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## **Official Report of Debates (Hansard)**

**Tuesday 31 October 2006**

## **Journal des débats (Hansard)**

**Mardi 31 octobre 2006**

**Standing committee on  
estimates**

Ministry of Public  
Infrastructure Renewal

**Comité permanent des  
budgets des dépenses**

Ministère du Renouvellement  
de l'infrastructure publique

Chair: Tim Hudak  
Clerk: Katch Koch

Président : Tim Hudak  
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

## STANDING COMMITTEE ON ESTIMATES

## COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Tuesday 31 October 2006

Mardi 31 octobre 2006

*The committee met at 1534 in room 151.*

### MINISTRY OF PUBLIC INFRASTRUCTURE RENEWAL

**The Vice-Chair (Mr. Garfield Dunlop):** We'll call the meeting to order, ladies and gentlemen. I want to begin by saying that I understand we have consent between the three parties to adjourn today at 5 o'clock. Is that agreed? Are you agreeable to that? That's to do with some family issues around this special day.

**Mr. Tim Hudak (Erie-Lincoln):** It's an important day.

**The Vice-Chair:** It is.

**Hon. David Caplan (Minister of Public Infrastructure Renewal, Deputy Government House Leader):** I should tell you, Mr. Chair, that two of the officials from public infrastructure renewal have birthdays today, and they're present here.

**Mr. Hudak:** Name names.

**Hon. Mr. Caplan:** Paul and Victoria, if you want to stand up and be recognized.

*Interjections.*

**The Vice-Chair:** Now, we can't sing Happy Birthday, but we do wish them all the best.

**Hon. Mr. Caplan:** I seek unanimous consent to sing Happy—no.

**The Vice-Chair:** Okay. Thank you very much, everyone. So we will adjourn at 5.

We are here today for the consideration of the estimates of the Ministry of Public Infrastructure Renewal for a total of 7.5 hours, and we will commence with vote 4001. We'll begin with a 30-minute statement by the minister, if you wish to go the 30 minutes, 30 minutes for the official opposition and 30 minutes for the third party, and then the minister will have up to 30 minutes for a reply. The remaining time will be apportioned equally amongst all three parties, which we've been going through now for the last seven or eight weeks, since we started this round of estimates.

With that, Minister, I welcome you today. Thank you for your time and being here and all the staff from the ministry who are here to support you as well. With that, Minister, you may proceed at any time.

**Hon. Mr. Caplan:** Mr. Chair, thank you very much. I want to thank the members of the committee for taking the time to come and listen and review the Ministry of

Public Infrastructure Renewal. I want to acknowledge, on my left, Deputy Minister Carol Layton, whose leadership has been absolutely outstanding and invaluable in building our ministry and in fulfilling its mandate.

I am indeed pleased to be here once again to have the opportunity to appear before this committee. I consider this process, the holding of the government to account for the way it spends the public's money, to be of supreme importance, because you cannot have good government without good accountability, and you can't tell yourself that you're doing a good job in government unless you're prepared to submit yourself to the most rigorous of accountability processes, and that's what this committee provides. As it happens, I believe that we are doing a very good job as a government, so here I am.

As Minister of Public Infrastructure Renewal, I have been charged with laying the foundation, figuratively and literally, for this province's future. It's not a responsibility that I take lightly; nor do I take lightly the responsibility of this committee to put the work that we're doing under the microscope. I welcome your questions and will answer them to the best of my ability.

Before that, however, I'd like to tell you a little bit about what our ministry has been up to. I'm going to start not with any projects or plans but with the forum that we held three weeks ago. We called it the Leaders' Forum on Infrastructure, and it was exactly that. We brought together leading thinkers in the field of infrastructure, top business people and political leaders from different levels of government, whose job it is to manage and deliver infrastructure. We brought together people from all over the world, from as far away as New Zealand and Spain, from across this country and of course from right across here in Ontario, and we spent the day talking about infrastructure.

I admit that it's not a prospect that would fill everyone with excitement—certainly not my wife—but we had a heck of a time. Since we're here today to talk about infrastructure, I figure I should tell you about it.

We talked about what works, what doesn't, what challenges we all face and the different ways we are trying to deal with them. It was, in a word, a fascinating day. I learned a lot about what is happening in other jurisdictions, and I'm proud to say and to report to you here today that people left having learned a lot about what we're doing here in Ontario and were quite impressed.

The theme of the conference, and the reason I'm taking up this committee's time talking about it, was "Long-term thinking in a short-term world."

Anyone who knows anything at all about infrastructure knows how important that concept is. Governments everywhere are coming to grips with the fact that infrastructure decisions must be made with a focus on future generations. They must be made by people who prefer to paint on a canvas that spans literally decades instead of simply a handful of years. Unfortunately, however, most major infrastructure decisions must also be made by elected politicians whose terms of office only last for a very few years. Consequently, politicians have not always been good at thinking in terms of decades and generations.

There are still bridges to nowhere in this country and in many others, roads that just end because they stopped being built, that stand as a testament that politics and infrastructure don't mix very well. Politics, all too often, is a game of inches, and infrastructure requires a much longer game than that.

When Premier McGuinty did me the great honour of making me the Minister of Public Infrastructure Renewal, he made it clear that I was to take a different approach, one that has too often not been taken, to change the channel in a sense. He made it clear that he wanted me to do exactly what I just said politicians have had a hard time doing: playing the long game, thinking in terms of decades and generations and not worrying about the next election or the one after that. Band-Aid solutions that maybe, just maybe, might get us through the next few years are, I submit to you, neither practical nor appropriate.

**1540**

That has been our mission at public infrastructure renewal, and I was very proud to be able to tell my colleagues at that conference that we are enjoying a very great deal of success. I'm proud to share with members of this committee that very same thing.

There are several common themes that emerge if you spend much time, as I have, consulting with and engaging with municipal leaders, business leaders, union leaders and experts on infrastructure: the need for long-term planning, the need for sustainable funding, and the need for flexibility and collaboration in dealings between provincial and federal levels of government. We listened as our partners in infrastructure reiterated those themes. We understood them. In fact, I agree with them. All of these themes are reflected in what I want to talk to you about here today.

Let me start with ReNew Ontario. Members of this committee would remember that ReNew Ontario was launched in May 2005. It's an absolutely unprecedented and huge undertaking. It calls for an investment of more than \$30 billion over the course of the next five years to revitalize, modernize and expand the public infrastructure of this province. This of course is critical to the continued economic success of our province and to its social well-being. Literally, it's the quality of life of the people who

live here, of all of us in the committee rooms, our family and friends and those yet to come—literally everybody. After all, we're talking about our schools, our hospitals, the buildings we live in, the roads we travel, the bridges we cross, the clean water we want to drink.

Infrastructure is, quite simply, the bricks and mortar that make up this province. And I have to be clear with the members of this committee that when we took office, it was literally crumbling around us. Schools were neglected, and students' abilities to achieve and teachers' abilities to teach were suffering. Hospitals were not being upgraded, contributing to long waiting lists. Deteriorating water and sewer systems threatened public health and safety, this in a province with a memory of the tragedy at Walkerton has not begun to fade. Transit has barely kept up to the demands of today, let alone preparing for the increased demands of tomorrow. It's the same story for our roads and bridges, with real implications for our economic well-being and for our quality of life. Clogged borders cost the provincial economy some \$5 billion a year, an estimate of the Ontario Chamber of Commerce. And gridlock in the GTA has a \$2-billion annual drag on our economy according to the Toronto Board of Trade.

