislation?

Ms Davies: It is 2001.

Mr Hudak: Thanks very much.

To get back to some of my concerns with respect to the minister—actually, one last question. Maybe Ms Davies or the deputy could answer. The fairness commissioner's report the minister just handed out talks about the process he took everybody through. He "had them execute a conflict of interest acknowledgement and undertaking of confidentiality. In the case of public servants," the fairness commissioner "had them execute a declaration of assets and liabilities," just to make sure there was a fair and honest approach on behalf of the taxpayers of the province.

The second paragraph on page 1 says, basically, that since December, 2002, persons who have joined the team that has been involved in these negotiations went through a similar process. I believe the fairness commissioner is satisfied with that process.

To your knowledge, did David MacNaughton go through those processes?

Ms Davies: I'm not aware.

Mr Hudak: Deputy?

Mr Burke: I'm not aware.

Mr Hudak: Minister?

Hon Mr Gerretsen: I don't know.

Mr Hudak: Would the minister be kind enough to get back to us if Mr MacNaughton went through the same process with the fairness commissioner as everybody else who has been involved in the land swap?

Hon Mr Gerretsen: I will certainly attempt to find out that information for you.

Mr Hudak: Thank you very much.

The concern I have with this latest revelation of Mr MacNaughton's involvement in the land swap has been described in Hansard as follows: The direct negotiations involving Mr MacNaughton, and potentially other parties, directly with the landowners in Richmond Hill on behalf of the Premier took place before the Minister was sworn in and had responsibility in this regard.

The fairness commissioner's report outlines how the process had worked previously, where the esteemed former Deputy Minister of Natural Resources, Ron Vrancart, had played a role and an external advisory panel developed this process. Then David Crombie was appointed as a mediator with respect to some of the disputes that were before the OMB and to bring parties together, as he describes, that support "the principles of smart growth and the proposed Oak Ridges moraine conservation plan."

So in determination of the land, Minister, that was involved in the original swap we had two outside, well-regarded individuals, Mr Crombie and Mr Vrancart. I believe they were there in the best interests of taxpayers; they didn't have another agenda. Mr MacNaughton, however, while I don't know him as an individual, is a political staffer and, in fact, a very high-level political operative in the Premier's office. My thought would be that Mr MacNaughton's main role would not be what is in the best interests of taxpayers, but what's in the best interest of Dalton McGuinty and the Liberal Party.

I think we have to go back to the kind of environment that existed. Dalton McGuinty, at this time, was reeling from a series of broken promises. Dalton McGuinty had drawn a line in the sand about the Oak Ridges moraine, and some would say he backed himself into a corner with a promise that I would suggest the Premier knew he couldn't keep and he had to back down.

I think Mr MacNaughton was sent in to try to negotiate the best deal possible to save face for the Premier and, as such, made a bad deal for taxpayers. I wonder if there are any side deals that Mr MacNaughton made in terms of other commitments to the developers and those involved with the land swap.

I'll ask back to the assistant deputy minister: Has Mr MacNaughton been involved in this process since that time back in September, 2003?

Ms Davies: Not to my knowledge.

Mr Hudak: You haven't had meetings with Mr MacNaughton?

Mr Davies: No.

Mr Hudak: The deputy minister?

Mr Burke: No.

Mr Hudak: To the minister: Has Mr MacNaughton played an ongoing role, or did his work cease after he handed off the 47-acre decision to you once you were sworn in?

Hon Mr Gerretsen: He hasn't been involved since this.

Mr Hudak: Again, I'll ask the minister if he will make any documents or briefing notes related to Mr MacNaughton's involvement in this file public.

Hon Mr Gerretsen: I can't promise you that, Mr Hudak. That may very well be privileged information as advice to the Premier. I just have no knowledge of that. But I find it kind of interesting. Are you suggesting to me that there were no political staff people involved in the original deal in which you allowed the developers to build 6,000 units on the Oak Ridges moraine in your government? I'm just curious about that.

Mr Hudak: The problem is that the fairness commissioner outlines a very detailed process. He talks about who was involved. He talks about the rigorous set of undertakings he had them go through with respect to conflict of interest, declarations of assets and liabilities. Those individuals who were involved, particularly in the mediation or advisory role, Mr Vrancart and Mr Crombie, I think have reputations of the highest esteem. Mr MacNaughton has an excellent reputation as well for his work in politics—I respect that—but I believe that his first interest would more likely be in saving face for the Premier rather than to get a good deal for taxpayers.

To recap, I guess, as I move on for the time being, there's some information that I have requested.

The minister has agreed, although not on my timing, to eventually bring forward the details with respect to the swap of public land. I've asked the minister, and he's made an undertaking to get back to us on, as part of that public revelation, how the land valuations were made of the parcels that were involved in the swap. I've asked the minister to consider, and he said he would respond, whether he would have the Provincial Auditor go through the details of the supplemental agreement, the additional 47 acres, to determine if there's a fair deal for taxpayers on a value-for-value basis from that land swap.