So we faced a serious infrastructure deficit, the product of far too many years of inaction or poor decision-making, a mindset that says, "Let's hope that things don't actually fall apart on our watch because then we don't have to worry about them." That mindset shortchanged the people of this province on the vital investments in public facilities that were needed, from hospitals to schools to highways to water and sewage treatment, and created the infrastructure deficit that we inherited when we took office.

With ReNew Ontario, we set about to eliminate that deficit. The government of Ontario has a rational and, for the first time, coherent plan to restore the public infrastructure we all depend on for our health care, our education, our economic prosperity and, indeed, our quality of life. But I have to caution members that it's not going to happen overnight. It's a five-year plan, and even then it's just a first step. But here we are, a short 18 months in, and we're already seeing great results.

Earlier this month, I was pleased to release a progress report on ReNew Ontario, and there are some very encouraging signs. It's an encouraging snapshot of a project that is barely under way, but already doing great things for the people of this province.

As I said, we committed with our partners to invest more than \$30 billion in the infrastructure in this province, and we have started to make those investments. In health care, we're ensuring that Ontario patients can continue to receive the care they need in state-of-the-art facilities. By 2010, we will have invested more than \$5 billion in health care facilities to reduce wait times, provide better services in high-growth areas and modernize older hospitals.

As the progress report shows, we have committed to more than 100 hospital projects across this province. We are building 11 new state-of-the-art hospitals in all com-

munities, north, south, east and west, as well as three new regional cancer centres. The number of new cancer cases in Ontario is expected to double by 2028. People are going to need help and care and we're making it a priority to see that they get it, and get it as close to home as possible.

In education, we're backing our government's unprecedented commitment to student achievement with an infrastructure commitment of our own. An investment in education is an investment in jobs for tomorrow, and we must equip ourselves with the skills we need to compete in a global economy. So by 2010, we will have invested more than \$10 billion in elementary and secondary schools, in post-secondary and training facilities. We're undertaking 3,000 urgent repairs and construction projects. We're creating 14,000 new graduate spaces right across the province. In addition, last year we provided \$60 million to Ontario colleges and universities to buy modern equipment and maintain and improve classrooms and laboratories.

We're also making major investments in transit and transportation, meeting our responsibility to reduce congestion, improve air quality and speed up the movement of goods and services so critical to our province's economy and to the quality of life of the people who live here. In all, we're making improvements to 86 public transit systems across Ontario as well as helping communities with local road and bridge projects. We're making repairs to 408 kilometres of provincial highways in southern Ontario this year. I'm particularly proud of the Highway 69 action plan which is going to bring about badly needed expansion to this critical route to northern Ontario, both for safety and because it's a key economic lifeline.

We invested more than \$340 million in environmental and clean water initiatives in 2005-06.

We also moved forward with 128 affordable housing projects right across this province since signing the Canada-Ontario housing program agreement in 2005. That represents a total of over 6,500 new homes—badly needed homes, affordable homes—for Ontarians.

We're investing in cultural landmarks like the Royal Ontario Museum, the Art Gallery of Hamilton, the Great Canadian Theatre Company in Ottawa, as well as recreational facilities like the new Niagara Falls community centres. We are, quite simply, building a better Ontario. We're renewing and strengthening the foundation on which Ontario's way of life is built.

I'm proud to say that ReNew Ontario is meeting with approval from many different quarters. Ken White, president of Trillium Health Centre, said, "Our physicians, staff and volunteers do incredible work to provide the best care to our patients. It's exciting to see us take another step toward modernizing and expanding our sites so we can provide even better health care to our communities."

Terry Willms, president of the Ontario Road Builders' Association, thanked this government for "creating a highway system capable of supporting higher traffic

volumes. These investments will prolong highway life, improve road safety and reduce wear and tear on vehicles."

Lorne Keon, director of education for the Renfrew County Catholic District School Board, said that ReNew Ontario funding "will allow us to address a series of urgent and high-priority projects for our facilities, such as roofs, boilers, physical upgrades and refreshing of our plants or school grounds."

Renew Ontario is just one of several initiatives that our ministry is undertaking, all of which support one another. This past June we released the growth plan for the greater Golden Horseshoe. This is a plan to build opportunities for the people of Ontario by creating better-planned communities with more options for living, more options for working, shopping and playing in the fastest-growing region in Canada, indeed one of the fastest-growing in North America.

#### 1550

I spoke earlier about the importance of playing the long game when it comes to public infrastructure. The growth plan for the greater Golden Horseshoe is a 25-year blueprint. It is the first growth plan area designated under the Places to Grow Act, and there will be more designations and more plans released, but this is the area we chose to deal with first because the need in this region to plan for what is coming down the pike is so urgent.

The greater Golden Horseshoe is the engine of the Ontario economy. It accounts for 70% of the province's gross domestic product. It is also our largest urban area by far. Two thirds of the province lives here already, and over the next 25 years we're expecting an additional 3.7 million people and almost two million additional jobs to be created. That's definitely something you want to plan for, because if you don't, things get worse, not better. You get damage to the environment. Business as usual—translation, doing nothing—would result in a 42% increase in auto emissions. Does anyone in this room want to breathe that kind of air?

If you do nothing, you get longer commute times to work. It's estimated that there would be a 45% increase in average commuting times arising from increased traffic congestion. Those are not traffic reports that I want to listen to. You get urban sprawl. We'd be looking at the loss of about 1,000 square kilometres of farmland. You get excessive costs for infrastructure needed to support this kind of growth. We estimate about \$12.2 billion in the greater Toronto area alone.

But if you do plan and if you plan properly, it's a different story. So our growth plan for the greater Golden Horseshoe is building opportunity for new investment and more jobs. It establishes coordinated population and job growth forecasts for municipalities to help them and us with better planning. You can't plan for something if you don't know it's coming. It encourages revitalization of downtowns and city centres, making them more vibrant, people-oriented and attractive. Downtowns are supposed to be the community hubs. They are supposed to be places that people want to go to. In too many

places, that is no longer the case, so we're going to change that.

It complements the province's greenbelt plan, protecting 1.8 million acres of valuable farmland and key natural areas at the heart of the greater Golden Horseshoe. The growth plan reduces development pressures on agricultural land and natural areas by directing more growth to existing urban areas, and we ensure that new development is planned to create complete communities that offer more choices in housing, better transit and a range of amenities like shopping, schools, entertainment and services that are closer to where people live. We have to concentrate growth in the areas that can best accommodate it.

The plan identifies 25 downtown locations right across the greater Golden Horseshoe that will be the focal points for accommodating people and jobs through initiatives that offer attractive new living options within easy access to shops and services. These centres will also support transit and the economy of the surrounding area. It establishes an integrated transportation network that will offer more choices for getting from place to place, reducing traffic congestion on our roads. And it links planning for growth with planning for infrastructure so that roads, sewers, schools and other infrastructure are in place to meet the needs of growing communities.

We're investing some \$7.5 billion over the next five years to ensure that, as nearly four million new people arrive in this province, they find a standard of living that attracts them to live here, raise their families, and build jobs and great communities.

This growth plan places Ontario not only among the leaders in promoting strong growth in Canada but in North America and indeed worldwide.

When we launched the growth plan for the greater Golden Horseshoe, we did it in the great city of Mississauga, where, I can tell you, we made Mayor McCallion's day. She talked about what a bold step this was and what it was going to do to make her community strong and livable now and in the future. She said, "I only wish that the plan had been in effect 25 years ago, when Mississauga started to develop."

That's the kind of sentiment that I heard repeated often in the days that followed, when I did a little bit of a growth plan tour. I visited communities like Hamilton, Kitchener-Waterloo, Niagara and Oshawa, all of which have seen the future coming and are embracing the growth plan as a way to prepare for it, deal with it and indeed benefit from that growth.

That is really the point of the exercise, to position this province so that future growth isn't something we fear or, at best, to get through. We are embracing growth because it's going to make this province even stronger, even more vibrant and an even better place to live.

Both ReNew Ontario and the growth plan for the greater Golden Horseshoe are supported by yet another plan that we announced earlier this year. That plan is called Move Ontario. Move Ontario is a one-time, \$1.2-billion investment in Ontario's public transit systems and

municipal roads and bridges designed to help move people and goods faster, create jobs and build a stronger economy across this province. It includes \$670 million to extend the subway right up to York region and beyond, up to Highway 7; \$95 million for the Mississauga Transitway; \$65 million for the Brampton AcceleRide program; and \$400 million to municipalities primarily outside the GTA for investment in municipal roads and bridges. The investment is spread across the province with an emphasis on rural and northern communities such as Hastings county, which will receive more than \$1.6 million; London, which will receive more than \$14.3 million; Hamilton, nearly \$21 million; Sault Ste. Marie, more than \$4.7 million; Kitchener, more than \$4 million; and Ottawa, nearly \$33 million. These communities and all communities across Ontario will determine their own priorities, including how and when to spend the funding. It is being provided immediately so that high-priority projects can be accommodated as soon as possible.

Our government has an outstanding record of helping communities across the province ensure their roads and bridges and their transit infrastructure are among the best in the world. We are the first government to offer municipalities a reliable and stable source of transit revenue. The provincial gas tax program is a huge success. We have launched the third year of the program, giving our municipalities \$313 million, or two cents of every litre of gasoline sold in this province, for public transit programs. We also, I believe, have an outstanding record in helping communities help themselves in improving infrastructure. We created the Ontario Strategic Infrastructure Financing Authority, or, as we call it, OSIFA, to make it easier for municipalities to access affordable financing for public infrastructure. It is, in effect, an infrastructure renewal loan program for municipalities, and I'm pleased to report it has been a marvellous success. We have just merged OSIFA with Infrastructure Ontario in order to more effectively carry out our infrastructure planning, financing and procurement activities. However, it is very much business as usual, and Infrastructure Ontario will continue to provide affordable, long-term loans under the OSIFA name. To date, OSIFA has provided \$2.4 billion in low-cost loans for infrastructure financing to almost 200 communities for more than 12,000 local infrastructure projects. Similarly, we are working with our federal partners to help municipalities meet their infrastructure needs through the Canada-Ontario municipal rural infrastructure fund, or COMRIF. COMRIF commitments this year total approximately \$47 million in provincial funding for Intake 3, and they'll be used to build everything from better sewage systems to improved waste management processes to better roads and bridges.

We have also begun working with our municipal partners to improve strategic asset management in this province. When we talk about good asset management, we are also talking about an integrated approach involving planning, engineering and financing to effectively manage existing and new infrastructure in a sustainable manner.

**1600**

Put another way, municipalities need to change the way they think about and manage their assets. We all have to work together to keep our public assets from falling apart. By 2009, the Public Sector Accounting Board, or PSAB, will require that all municipalities report on the value of their capital assets as a basic first step in assessing what needs to be done to preserve them. Many larger cities already have asset management plans in place. This is something that must become part of the day-to-day business of being a government at any level.

I'd like to shift gears for a moment and talk about not what we are investing but how we are investing, and the context for that is the massive infrastructure deficit I laid out earlier. What I believe to be a conservative estimate is that we need to spend more than \$100 billion over the next 30 years if we are to ensure that we are delivering health care in state-of-the-art hospitals, dispensing justice in modern courthouses, teaching our kids in new or renovated schools, and moving our goods and people on well-maintained roads and highways—more than \$100 billion.

We could, as other governments have done, have shied away from that reality. We could have undertaken the odd patchwork project here or there and left the real work that needs to be done for another day, for another government. But we chose not to. Instead, we took a good, long, hard look at the options available to us in terms of funding big projects. We applied five very clear principles that we developed under our Building a Better Tomorrow framework.

The public interest is paramount. Value for money must be demonstrated. Accountability must be maintained. All processes must be fair, transparent and efficient. Finally—because this is the big one—appropriate public control and ownership must be preserved. What we came up with was AFP, or alternative financing and procurement.

Thirty-five hospital projects are proceeding under the government's AFP program. Alternative financing and procurement leverages private sector resources and expertise to provide on-time and on-budget project delivery. It transfers appropriate risks to the private sector. It reduces costs by eliminating duplication and red tape. The bottom line: It gets the job done.

What it does not do is privatize hospitals, as certain critics insist it does. So let me be clear: There is a fundamental and profound difference between our government's approach to hospital financing and that of previous governments. We will not compromise the integrity of our public health care system. All Ontario hospitals, no matter how they're funded, will be publicly owned, publicly controlled and publicly accountable. All AFP transactions are strictly governed by the framework. It allows for no privatization of hospitals, period.

Providing the highest-quality health sector infrastructure at the lowest possible cost demands a more principled, more innovative and more effective way of managing our public infrastructure. With AFP as one of

our tools, we'll be able to deliver better and smarter. The choice is not between using AFP or traditional methods; it's between building it now and maybe not building it at all. We simply can't wait, and we won't wait. People and communities need their hospitals, and using AFP we are building them now, and I'm very proud of that.

I'm very aware of the limitations on time and I certainly don't want to take up more than I've been allotted, but as I wrap up I want to draw the committee's attention to the area of this city just a kilometre or two south of here.

We had a summer to remember on Toronto's waterfront. We put shovels in the ground at the launch of the construction of the Mimico Waterfront Linear Park. This will feature a new section of waterfront trail, a sheltered embankment, a sand dune, and cobble beaches.

In mid-August we completed the Western Beaches Watercourse Facility, the site of the International Dragon Boat Federation World Club Crew Championships, drawing over 4,500 athletes from more than 25 countries around the world.

In August we launched Quay to the City, a tremendously successful 10-day celebration that gave a glimpse of what the central waterfront will look like over the next 10 years. We transformed a kilometre-long stretch of Queen's Quay with a picnic lawn, gardens and urban beaches that hosted events.

In a nutshell, that is what the Toronto waterfront needs to be.

These projects are an example of what you can accomplish when all three levels of government come together around priorities and around plans. A revitalized Toronto waterfront will offer better quality of life, attract more businesses and tourists, and strengthen the local economy. Because Toronto is the engine that drives the provincial economy, the benefit will spread out across the province.

Before I conclude, I want to take you back to the leaders' forum. One of the speakers at the forum was John Wright from Ipsos Reid, and he had some very interesting things to say about infrastructure and the responsibilities of government. I want to quote him right now:

"The public wants a long-term view on infrastructure development and investment. It is a public that too often has witnessed infrastructure delay or decay because those decisions are oftentimes tied to a political party or entity that simply lurches from one election to another and deals with infrastructure in that time frame. What that has led to in cities like Toronto is a lack of execution, no clear plan or priority and, in many cases, effective gridlock."