I've asked the minister for an undertaking on, and he said he would get back, depending on privilege and briefing notes for the Premier, the detailed documents surrounding Mr MacNaughton's involvement in the Oak Ridges moraine land swap.

A last question with respect to the environmental value of the lands in Seaton or the lands in Pickering: Would the minister consider involving the Environmental Commissioner to make sure that truly the most environmentally sensitive lands were set aside from development?

Hon Mr Gerretsen: It's my understanding that the site is subject to an environmental assessment, and whatever process is involved in that is taking place. I'll just leave it at that. I don't want to delve into the workings of other ministries. Whatever needs to be done from

an environmental viewpoint as far as the Ministry of the Environment is concerned will be followed.

Mr Hudak: So you'd say no to the involvement of the Environmental Commissioner for an environmental review of the parcel exchange.

Hon Mr Gerretsen: I have no idea whether the Environmental Commissioner, in a situation like this, gets involved on an ongoing basis or not.

Mr Hudak: So you'd consider it, depending on the circumstances?

The Chair: That's what he said.

Mr Hudak: Yes. Thank you, Chair. Chair, how am I doing on time?

The Chair: About 13 minutes.

Mr Hudak: The next thing I wanted to move on to—I think what transpired shortly after the Oak Ridges moraine broken promise was that the government, still reeling from the broken promises, brought forward the Greenbelt Protection Act without thinking through all of the consequences. I think I've made my point clear that I believe municipalities caught in the greenbelt area should have some form of assistance, because I believe that their growth and, as a result, their tax revenue are restricted. I think there should be consideration in that regard. Similarly, farmers have expressed grave concerns about the impact on the viability of farming operations. Members of the former committee and those who have come before that committee have made that same case about an agricultural support program.

With respect to the Oak Ridges moraine, commenting on the land swap, Debbie Zimmerman, the former chair of the region of Niagara, was quoted in a St Catharines Standard article. "The agreement with Oak Ridges moraine developers shows the province is prepared to accept solutions that are 'appropriate for each area,' said Zimmerman."

She's saying, with respect to the greenbelt impact on agriculture in Niagara, that perhaps the province would consider a special deal for Niagara, just like there's a different deal going on in Oak Ridges. Is Debbie Zimmerman correct in her assessment of the province's intentions?

Hon Mr Gerretsen: Well, she may have her opinion, and we've got our opinion.

Mr Hudak: OK. Mayor Bill Hodgson of Lincoln, a municipality that I'm proud to represent and that is impacted by the greenbelt, said the "greenbelt legislation has to be implemented correctly or farmers could be saddled with unprofitable businesses, and development growth restrictions could stop municipal growth and greatly increase property taxes." Again, his quote is from the St Catharines Standard from September 28, 2004.

Does the ministry currently have budgeted in its estimates assistance for municipalities that are impacted by the greenbelt legislation?

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Hon Mr Gerretsen: No, we do not.

Mr Hudak: Is it the minister's plan to bring forward assistance for such municipalities, or are they left to fend on their own?

Hon Mr Gerretsen: There are always assistance programs available for municipalities, but we do not believe the greenbelt legislation, when it's finally introduced into the House, has any kind of expropriation aspect to it at all, and therefore we don't believe there's any need for any expropriation. But if rights are being extinguished, the appropriate claims can be made by those individuals through the appropriate mechanisms or courts.

Mr Hudak: So you have a difference of opinion with Mayor Hodgson on this issue. Mayor Hodgson says that—

Hon Mr Gerretsen: He has his opinion; we have ours.

Mr Hudak: There seems to be a difference of opinion.

Hon Mr Gerretsen: That's your interpretation.

Mr Hudak: Yes.

Why was the Holland marsh cut in half? Why was part of it as part of the act and part of the MZO and the other half not?

Hon Mr Gerretsen: You'll have to wait until the greenbelt legislation is introduced. It will have mapping attached thereto as to what area will actually be included in the final proposed greenbelt act.

Mr Hudak: I know that your greenbelt consultation committee has recommended to you that the entire Holland marsh be taken in.

Hon Mr Gerretsen: Let me put it this way—

Mr Hudak: But the Holland Marsh is well known. I just wonder why it was cut in half in the original greenbelt legislation.

Hon Mr Gerretsen: OK, I'll give you the reason why. The study area that was set aside in the original greenbelt legislation was in accordance with the mapping that was provided as part of our platform commitment. In other words, our platform commitment talked about a greenbelt, outlined a greenbelt area, and that was the exact area that we included, as far as I know, in the original bill that we wanted to study.

Mr Hudak: So it was the Liberal platform that cut the Holland marsh in half by saying half of it should be protected by the greenbelt and on half of it all bets are off.

Hon Mr Gerretsen: I was not involved in putting our platform document together as far as it relates to the greenbelt protection area as outlined in our platform. I think it followed municipal boundaries, to the best of my recollection. But you know, that was the study area; it may not be the area that we finally feel deserves protection under a final greenbelt piece of legislation.

Mr Hudak: Fair enough. I guess the point I'm making, and you would probably disagree with this point, is that I think this legislation was rushed through without full consideration of all of the impacts. For example, I think people would probably react to the fact that the Holland marsh was cut in half—half protected by the greenbelt and half left out. It was a major oversight and a major error. I think some would suggest that the strange impact on Brock township that my colleague brought up

the other day showed that this legislation was rushed. Who, Assistant Deputy Minister or Deputy, was responsible for determining the boundaries under the minister's zoning order that effectively cut the Holland marsh in half?

Ms Davies: The minister's zoning order is made by the minister, and he does that with the support and advice of staff.

Mr Hudak: So is there a staff member here who determined where the boundary would go cutting the Holland marsh in half?

Ms Davies: As the minister mentioned, the study area, because of the impact of the legislation, we wanted to be clear. So the minister's zoning order and the greenbelt study area followed municipal boundaries in order to have clear lines about who was affected by the first legislation and who wasn't. So it was on that basis that the boundaries were generally established.

Mr Hudak: Did it occur to people at the time that this would effectively cut a piece of property like the Holland marsh in half?

Ms Davies: The legislation itself had no effect on property, so the Holland marsh ownership continued as it always has, as did its protection and activity. The only effect was to say to the Greenbelt Task Force, "This is the area we want you to look at." Secondly, it also prevented certain types of change of use from agricultural and rural to urban. At that point, there was no identified pressure that the Holland marsh would be converted to urban development.

Mr Hudak: Again, the date that the freeze is to be lifted is what?

Ms Davies: The moratorium established in the legislation sunsets by virtue of the legislation on December 15, 2004.

Mr Hudak: And the minister's zoning order?

Ms Davies: That has long since been removed. Once the legislation got third reading and came into force, the zoning order was repealed.

Mr Hudak: Is there any power in Bill 27 to allow the minister to extend that freeze, or does the freeze end as scheduled; there's no power?

Ms Davies: The legislation, on its very terms, ends.

Mr Hudak: Minister, you had mused before in some media reports about expropriation. Are you considering any kind of compensation whatsoever for landowners who lose rights to property in the greenbelt area?

Hon Mr Gerretsen: Well, I haven't mused about expropriation at all. Other people have mused about expropriation and the question has been put to me, and I've always said that we're not expropriating anybody's rights. If we are, then those rights should be compensated for, going through the normal process, if somebody's of that opinion. They can go through the courts and through whatever other methods are available under the expropriation act if they feel they've been wronged.

Mr Hudak: Can we expect some sort of agricultural support plan to come forward hand in hand with your permanent greenbelt legislation this fall?

Hon Mr Gerretsen: I think you'll have to wait until the bill gets introduced, and find out the details at that time.

Mr Hudak: Farmers care. Farmers have had their land frozen for some time. You know that the response of the agricultural community has been one of great concern, to put it mildly, with the impact of Bill 27. There was an undertaking made, upon recommendation from your task force, to look into the agricultural issue. Since then, a task force has been put out there—Mr Van Clief and the past president of the OFA.

When you bring your legislation forward, it's going to be permanent legislation. Farmers are going to be concerned about what the agricultural support plan is to support the viability of farms in the greenbelt. Surely, the errors of the past will be corrected and you'll bring forward an agricultural plan to help those farmers in the greenbelt area.

Hon Mr Gerretsen: You'll have to wait until the legislation comes forward.

Mr Hudak: To the deputy, who would be the best person to speak with about the support for the Greenbelt Task Force? Who in the ministry was the lead?

Mr Burke: Joanne was.

Mr Hudak: Ms Davies, who ran the consultations? Was it run by the ministry? Was there an outside consultant hired to run the consultations?

Ms Davies: The consultation was led by the task force itself. The task force, chaired by Mayor Rob MacIsaac, led the consultation. The ministry provided support to him in a secretariat function, and we also got the assistance of a consulting firm to do some of the logistical work to support the task force.

Mr Hudak: I appreciate your response with respect to my previous questions on the cost of consulting contracts in the north Pickering land exchange. If I could, through you, Chair, similarly request details with respect to who were hired as consultants, the total costs and whether they were tendered, sole-sourced or what have you with respect to the Greenbelt Task Force.

The Chair: That is noted for the record.

Mr Hudak: Thank you.

How were members of the task force compensated?

Ms Davies: There was no compensation to members of the task force other than their reasonable expenses in terms of travel costs. There was no compensation.

Mr Hudak: Again, that's quantified within the ministry estimates?

Ms Davies: That is quantified in the sense that they have to submit expense reports.

Mr Hudak: Again, Chair, if I could ask, through you, for the costs associated with the members involved in the Greenbelt Task Force and any kind of outside advice that they had as well.

The Chair: That's noted for the record.

Mr Hudak: The Greenbelt Task Force said that the greenbelt plan should "Include fiscal measures to fulfill the objectives of the greenbelt, particularly where natural and cultural heritage conservation and agricultural

viability are concerned....” That was a recommendation of your Greenbelt Task Force. To the minister, where in the estimates is the funding to support that recommendation?