I agree with John Wright 100%. As I have tried to make clear today, our government is doing infrastructure differently. Mr. Wright went on to say:

"While there is an underlying dynamic that suggests that people really don't care who is responsible for getting these things done 'except that it gets done' so they can get on with their lives, there is an overarching belief that their provincial government bears the largest respon-

sibility for ensuring that infrastructure is maintained and enhanced throughout their province.”

I want to assure this committee that I fully take responsibility for the province’s infrastructure. Mr. Wright concluded:

“The role of the private sector and the government, collaborating on various matters, is something that most of the public accepts. But there are always two caveats to this: It depends on the sensitivity of what area they are involved in as there is a huge difference in their mind between private sector involvement in hospitals and schools versus other sectoral areas; and the other is about the vigilant role of government in ensuring that the role of the private sector does not impede or overtake the intentions of public assets as instruments for the public good.”

I couldn’t have written a better description of AFP and our Building a Better Tomorrow framework.

Ladies and gentlemen, I hope I’ve been able to give you a sense of what my government and I have been doing to help lay the foundation for a glorious future in Ontario, because it really is about the future. To stretch the analogy more than I probably should, we’re getting the house ready for the guests we know are coming tomorrow, because we’re getting nearly four million more residents.

We’re going to be ready. Our schools are going to be ready. Our hospitals and long-term-care homes are going to be ready. Our roads and bridges are going to be ready. There will be safer water and cleaner air.

We are well on our way to a renewed Ontario, to a better province: a province of prosperity, with the infrastructure we need for the quality of life we deserve for ourselves, for our children and, indeed, for many generations to come.

Mr. Chair, I want to thank you and the members of this committee for your patience in indulging me. I hope I’ve appropriately used the 30 minutes I’ve been allotted. I’d be very happy to hear your comments and take your questions now.

**The Vice-Chair:** Thank you very much, Minister. With that, the next 30 minutes are for the official opposition to ask questions or make comments, as you see fit.

**Mr. Hudak:** Great. Minister and Deputy, thank you very much for the presentation, and to the public infrastructure renewal team that has joined us in estimates today.

Let me start out by saying, on behalf of the official opposition, happy 33rd birthday to Paul Evans and Victoria Vidal-Ribas. There was an earlier announcement, just before my colleague Mr. Tabuns was able to join us. It’s their birthday today, on Halloween. Victoria is 33 today. She was a mere law school graduate in the good old days at consumer and business services. It’s good to see her again. She always gave me some good advice and kept me out of trouble.

Minister and Deputy, some opening questions. The \$30 billion that the minister speaks about in his comments today and in his plans: What proportion of that is provincial dollars?

**Hon. Mr. Caplan:** The only portions that are not provincial dollars would be, I believe, the \$300-million component of the Canada-Ontario affordable housing component, so \$300 million federal and \$300 million provincial; the one-third share of COMRIF from the federal government; we did not include any of the municipal dollars in the calculation of \$30 billion—and I believe as well the strategic infrastructure funds that we’ve partnered with, and the highway and border fund as well. We have included the federal investments in the total \$30-billion figure. I don’t have the proportions here, but those are the four areas.

1610

**Mr. Hudak:** Hospital projects? Are you counting strictly the provincial funds in the hospital projects, or are you counting the local funds as part of the \$30 billion?

**Hon. Mr. Caplan:** The local shares would be included, but you would well be aware that the local share policy has significantly changed. The province provides 90% now of construction costs, where that used to be, historically, a 50-50 split. I believe that was changed for certain health services restructuring capital projects. It is now, for all projects, a 90-10 split.

**Mr. Hudak:** I remember this, because the West Lincoln Memorial Hospital, which you and I have spoken about a few times before, was initially offered I think 60% funding, and the community said, “No, we should have at least 80% to match the hospital projects in other parts of the province,” and at the end of the day you came through with 90%. We’re pleased to see that; that will help out the local community. I commend Grimsby council for coming on strong and suggesting a higher funding amount.

Has that 90% funding for the hospital projects been booked in the fiscal plan?

**Hon. Mr. Caplan:** Yes. It is built into the fiscal plan.

**Mr. Hudak:** So how much is it per year for these hospital projects, going forward?

**Hon. Mr. Caplan:** Do you mean all 100? It would be over 100.

**Mr. Hudak:** Yes.

**Hon. Mr. Caplan:** I don’t know if I have a calculation on a per-year basis. Over the five years, it exceeds \$5 billion. You would be well aware that we don’t book until we actually begin the construction for the hospital project. But we have more than just those individual hospital projects. For example, I believe the fiscal plan calls for about \$40 billion annually in what we call the health infrastructure renewal fund, monies to help to rehabilitate existing plant. There are more than just simply hospital investments as part of the five-year capital plan. I could provide for the committee the year-by-year breakdown and the cash flows of it, but I don’t have that information with me right now.

**Mr. Hudak:** I’d appreciate that. That’s a detailed question that you might not have at hand, and I understand that. If I could, the minister had indicated that he would get a breakdown of the hospital projects and how

they're booked in the fiscal plan for the committee's benefit. I'd appreciate that on a hospital-by-hospital basis, if that's possible. I assume that you do have that. If you don't, tell me.

**Hon. Mr. Caplan:** We'll see what the information is that we have for the committee and we'll forward it.

**Mr. Hudak:** Secondly, if we could get that breakdown on an aggregate amount, the \$30 billion, not simply proportion and percentage but the actual breakdown of the \$30 billion, how much is flowed directly by the province of Ontario and how much would come from the other funding sources like the federal government, the local share of municipalities etc., just so we can understand how much of that \$30-billion commitment is through the provincial treasury directly.

Minister, in your opening comments, did you say that there are 35 hospital projects proceeding currently? Did I catch that correctly?

**Hon. Mr. Caplan:** There are 35 planned over the five years using AFP as a finance tool over the five-year period of time.

**Mr. Hudak:** So the 35 was relevant to the 3P or AFP model?

**Hon. Mr. Caplan:** There are over 100 projects. Some would be smaller or rehabilitation-type projects; on some we were able to use traditional means. But there are 35, so far, alternatively financed hospital projects within the plan.

**Mr. Hudak:** To be more specific, what I'm asking is that in your progress report you speak to 100 hospital projects; the quote is, "More than 100 hospital projects are moving forward." That's a general use of the term "moving forward." I think that some of these are press releases; on some there may be actual construction happening. How many are actually physically underway right now, not a press release, not a design plan, but actually physically being built as we speak?

**Hon. Mr. Caplan:** I can get the exact figures for you. I can tell you, for example, about the York Central Hospital, where we flowed the funds in a traditional public-works-style model and shovels are in the ground for that, and I know the Scarborough General hospital similarly. And there are other projects like this. We can provide for you ones that are moving forward. We're especially proud—the Montfort Hospital, which was unfortunately under a bit of a guillotine order previously, has now had shovels in the ground. It is the first of our AFP hospitals to achieve commercial close and to begin construction. I believe, member from Erie—Lincoln, one of the ones we anticipate in 2007-08 is the Niagara Health System hospital. Some are in tendering phases, some are in planning and design phases, but your question was, which ones had shovels in the ground, which ones had proceeded with construction? We can provide that information.

**Mr. Hudak:** Shovels in the ground—I know you're using the expression. I think any politician is probably guilty of putting more shovels in the ground than project starts that have actually taken place. I'm more interested in the physical site being developed.