Hon Mr Gerretsen: There’s no specific funding in the estimates to include it at this time.

Mr Hudak: Assistant Deputy Minister, the task force reported back—what was the date?

Ms Davies: At the end of the summer—August 30 or 31, thereabouts.

Mr Hudak: Is it the minister’s plan this fiscal year to bring funding forward to support that recommendation of the Greenbelt Task Force?

Hon Mr Gerretsen: We’ll have to argue that out with the Chair of Management Board, I suppose. But there’s certainly some funding that will have to be made available, depending upon what the legislation requires, if not this year, certainly with the start of next fiscal year, which would be April 1, 2005.

Mr Hudak: Is it currently earmarked, though, in the ministry expenses?

Hon Mr Gerretsen: No, there’s no earmarking of any funding in the ministry expenses.

Mr Hudak: The fifth recommendation of the Greenbelt Task Force was, “That the province should allocate sufficient resources to assist municipalities with implementation.” Is there funding set aside in the ministry to do so?

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Hon Mr Gerretsen: Yes, there is. Would you like the details of that?

Mr Hudak: Can you describe how that area of the ministry is funded?

Ms Davies: Absolutely. The task force—I was at the meeting where they discussed and made that recommendation—is concerned that as municipalities move forward to implement and incorporate it into their municipal official plans, they have support. I met with the assistant deputy minister of municipal operations division, Elizabeth McLaren, to ensure that the municipal service offices in the areas affected by the greenbelt came into effect to provide that kind of support to the municipalities as part of their normal support services to municipalities.

Mr Hudak: Thank you. If I could, Chair—I know that the time is getting tight—ask through you for the ministry to undertake a couple of responses to my questions. I’d like to know if the ministry has done any impact analysis on municipalities in the greenbelt area in terms of lost growth, lost revenue coming from the municipality or lost jobs from projects that will not proceed, and similarly, if they could report back on any impacts they have ascertained in the agricultural community.

I’d like to know as well—under Bill 26 and Bill 27, the minister has the ability to grant exemptions to some other aspects of the act—how that is funded under the estimates; for example, in Bill 26, for the minister to

declare a provincial interest, how is that funded within the ministry? Who is responsible for that?

With respect to Bill 27, I believe the minister can grant exemptions as well, upon request from municipalities, or perhaps other parties. What kind of inventory is there to those requests? How is it funded and who deals with those requests? What is the time frame to respond to those particular requests? What kind of guidelines has the ministry put out, or does it intend to put out, about when an exemption to the greenbelt area will be granted by the minister?

On Bill 26, guidelines have been set out as to when the minister will declare provincial interest of a project, according to his extraordinary powers under the bill.

The Chair: You’re out of time, Mr Hudak.

Mr Hudak: Thank you, Chair, and thanks to the minister and his staff for their responses.

The Chair: Before I recognize Mr Prue, I wonder if the committee would allow me to just ask a question for clarification.

The greenbelt report indicates that it was reported in the community of Burlington that there was a surprise to our municipality, that part of the greenbelt went into development lands. It was the subject of a major article in the newspaper.

I wonder, Minister, if you could have staff advise the Halton representatives of just that clarification. The staff from city hall and the region were a bit confused as to why the map included or allowed for development lands—let me put it in the context of the press article—that lands they felt would be included in the greenbelt are now deemed development lands. So they were seeking clarification. To my knowledge, that matter has not been resolved. Could you advise all Halton—I know Mr McMeekin is equally as interested in this issue. I don’t expect a response. I just would like—

Hon Mr Gerretsen: The deputy is prepared to respond.

Mr Burke: I simply want to advise you that we will contact Halton and Burlington and find out exactly what their source of concern is.

The Chair: I appreciate that very much. Thank you, Mr Burke. Thank you, Minister.

Mr Prue, you have 20 minutes.

Mr Prue: I didn’t realize we’d have that long left.

The Chair: We’re in the home stretch.

Mr Prue: Yes, we’re in the home stretch. I’ve got 20 minutes. OK.

Let’s go back to one of my favourites. I was asking the minister about what happened in Quebec last June. I saw you reading from some notes. Is that information available?

Hon Mr Gerretsen: The note that I was reading from is “advice to minister.”

Mr Prue: You said—

Hon Mr Gerretsen: I can tell you, there’s nothing very magical about the note I was provided. There’s no Quebec information on the note.

Mr Prue: You seem to be somewhat knowledgeable, starting to list off some of those areas—

Hon Mr Gerretsen: Because I took an interest in what was happening there. It was kind of an interesting process.

Mr Prue: I'm sure you did.

Hon Mr Gerretsen: It has also been about two or three months now, so perhaps I'm not quite as up to date any more as I was at that time.

Mr Prue: All right. Is there any information that can be released? I don't want to get into information that is of a strictly ministerial nature, but is there any study or information that can be released on background information that was provided to you by the civil service?

Hon Mr Gerretsen: This is just a summation as to what happened there. I'd be more than pleased to give it to you.

Mr Prue: OK. It doesn't look as complex and as large as what I was hoping for, but I'll take it all the same.

The Chair: When you go fishing, you can't argue about the size of the fish.

Mr Prue: That's true. I'll tell you, I went fishing all summer and the fishing here has been rather good.

The Chair: Mr Prue, did you want the minister to read all that into the record?

Mr Prue: I don't know. Do you want to read it into the record? To simply give me a copy later would be fine.

The Chair: He can give you one right now if you ask for it.

Mr Prue: Sure.

Hon Mr Gerretsen: I can start it off with the details, and if the clerk wants to make a copy—

The Chair: I think the clerk is going to get a copy and save the minister from repeating—

Mr Prue: I'd like to save as much as possible of the 18 or so minutes left.

Hon Mr Gerretsen: We believe in open government.

Mr Prue: Of course.

The Chair: Minister, you're doing just fine.

Mr Prue: You're an old pro at this. I'm impressed.

Hon Mr Gerretsen: This is a new experience for me, and a very enjoyable experience, I might say.

The Chair: We can extend the time.

Mr Prue: Yes.

Hon Mr Gerretsen: That wouldn't be fair to the other ministers who are to follow.

Mr Prue: As to those municipalities that were given back some of their powers, did your ministry or your officials do any cost analysis of how much it cost in the case, say, of Montreal, the newly amalgamated city, to give back some of those powers?

Hon Mr Gerretsen: It's my understanding that work has not as yet been done, but we may very well end up doing some work on that. Maybe the deputy can be more helpful than that.

Mr Burke: There has been some work done on it, but not a full amount. They had to disclose some of those possible tax impacts before people voted on a referendum

as to whether they wanted to de-amalgamate. My understanding is that there is fuller accounting required thereafter to ensure there is a proper separation of assets and responsibilities and so on. I haven't seen any of those numbers at this point.

Mr Prue: Has the civil service of Ontario requested a copy of that from the Quebec government or from the city of Montreal?

Mr Burke: We have an exchange of information with all provinces in the country, and I'm sure that's part of it.

Mr Prue: When you get that information, will it be released?

Mr Burke: It's public information. In fact, if you want a copy of it, we'd be pleased to give you a copy, but most of it you will find on provincial Web sites. It's in the public domain, in other words.

Mr Prue: As it's released?

Mr Burke: Yes.

Mr Prue: All right. Mr Minister, you stated earlier that people didn't get their municipalities back and I think we all understand that they did not get their full municipalities back, but they got back a number of key areas, everything from libraries to planning to local sports fields, the in-your-face municipal stuff that people see every day. In your view, has this in any way disturbed, or have you had a chance to study whether this has disturbed the actual workings of the new city of Montreal?

Hon Mr Gerretsen: I haven't been able to make any determination of that myself.

Mr Prue: So you haven't studied this?

Hon Mr Gerretsen: I have not studied it currently.

Mr Prue: The reason I'm asking is that in the newsprint anyway, the stuff coming out of Montreal, the anecdotal evidence I hear from other politicians from that area is that it's been a fairly positive experience. People aren't upset about having taken back some of the powers of their city. I wondered why the reluctance, that this should not be a priority for Ontario.

Hon Mr Gerretsen: I don't think there is a reluctance, but as I mentioned before, we didn't run on that platform. We ran on a number of other municipal and housing platforms that we want to implement first, or at least get started on. We're definitely prepared to take a look at these different areas if there's an interest from the council of a particular municipality to advance that. I think the criteria that we will be basing everything on are whether the service delivery that people want at the local level can be improved upon by putting in these new delivery methods.

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Mr Prue: So you're not opposed to looking at those.

I want to go back to the municipalities because there are many people in the forcefully—forcibly, not forcefully, but it was that too—amalgamated municipalities, be it Hamilton, Ottawa, Toronto or Kawartha Lakes—there's a whole string of them; there are lots of them—that would like an opportunity to see whether this limited range of locally controlled municipal functions can be

taken back to their communities. I'm trying to explore with them how this might be done. I could tell them how it would be done if I were the minister, but I'm trying to tell them how it might be done when you're the minister.

Hon Mr Gerretsen: As I mentioned before, first of all, I suppose the government would have to make it a priority area. The government does not act through individual ministries going off and doing their own thing. That's the first thing that would have to be determined. Secondly, we would have to determine the amount of interest in this. I've heard from certain individuals as well. In one community they seem to be trying to work through their council to get something going in that regard. If something starts in that regard, then we're certainly prepared to look at it, whether it's on an individual basis or it gets more municipalities involved.

I realize just as well as you do that people basically live in communities, live in neighbourhoods, live in smaller entities than necessarily the total municipality they may be living in. Right now we have some very large municipalities. The city of Toronto is one. Kawartha Lakes in a geographic sense is a huge municipality. You and I talked about that the other day. There may very well be better methods by which services can be delivered to the people in those areas. We're prepared to look at that.