The reason I'm asking is that in the plan that you released, the ReNew Ontario 2005-2010 strategic plan—which was released just over a year or so ago, right?—you're very specific. You said there are 105 hospital projects under the capital budget. In fact, and I do appreciate this degree of detail, you had 39 projects in progress at that point in time, and you said that in 2005-06 and in 2006-07 a further 33 hospital projects would be actually undergoing construction, not simply press releases or shovels in the ground. It says "construction start date"—potential construction start date for going forward from that point in time. I think we all agree at this committee that it's absolutely important that we stick to any plans that exist, to get the infrastructure moving, particularly in something as sensitive as a hospital project. So are you on target?

**Hon. Mr. Caplan:** One of the really tremendous achievements was the creation of Infrastructure Ontario. They're not even one year old; I believe they started up in November of last year. I meet with and get reports on a regular basis from the chair and the CEO, because staying on target and staying on the plan—I hesitate to say it's exactly. I mean, there may be a couple of weeks here and there. But I would say, generally speaking, we are hitting our timelines as far as tenders going out, responses to those tenders and getting those projects going along the lines we had laid out in the original ReNew document, yes.

**Mr. Hudak:** Which assistant deputy minister is responsible for this?

**Hon. Mr. Caplan:** Paul Evans, the—

**Mr. Hudak:** The birthday boy.

**Hon. Mr. Caplan:** Yes.

**Mr. Hudak:** If I could, through you, Chair, to Mr. Evans. I appreciate, having been a minister before, that you don't always have the details at hand. Mr. Evans, perhaps you could update me on—happy birthday, by the way.

**Mr. Paul Evans:** Thank you. I'm not 33, by the way.

**Mr. Hudak:** Believe it or not, I know members of the committee are planning a surprise party for me tomorrow. My birthday is November 1. No gifts necessary. I was born two hours after midnight the day after Halloween—just missed it.

**Hon. Mr. Caplan:** Was that All Saints' Day?

**Mr. Hudak:** It is, as a matter of fact.

**Hon. Mr. Caplan:** Very appropriate.

**Mr. Hudak:** Well, that's very kind of you to say.

Mr. Evans, in terms of the goals that were outlined in your plan in 2005, how are you on target for those hospital projects?

**Mr. Evans:** As the minister mentioned, there's a number of—Montfort has started construction. A number of other RFPs, for example, are already currently out on the street. I think you can find those RFPs on the Infrastructure Ontario website; a number of projects are on there. I would say that for the most part, we are on track to achieving the goals that were set out in the ReNew Ontario plan.

**Mr. Hudak:** Do you know specifically, of the 33 hospital projects that were to start in this fiscal or the previous fiscal, how many of those 33 are now actually in construction?

**Mr. Evans:** I would have to get that confirmed and get back to you, sir, on that.

**Mr. Hudak:** Do you think most? Half?

**Mr. Evans:** We'll let you know, as well as the AFP.

**Hon. Mr. Caplan:** That's traditional as well.

**Mr. Hudak:** Yes, this is listed in your plan as 105 hospital projects, which would include both traditional and AFP financing. But you don't know off the top of your head whether you're close to the 33, halfway to 33?

**Mr. Evans:** As I said, we'll have to confirm the list of both the traditional and the AFP hospitals, in terms of the definition that you've provided, in terms of the work underway.

**Mr. Hudak:** You were also very specific with the funding levels for those hospitals; for example, this fiscal or last fiscal, 10 that were valued at \$100 million or more are listed. There are 12 that are smaller projects, less than \$25 million. So you know on a year-by-year basis which hospital projects were to proceed.

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**Mr. Evans:** Yes. Infrastructure Ontario has been looking for the AFP hospitals. The Ministry of Health, with respect to the traditional hospitals, has a number of projects that have been approved that have been staged over the course of the ReNew Ontario period.

**Mr. Hudak:** So where does the West Lincoln Memorial Hospital fit in? What year is it scheduled to begin construction?

**Mr. Evans:** I'll have to have a look at that and get back to you. West Lincoln, 2009-10.

**Mr. Hudak:** North Bay?

**Mr. Evans:** The North Bay General Hospital?

**Hon. Mr. Caplan:** It's 2006-07.

**Mr. Hudak:** So you have a few months left in that fiscal—

**Mr. Evans:** I believe the RFP for the North Bay hospital is actually on the Infrastructure Ontario website.

**Mr. Hudak:** I know that. It's just that this is construction starts, right? The plan was construction starts.

The minister and the deputy are reading from a list. Is that a list of the hospitals and what year they're supposed to start?

**Ms. Carol Layton:** Yes. It's an internal tracking document that the agency provides. It shows the status of projects by some of the key measurable dates.

**Mr. Hudak:** Thank you. To the deputy, what kinds of projects does the internal tracking document show?

**Ms. Layton:** It shows the ones that have been assigned by the minister to Infrastructure Ontario.

**Mr. Hudak:** For?

**Ms. Layton:** Formally assigned.

**Mr. Hudak:** For hospitals strictly?

**Ms. Layton:** No, it's the full scope of the projects assigned to the agency.

**Mr. Hudak:** Help me understand what projects would be assigned to the agency vis-à-vis projects that would not be assigned.

**Ms. Layton:** There are two ways in particular for hospitals. Hospitals are constructed and financed two different ways in the province. There are over 30 or so that are done through the alternative financing and procurement method, but there's also the traditional ones that are funded and monitored and the oversight is provided through the Ministry of Health and Long-Term Care. The majority of hospital projects are still through that ministry.

**Mr. Hudak:** But does your document track both sets?

**Hon. Mr. Caplan:** No.

**Ms. Layton:** This particular one that I have tracks the agency because the agency reports to this ministry.

**Mr. Hudak:** Okay. Does the ministry track those that are traditional funding models?

**Ms. Layton:** We do. Right now we're in the middle of the 2007-08 results-based plan process. In fact, it's the planning process for both the operating and capital side. That work is under way, and we will be receiving very soon from the Ministry of Health and Long-Term Care their detailed submission on capital projects.

**Hon. Mr. Caplan:** But there are other projects that Infrastructure Ontario has been assigned, like the Durham consolidated courthouse, like the Greater Toronto Youth Centre. There are others as well that are proceeding under their leadership.

**Mr. Hudak:** Who makes the decisions as to which hospital project will proceed?

**Hon. Mr. Caplan:** Can you be a little bit more specific?

**Mr. Hudak:** There will be a demand from a large number of hospitals and a limited amount of funds. They'll all make their pitches for capital projects. Who ultimately decides which hospitals qualify for funding and which ones do not?

**Hon. Mr. Caplan:** That's actually a very interesting question because of a conversation between ourselves and the Ministry of Health. The Ministry of Health wanted to take a look at, fairly enough and most importantly, what the health care transformations and the critical needs are across the entire province from a health policy basis. I think they had three major criteria that they used: transformation, renewal and—what was the third one? It escapes me at the moment.

**Mr. Evans:** Wait times.

**Hon. Mr. Caplan:** Wait times—as far as meeting their strategy. The other kind of filter they put on it was something that I call “regional equity.” We wanted to make sure we didn't simply do everything in the city of Toronto or in northern Ontario or, with all respect to the Premier, in the city of Ottawa. We had to try to fairly meet the health care needs from across the province. So the Ministry of Health made that determination based upon a health policy basis and then, given whatever cash flows we would have available in the financial plan, we

worked to match up our estimate of what we could handle.