All I can say is that right now it has not been a priority item with us because there were too many other areas that came out of our platform that we felt we had a commitment to, that we wanted to adhere to. Those are the ones we're going to deal with first, but we'll deal with them.

Mr Prue: Let's change the topic here for a little bit. Let's get back to housing. There's a very interesting article in the Toronto Star today, Carol Goar's column. Did you have a chance to read it?

Hon Mr Gerretsen: Yes.

Mr Prue: Very interesting. It talks about the federal government deciding they may want to go it alone because the provinces in some respects, the cities in other respects, don't seem to be able to step up to the plate. She says that for Ontario in particular—I'll just read—"In order to qualify for the remaining \$357 million, Queen's Park has to come up with matching funds. But the provincial Liberals, struggling with a \$5.5-billion deficit, say they haven't got the money." Mr Fontana says he'll take that into account. Are you prepared to have the federal government act unilaterally on this issue?

Hon Mr Gerretsen: It's interesting how two individuals can read an article and come to totally different conclusions, because I didn't come to the conclusion you came to at all. I came to the conclusion that basically Mr Fontana is prepared to look at the provision of housing for people in need out there in ways other than just the traditional way of building new non-profit housing, although that's very important.

I personally have been involved in that for a long period of time on a non-profit basis. I also realize it's a very expensive way. You don't get the same bang for

your dollar or are able to help as many people as you do if you get involved in a housing allowance program or in a rent subsidy program. I think it's in that line that he's talking—

Mr Prue: Let me get to that. You anticipate my questions very well.

Hon Mr Gerretsen:—more than that. Because it's a known fact that, if we're trying to help as many people as possible, it is probably—particularly with the rather high vacancy rate we have right now across the province. We have a high vacancy rate, much higher than it has been for many years. Over the last two or three years, there has been a higher vacancy rate. The question that he raises in the article, or through Carol Goar, is: Why should we be creating housing, particularly in those areas that have high vacancy rates? Why don't we have housing allowance programs, and we can probably satisfy the legitimate needs of a lot more of the poor people in this province than we would by building new housing?

I think there's something to be said for that, quite frankly. Through my involvement many years ago with the Ontario Housing Corp, I came to that conclusion as well, that if you want to help as many people as possible, you do it by way of shelter allowances, whether it's through rent supplement programs or whatever.

Let me also make it absolutely clear to you that it is the intention of this government to fully commit itself to being an equal partner with the federal government as far as housing is concerned. What has happened—and I know I keep harping back on that—is that because of the deficit position the last government left us in of \$5.6 billion—or I guess the way it turned out it was \$5.5 billion, as far as the auditor is concerned—we just haven't been able to do these things as quickly as we had wanted to. People can laugh at that, they can say, "Here they go again," but that is the reality of the situation. You cannot spend money if you're already \$5.5 billion in the hole, and that has not allowed us to do a lot of things that by this point in time we had hoped to be able to do. That doesn't mean that we're no longer committed to it. It also doesn't mean that we're not going to do it. But it may take longer to get those programs into action than we had originally anticipated.

Mr Prue: Your original budget had only a very limited amount of money set aside for some 35,000 rent supplements. I think that was in your—

Hon Mr Gerretsen: That's correct, yes. I don't know the exact numbers, but you're right.

Mr Prue: Yes, it was a very limited amount. This seems to signal that they might, and your statement is that you might, consider expanding that considerably. There are 75,000 families in Toronto alone on the waiting list for assisted housing. That's just Toronto. That's not the province; that's one city. If there's a 4% vacancy rate, there are probably pretty close to that many apartments out there, sitting there empty. I'm just wondering, in view of what he said, is there any change of direction you're contemplating as minister?

Hon Mr Gerretsen: We're certainly looking at that. There are other ways in which the province can come to the table as well. You may recall that the last government in effect put up the sales tax component of new housing, which, I believe, was somewhere in the neighbourhood of \$2,000 to \$3,000 a unit, whereas the federal government was putting up \$25,000 a unit. The way we could possibly come to the table is by methods other than cash, by the greater utilization of provincially owned land. That's got a value component to it as well.

So there are different ways, and we're exploring that and so is Minister Caplan, as Minister for Public Infrastructure Renewal. It's fair to say that he is discussing these issues as well with Mr Fontana and with Mr Godfrey, and so am I. Hopefully sooner rather than later, different programs will be announced; it will actually be up and running, and that will help not only to meet our commitment but, what's even more important, help house those individuals who are in dire need of good housing.

It may very well be that currently we may not have a housing shortage, but certainly what a lot of people have is an income shortage, particularly obviously the people at the lower end of the scale. Anybody who pays more than 50% of their disposable income toward shelter costs, and there are a lot of those individuals—I don't have the figures here with me, but that's a major issue. Obviously, we have to deal with that.

Mr Prue: It goes on to say, "If the federal government can speed up the process by working directly with municipalities, non-profit groups or private developers, he'll try to arrange such partnerships." That appears to me to circumvent the province's role.

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Hon Mr Gerretsen: That's his opinion currently, and of course that isn't a novel idea. That was done during the 1970s and 1980s to a large extent. You had an awful lot of federal non-profit housing projects as well as provincial ones, and then of course for a long period of time, from about 1994-95 onward, no funding was provided by either the provincial or federal governments.

Mr Prue: Some of the members of the finance committee had an opportunity to travel recently into northern Ontario. I think it was an eye-opener to many people who had never been that far north or who had never been to some of the aboriginal communities, both those that are on reserves and those like Moose Factory, which is not. I'm not sure exactly, because it's a very strange status they have; it's not really reserve lands. But in any event, the housing there is quite abysmal, and over the years both the federal government and the province have said it's the feds' responsibility under the former Indian Act. I'm just wondering your views, as the minister, about the province getting in to assist Ontario citizens who happen to live on reserves or unincorporated lands or in far northern communities where the majority of people are native Canadians. Their housing is probably worse than anything you can see in this city, worse than anything you'll see in Kingston, or name any place.

Hon Mr Gerretsen: I understand there is a native housing program right now. It may very well be that it

needs to be improved upon, and we'll certainly be looking at that.

Mr Prue: OK. There is nothing in this year's budget, though, for assisting native communities in terms of their housing or anything else that I'm aware of.

Hon Mr Gerretsen: No, there is nothing specifically in addition to the native housing programs the ministry has provided money for for some period of time. There is some funding, but there's no additional funding in that for this year; you're correct. Of course, a lot of that are the capital dollars that are being negotiated currently by Mr Caplan with the federal government, and I suppose the one thing that held that up for some period of time was the fact that there was a federal election in June. For a number of months on both sides of the election, really, no negotiations occurred, or very little negotiation occurred during that period of time.

Mr Prue: I'll forgo my last 30 seconds. Thank you.

The Chair: Thank you very much, Mr Prue. Ms Di Cocco.

Ms Caroline Di Cocco (Sarnia-Lambton): I know we're in our last round of questions and discussion. Therefore, I'll have some comment and then the minister will wrap up for the rest. I'll leave it up to your discretion, because I know we have to vote, and I expect there is going to be voting in the House as well. So I will keep this quite short, and then the minister can wrap up with our time.

I just wanted to say that I looked at the ministry overview in the estimates briefing book, which I think provides to all of us a good indication of at least the work that the ministry does and its mandate, as well as its vision of safe and vital communities, each with an attractive quality of life, a clean environment, a dynamic economy. I think that's certainly the goal, at the end of the day, in the public interest, that the ministry and the government should move forward on.

With that, Minister, again, if you wish to wrap up as what you wanted to leave us with in your last few minutes here.

Hon Mr Gerretsen: Thank you very much. First of all, let me say how much I've enjoyed the experience here for the last three days. It's unfortunate, and I truly mean this, that these estimates hearings don't continue on for longer periods of time—not perhaps with one particular ministry, but I really do believe that if the members of the Legislature want to have any notion as to what's being spent in different ministry departments, it's absolutely important that these kinds of estimates hearings take place, probably with most ministries, all the time. I know it's the first time since 1999, I believe, that the Ministry of Municipal Affairs and Housing has been here. It doesn't say very much for the total accountability of the process, but I'll just leave that for other people to work on.

I must admit that I was somewhat amused with the way in which the official opposition questioned me on the whole Oak Ridges moraine and Seaton situation, realizing full well that I'm a true believer in the notion

that the official opposition and the third party definitely have a dramatic role to play in this whole process. But it almost made it sound as if we were trying to hide information, with some of the terminology that was used by the members of the official opposition.

Let me just remind the people of Ontario and the people of this committee here that the greatest broken promise of all to the people of Ontario, as far as I'm concerned, that took place over the last year and a half was the \$5.5-billion deficit that was left by the last government when they said it was a balanced budget. That \$5.5-billion, huge, broken promise has basically put many of the programs we had wanted to put in place into a delay mode because we do believe in a balanced budget approach, and obviously the last government broke that promise to the people of Ontario on a number of occasions.

It's also interesting that the previous government basically set the original terms and conditions on the Seaton and Oak Ridges moraine deal. Those terms and conditions were not set by the current government, but they set it. They set up the confidentiality agreement, as far as the protocol was concerned, and we are simply living by the agreements that were signed with the original owners as far as the confidentiality was concerned.

It's also very interesting to note that that previous government had two years to consummate that secret deal they had with the developers of the Oak Ridges moraine for the exchange of land to take place. In two years I guess nothing happened or nothing was finalized. I can tell you that we were able to do that within a year. Hopefully, we'll be able to do that as well with the Uxbridge people over the next little while.

I guess when it comes right down to it, the 900 units of housing that will not be built on the Oak Ridges moraine, and which we were able to negotiate out of the secret 6,000 units that the previous government was going to allow to be built there, improved the deal by securing more parkland in Richmond Hill.