The other factor that we put on to it was that we tried to make an estimation of the relative construction capacity within the province of Ontario to undertake a number of these projects. You cannot do them all at one time. Even if you had all the money, you have only so many trades, so many bonded construction companies. You don't want to flood the market with tenders all at one time because you will not get the response. So it's how we could phase and stagger and stage it out. But the first considerations were health care ones. The next ones, as I say, were the regional equities. The next ones were our cash flows, and the last consideration was the relative construction capacity and ability to deliver.

**Mr. Hudak:** So, at the end of the day, it was strictly quantitative? You had a formula that, across those four criteria, analyzed which hospital projects should be a priority. Scores would have been assigned to the hospital projects.

**Hon. Mr. Caplan:** I don't know if it was done with that kind of methodology. It was done through a health policy lens, and then there was the focus of the distribution of it across the province. Then of course cash flow is cash flow, whatever that happens to be—

**Mr. Hudak:** So, at the end of the day, these 105 hospital projects were ranked, and then you decided what year they would fit in in your five-year plan?

**Hon. Mr. Caplan:** No, I don't believe there was a ranking per se. As I say, the most important was a health policy consideration. The next was a determination to legitimately meet the wait times imperative and the criteria that all Ontarians would expect and demand. As I say, the next filter, so to speak, was a measure of relative construction capacity and cash flows so that we could actually deliver on the plan. So I don't think it was like a one through 100. I know that there are even more hospital projects than that that hospital board CEOs have identified to us, and it is fully our intent to work to address some of those additional projects as well in subsequent years.

**Mr. Hudak:** Also, your 2005 plan spoke about nine new and seven upgraded MRI machines to be operating by the end of the fiscal year. Mind you, that was fiscal 2005-06.

Mr. Evans, did you keep that promise?

**Mr. Evans:** I'll have to confirm that again, and again get back to you on that. I'll have to check with the ministry.

**Mr. Hudak:** The ReNew Ontario Progress Report 2006 says that six MRI services are operating and seven have been replaced. So you are three short of what you had promised to do in your 2005 plan. Where are those three MRIs, and why did the three MRIs not get funded as promised?

**Hon. Mr. Caplan:** We'll follow up and provide the details to you, Mr. Chair.

**Mr. Hudak:** Were you aware of this? You put out your plan just a month or so ago. MRIs are a pretty

significant investment. I'm sure the people in the communities are very happy to have the new ones, but you fell three short, and there's no indication in your progress report as to what happened to those three MRI machines. They've sort of disappeared into the ozone somewhere.

**Mr. Evans:** As the minister said, we'll check in with the Ministry of Health and we will get a response back to the committee on that.

**Mr. Hudak:** Were you aware you were three short when you produced the report, Minister, a month or so ago?

**Hon. Mr. Caplan:** I don't recall if the nine—perhaps the language was not especially clear. My understanding was that the ReNew Ontario plan was over the five-year time horizon. I'm not sure that the characterization that you're making is correct, but as I say, we'll follow up and report back to the committee.

**Mr. Hudak:** I'll just read it to you. It says, "Nine new and seven upgraded MRI machines will be operating by the end of this fiscal year"—again 2005-06, which expired March 31 of this year. There was a specific commitment that was made, and then in the progress report that came out just a few weeks ago the number has mysteriously dropped down to six new MRI services and seven replacements. You kept the promise on the seven. It's just that there are three missing MRIs, and it was a very clear commitment in your plan.

I'm happy to see these clear commitments because I think that gives taxpayers faith that there actually is a plan in government and through this ministry to deliver. The problem is that the rest of the document and the progress report are rather nebulous. There are large groups of funds and vague numbers of projects that are said to be moving ahead. I hope, through this, we'll get a better understanding of which projects are geared for which specific year; for example, as I mentioned earlier, which hospitals projects are scheduled for which year for construction and their completion dates. Obviously the role of this committee is to make sure that those commitments are kept. That's why I featured, where you did have some degree of detail, the hospital projects and those MRI projects.

Who makes highway decisions in government? Who decides which highways are going to get funded in the fiscal year?

**Hon. Mr. Caplan:** It's a similar kind of decision-making process that I've described to you with health care. The Ministry of Transportation for southern Ontario and the Ministry of Northern Development and Mines for northern Ontario have purview over, from a policy perspective, which highways, either for safety reasons or for economic development reasons, require expansions, rehabilitation, widening—all of those kinds of things—and I think it has ever been thus. They come forward and talk to us, and we measure relative cash flow, construction capability and availability, the ability to deliver over the time period, and we try to match those things up. But the prioritization is determined by line ministries. As a general rule, you don't want the financial ministry to be

the driver on the public policy decision. You want the Ministry of Transportation, the Ministry of Health, the Ministry of Education or so on to be the major driver on what road, where it's required, the reason for the upgrade and what the safety considerations are, and then to match up the financing afterwards.

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**Mr. Hudak:** And college and university capital projects?

**Hon. Mr. Caplan:** It's similar.

**Mr. Hudak:** What capital decisions do you actually make in public infrastructure renewal?

**Hon. Mr. Caplan:** As I say, it's a collaborative kind of ministry. I remind my colleagues and members of this committee that capital is the enabler. The key for any public service is, what is the public service? Do you want to reduce wait times? Do you want to lower class sizes? In the case of our government, the answer is quite clearly yes. So what are the strategies? What is the capital envelope? What is the place where teachers and students will go in a learning environment? What is the place where doctors and nurses and patients will go in a health care environment? What places from a health or education perspective are required to be in place, and when are they required to be in place? We've also tried to overlay—and I can see this is rather a challenge—in some parts of Places to Grow, as I've spoken about in my comments, where the population is going to be over the course of the next 25 years so that we can plan our investments appropriately. So it's that collaborative way.

That was the reason, Mr. Hudak, that I believe the Premier created the ministry of infrastructure, and I would give full credit. The previous government recognized it was important to have a separate agency, a separate arm there to deliver capital programs, which even previously they would not have done divorced from the key policy areas that health care or education or transportation would have. So this is a very collaborative—

**Mr. Hudak:** Thanks.

**Hon. Mr. Caplan:** Well, if you'll let me—

**Mr. Hudak:** No, thanks. I don't think so. It was a good answer. I was just asking a quick question in terms of what decisions you actually make on capital. I'm happy that public infrastructure renewal—

**Hon. Mr. Caplan:** The other key area that we—

**Mr. Hudak:** Minister, if I could. You've got a lot of talent there. You've got the deputy, you've got Evans, you've got Graham—a lot of good people there behind you. What we want to make sure happens is that in your five-year plan, to make sure you hit your 30-year growth targets, you can actually have a real role in ensuring that the infrastructure decisions actually fit that. It's not meant as a question, just a general concern.

I'm being supportive, because I think Caplan's doing a solid job on the communications being put out there on this. I just think they should give you more power to make some of these decisions on the capital side so that it actually fits in with the plan. I was holding you to

account five minutes ago for hospital and MRI projects, but it's that Smitherman fellow who's actually making those decisions. So the next time the Premier's looking at the descriptions of the ministries, you can say that Hudak says to give Caplan more responsibility on the capital project side.

**Hon. Mr. Caplan:** I should say, first of all, I feel a great deal of confidence in the public servants in public infrastructure renewal. They are some of the most high-calibre and high-quality people I've ever had the pleasure of working with. So I fully concur with you.

One of the other really key areas that we do work on is federal-provincial negotiation. In our first two years alone, we concluded something along the lines of \$5 billion in federal-provincial-municipal cost-share agreements. Again, I think that was a key highlight for us.

There are a number of roles that we play, and while I appreciate the support from my colleague from Erie—Lincoln, I do think that other colleagues around the cabinet table and other ministries play a very key role in the collaborative nature that a government really should bring to the kind of public policy and investment regime it has.

**Mr. Hudak:** I'm just trying to be helpful.

**Hon. Mr. Caplan:** Well, thank you.

**Mr. Hudak:** You do have a capital budget: Your estimates for 2005-06 reported your capital to be \$277.4 million, and your interim actuals were \$67.7 million. In short, there's a \$210-million shortfall for public infrastructure renewal capital. It's on page 21 of the public accounts document. I realize that there's a contingency fund as part of that, but despite the contingency fund, you fell well short of your capital goals. What happened? What projects did you decide not to fund in 2005-06?

**Hon. Mr. Caplan:** I believe that it's mainly the contingency fund, which is returned back, as it always has been in the budgeting of the province of Ontario, to the finance ministry. I'm curious, though, whether there was an effect of consolidation that may have had a difference. I'll ask Paul Evans to perhaps provide some insight.

**Mr. Evans:** As the minister mentioned, I think probably the largest difference there was the capital contingency fund, which is usually zeroed out at the end of the year, as you know.

In terms of some of the other issues with respect to the ministry's capital, I certainly can say, for example, in terms of some of the transfer payments for the Toronto waterfront revitalization, that due to some delays in some of those projects, there was some slippage on some of those projects. But again, I would say, on the point of the tri-government agreement over the 10-year period of the waterfront vision, that we're very confident all of those projects will be delivered as per that 10-year waterfront vision.

**Mr. Hudak:** You take the \$175 million—sorry, it's a \$150-million contingency fund in 2005-06 and \$175 million this year, right?

**Hon. Mr. Caplan:** I believe that's correct.

**Mr. Hudak:** You fell \$210 million short of your estimates in 2005-06. So there's \$60 million in projects

that were budgeted, capital projects, that didn't follow through. So here you have the ministry that's supposed to be pushing the capital process and investing in infrastructure, and you had about an equal amount of projects that you did and did not fund: You funded \$67.7 million on the capital side and you fell \$60 million short. Why should other ministries—well, I won't ask the question. Specifically, I'd like to know which projects of that \$60 million did not go forward, why they didn't go forward and when they will be completed.

**The Vice-Chair:** This will be the last answer for this particular round, and then we'll go to the third party for 20 minutes.

**Mr. Evans:** I'll have to defer to my colleague the chief administrative officer for the ministry on some of the other capital funds. I'll have to check my notes and get back to you on the remainder of that question.

**The Vice-Chair:** Thank you very much. To the third party: Mr. Tabuns, I don't think you were here at the beginning. We'd planned on adjourning at 5 today.

**Mr. Peter Tabuns (Toronto-Danforth):** I understand that.

**The Vice-Chair:** With that, you have the next 20 minutes, if you wish.

**Mr. Tabuns:** Thank you, Minister, for presenting today. I apologize for having missed the beginning, but that's life.

One of the issues I've been raising with the Minister of the Environment is climate change. She's said to me that all ministries have responsibility for climate change, that they're all in there, they're all pulling hard. You are talking about the need to spend about \$100 billion over the next 30 years on Ontario's infrastructure, so I would assume that you're going to have a pretty substantial impact on the kind of infrastructure we'll have for the next few decades. Is that a fair statement?

**Hon. Mr. Caplan:** As I said in my opening remarks, these are generational investments. Regrettably, in the past, they were made with a lens toward the next election cycle. Really, the mindset has to be over the longer term, which is why we've introduced a growth plan for the greater Golden Horseshoe to lay a blueprint for how we're going to be moving forward, and the first ReNew Ontario plan, a five-year plan for investment. As I said in my opening remarks, these are just a beginning toward working down some of these larger what I believe are now well over \$100 billion in infrastructure requirements.

**Mr. Tabuns:** Has your ministry been assigned a formal role in fighting climate change here in the province of Ontario?

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**Hon. Mr. Caplan:** Yes, as a matter of fact, a number of initiatives that I think the member will be quite interested in. If I could highlight three or four of them for you, one is investment in transit. I would say that we'd seen, with the previous government, an offloading of transit onto municipalities. At the very late stage they did upload it, but there was not a great deal of investment

there. One of the first things I had the pleasure of doing was negotiating about a \$1-billion fund through a strategic infrastructure agreement with the federal government for a state of good repair for the TTC; another \$1 billion to fund the GO 10-year capital plan, a significant transit expansion, as well as part of the Move Ontario initiative, which I've mentioned and which was in the budget, which was a couple of different transit projects: expansion of the subway up to Vaughan; also, the Brampton AcceleRide, Mississauga BRT, and support for the York region Viva as well.

Also, I think the member is very familiar with something called LEED, the Leadership in Energy and Environmental Design standard. In fact, the member might be interested to know that the design of the West Don Lands, a precinct of the Toronto waterfront, and the build-out of it will conform to LEED standards. Not only that, but the Archives of Ontario, a project that we are supporting—we've asked for I believe the LEED silver standard to be achieved in the RFP and in the tender document. For the Durham consolidated courthouse in Oshawa we're also trying to hit the LEED silver standard.

I'm not underwriting that we'll be able to do it, because we're very young at this game, but we have some very ambitious plans. Also, I believe there are a couple of other projects that Paul might be able to share with you.

But there are some additional things that we're doing. We had set, three years ago—

**Mr. Tabuns:** Excuse me, Mr. Minister—

**Hon. Mr. Caplan:** I want to give you a full answer.

**Mr. Tabuns:** I know you do, but I want to ask a question and then I'll put the rest of your answer in the context of that.

**Hon. Mr. Caplan:** Okay, just let me have one more, then. We'd set a target in 2003 to reduce the government's own energy consumption by 10%. I can tell you that if we're not at 100% of that goal yet, we are something like 90% or 92% of the way there and we will easily hit that target. I anticipate and look forward to having our next target for energy, showing leadership in energy reduction.

I haven't talked about our plan to curb urban sprawl in the greater Golden Horseshoe or the deposit return system that we're implementing for the LCBO and in partnership with it. But those are four or five different environmental strategies related to climate change and the like, and I'm happy to expand on it if the member would like.

**Mr. Tabuns:** How many megatonnes of greenhouse gas reductions will flow from those investments?

**Hon. Mr. Caplan:** I don't know if we've measured it in those terms such that I can provide an answer to you.

**Mr. Tabuns:** I'd appreciate it if I could have an answer.

**Hon. Mr. Caplan:** I don't know if we even produce the information in that format. We can try, but I don't know. I don't have it right now. I'll take it under advisement, and if we can reply, we certainly will provide a reply to the committee.

**Mr. Tabuns:** So, Minister, you actually don't have a target in reduction of greenhouse gases. You've been given a direction, but you don't actually have a target. You don't know whether you're reaching the targets that we need in this society. Is that correct?

**Hon. Mr. Caplan:** I think I just indicated that there are about five key areas that our ministry is either investing in or we are making sure that we're planning for to be able to meet some of the overall government and societal objectives that we have for good environmental practice and for climate change greenhouse gas emission.

As I say, I don't have that information. I don't know if it's formatted in that particular way in our ministry. If it is, I am happy to reply and to share that with the committee at a later time. I just don't have that with me right at this moment.