Let me just read to you some quotes. I quote from a Toronto Star editorial of September 26, just three or four weeks ago, that says: "McGuinty has made the best of the bad deal cooked up by the Tories, whose handling of the Oak Ridges file borders on scandalous." That's taken right out of the Toronto Star article.

"Given the importance of the moraine, the situation cried out for fast, decisive action. But the Tories sat on the sidelines. In contrast, the Liberals have moved quickly since coming to power on an ambitious agenda to protect green space and agricultural land, and curb urban sprawl."

David Donnelly, a lawyer for Environmental Defence Canada, said, "It"—being the Liberal land swap—"closes a sad chapter in Ontario's land use development process."

Bill Fisch, chair of York region, said, "We're very pleased about it. York region will be picking up more than a thousand acres (400 hectares) of new parkland."

Neil Rodgers, president of the Urban Development Institute, "said the deal should mark the end of a long and acrimonious period between the industry and the provincial government that predates the Liberals.

"I think much of the fodder will be laid to rest....

"It's forgotten, it's water under the bridge."

Glenn De Baeremaeker of Save the Rouge and a Toronto councillor said the swap concludes a "disgraceful Tory legacy." That's taken from the Toronto Star of September 24.

John Barber of the Globe and Mail, just recently, on September 28 said, talking about the land exchange, "But there is an upside: The deal ensures that Richmond Hill get some part of its moraine holdings protected in perpetuity and, just as important, it sorts out the future of the Pickering lands, hastening the day when they are developed as a well-planned, non-sprawling satellite town....

"Seaton is the great hope for a progressive counter-example to the usual sprawl; now it appears to be happening."

The Chair: Minister, your five-minute wrap-up has just about concluded.

Hon Mr Gerretsen: Oh, that's interesting. I thought I had 15 minutes.

The Chair: Let me clarify for the record: It is the custom of this Chair to, as a courtesy, give the minister up to five minutes for closing comments. If the Liberals wish to yield their time, they yield it to the committee; they don't yield it to a minister.

If they want their time back, I'm prepared to give them that, but we have 14 minutes left, which means we'll be back here next week.

Hon Mr Gerretsen: Oh, no. For two hours, yes.

The Chair: I was wanting to encourage you to get to the point, but the custom—and no committee has ever overruled me—is the courtesy of giving a minister five minutes at the end to do a wrap-up. We now may end up having to come back.

Hon Mr Gerretsen: Let me just thank you for the time that your committee has taken.

The Chair: You did a great job, Minister.

Hon Mr Gerretsen: Let me just thank all the members of the committee for their questioning. The bells are ringing, so we have to leave this now. Thank you very much for your time.

The Chair: Thank you very much, Minister, to you and to your staff, for your candour and your presence.

I wish to advise the committee that Mr Hudak has filed 19 questions with the clerk of the committee, and they will be circulated to the ministry. Those are included for the record. There are some outstanding questions that have been passed on.

Mr John O'Toole (Durham): Will all members of the committee get those?

The Chair: Yes, they are circulated by the clerk to all committee members.

I wish to call the vote and then I have a housekeeping matter to put on. Having thanked the minister and recognizing we have a bell, I wish to conclude that the time

allocated for these estimates have been completed, so I will call the vote. Those who are subbed in appropriately are present.

Shall vote 1901 of the Ministry of Municipal Affairs and Housing be approved? All those in favour?

Mr Hudak: Recorded vote, please.

The Chair: You want a recorded vote? Let's do this quickly. Fine; it's automatic, without debate.

Ayes

Arthurs, Di Cocco, Kular, McNeely, Milloy.

Nays

Hudak, O'Toole, Prue.

The Chair: That is approved.

Shall vote 1902 carry? Same vote? Thank you. Such co-operation.

Shall vote 1903 carry? Same vote? Agreed.

Shall vote 1904 carry? Same vote? Agreed. Carried.

Shall vote 1907 carry? Same vote? Agreed. Carried.

Shall the estimates of the Ministry of Municipal Affairs and Housing carry? Same vote? Agreed. Carried.

Shall I report the estimates of the Ministry of Municipal Affairs and Housing to the House? Agreed. No recorded vote. Perfect.

That completes those estimates.

I have one request filed from both the NDP and PC caucuses. The NDP has requested that the following people from the Ministry of Children and Youth Services appear before the estimates committee: Heather Martin, director, children with special needs branch; Peter Rzakki, ADM, integrated services for children division; Lawrence Lajambe, coordinator, child welfare review unit; Suzanne Hamilton, director, child welfare; Kathy Gallagher-Ross, senior policy analyst, Early Years and Healthy Children development branch.

The PCs have formally requested that Rob Adams, chair, Child and Family Services Review Board; Bruce Rivers, director of child welfare reform; and Cynthia Lees, ADM, program management, be asked to participate and attend.

There being no further business, this committee stands adjourned till next Tuesday, to begin the estimates of the Ministry of Children and Youth Services.

The committee adjourned at 1754.

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