**Mr. Tabuns:** My concern is that, obviously, if you don't know what you're aiming for in terms of reducing emissions, you don't know when you've gotten there. Yes, you can spend all kinds of money. The federal government did, and the federal Auditor General's office recently reported that there were \$6 billion worth of announcements federally and no reduction in greenhouse gas emissions. So in order to tell whether you're actually doing something, we need to know what your target is and whether you're going to meet that target.

**Hon. Mr. Caplan:** I hope, Mr. Tabuns, that you would agree with increased investment in transit, certainly, building LEED certification standards into tenders for public buildings, reducing government's own use of energy, a deposit return system for alcohol beverages in the province of Ontario, a growth plan aimed at reducing urban sprawl. I would hope that you would agree with these kinds of measures as a means towards the ends.

**Mr. Tabuns:** If they were effective measures, Minister, I'd agree with them. If they're not effective, then I won't be happy. I want to know if they're effective, and to that extent I ask what the target is and whether you've made the target. If you're not looking at actual emission reductions, you can spend all the money you want, but the virtue is not there, because you're not actually dealing with the problem that we have.

We'll go on to the next one, though.

**Hon. Mr. Caplan:** If I might reply, I think you would have to ask the Minister of the Environment for whatever targets are set. Your question to me initially was, based upon your conversation with the Minister of the Environment, that each ministry has a role to play as far as meeting some of these important objectives. I think I've outlined five very solid ways that the Ministry of Public Infrastructure Renewal is contributing to the government overall. But I really think your question may be more appropriate to the Minister of the Environment.

**Mr. Tabuns:** Well, the Minister of the Environment tells me it's all the ministries. You're a significant minister. You're going to set in motion \$100 billion worth of investment over 30 years. You're going to be setting the direction. Frankly, if I don't know what your target is and if you don't know how you're measuring

emission reductions, then one will never know if you've actually done what was needed to be done.

Do you have guidelines respecting adaptation to climate change built into your programs going forward? We're going to see more intense weather events, we're going to see more flooding and we're going to see more problems with expansion joints dealing with greater heating. Is that incorporated into your planning now?

**Hon. Mr. Caplan:** I'm going to ask Paul Evans.

**Mr. Evans:** Certainly with respect to ministries, for example, the Ministry of Municipal Affairs and Housing, which makes provision for municipal disaster assistance in case those sorts of things occur; the Ministry of Natural Resources in terms of looking at and ensuring that there's adequate protection of the dams, the conservation authorities' dams. We're investing in partnership with conservation authorities in those types of pieces of infrastructure. I think Minister Caplan spoke about it in his opening remarks around the asset management planning that we're asking ministries to do, that they are looking at, again, the service life, the service quality of their particular assets to ensure that, from a public health and safety perspective, they have those proper plans in place. So it is part of the planning that we ask ministries to undertake.

**Mr. Tabuns:** So when you design new bridges, when you put culverts into areas where you're bridging streams etc., you're planning for a different climate. Is that correct?

**Hon. Mr. Caplan:** Remember, of course, Mr. Tabuns, that we finance that. The Ministry of Transportation determines the standards, the materials, all of the particulars around what they design. They have engineering staff and hire others to be able to do that. We provide the finance to make the investment they wish to make in expanding roads and bridges, or in building transit systems, or in building new hospitals, or in financing water and sewer systems.

It's important to understand the important roles that ministries themselves play in determining what the specifications are that will meet the requirements they identify.

**Mr. Tabuns:** My concern is that you're funding projects that may not be adequate to the task that will be before them. If we have road washouts, if we have problems with the stability of bridges, money you've invested on behalf of the people of Ontario and the lives of the people of Ontario will be at risk. The World Bank has issued guidelines for its development projects around the world, saying, "When you take our money, you prepare for adaptation." As a minister who's setting in motion very substantial investments in this province over the next few generations, are you setting forward guidelines and, if you're not, are you preparing to meet with ministries to make sure they're proper stewards of our funds?

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**Hon. Mr. Caplan:** That's precisely what we do. What we started is quite a unique enterprise in government itself: the creation of the Ministry of Public Infrastructure

Renewal, one place where we deal with capital, particularly with finance, but also with the delivery of it.

Right now, we're engaged with our ministry partners in what we call round tables, where we sit in a format much like this and we talk and get some idea about what ministries see as some of the particular pressures, the transformation strategies, what they feel they will need over the longer term to be able to meet some of the goals that they identify, whether it's health or whatever. We ask them to provide to us with regard to two key areas—well, not two key areas, but in two mindsets. One is, for the assets that we have already invested and that are in place—in the ground, so to speak—what investment is going to be required to keep them in a state of good repair, to rehabilitate, to make sure that we get the longest life out of the asset? The other is, what do we need for growth and expansion in our communities and in our economy? Of course, we're asking that proper life cycle practices, like going to a LEEDS standard, be built in as we can.

I would say, and I did say in my opening comments—I do regret that you weren't here—that we're very young at this game. This has only just started as an enterprise of government in the past three years, and so—

**Mr. Tabuns:** Okay, Minister, can I just go back? So you are concerned about the life cycle expenses related to these assets. You meet with those ministries. Are you giving them guidelines and are you directing them to prepare for adaptation?

**Hon. Mr. Caplan:** We're giving them the guidelines around proper life cycle practices and maintenance. I don't know that I've ever used that specific terminology in my conversations, but we're trying to work with ministry partners on proper asset management practices and full regard for life cycle practices. That's one of the real strengths of the hospital financing model that we brought into place, that we can build in long-term maintenance and proper life cycle over the life of the asset.

**Mr. Tabuns:** Are you telling them to get ready for a different climate? Are you telling them to prepare for a different reality for physical assets over the next few decades? Is that part of your instruction?

**Hon. Mr. Caplan:** Probably in different terminology than you're using. I would say, yes, that we're using—I think we're using some different language, but I do think that we're asking ministries to think in terms of the entire life cycle of the asset that we're looking to invest in.

I'll give you a great example: We've discovered that some of the bridges which had previously been built are incredibly hard to access because they weren't built and designed in a way that would allow proper maintenance of them. So in the design, the engineering people that the Ministry of Transportation would employ would have to then think about how they would be able to ensure that over its lifetime, over the next 100 years, if that was appropriate for that particular structure, it could be accessed, that it could be maintained. I think we're talking about the same thing, Mr. Tabuns.

**Mr. Tabuns:** You're making my argument; you do give instructions to these people about how to do things

properly. If you have guidelines for adaptation to climate change, I would like you to table them.

**Hon. Mr. Caplan:** I don't think we've ever used that terminology, and I can certainly have the ministry folks go back and take a look. But I think we talk in terms of life cycle.

**Mr. Tabuns:** Well, they're two different things. You can have life cycle planning that does not take into account the impact of climate change, and you can have life cycle planning that does take into account the impact of climate change. You apparently don't have one. I would think that's an oversight, given the scope of the investment that's going to be made in this province.

I'd ask, through you, are you telling these ministries to prepare for infrastructure that will have to deal with much stormier weather, much higher temperatures, far more problematic environments overall because of climate change?

**Hon. Mr. Caplan:** I'm happy to provide the documentation that we have, but I don't ever recall in the instructions that the specific language that you're using is contained in the way that you're using it. We can show what we have, but I'm not sure that it is specifically as you've talked about it.

**Mr. Tabuns:** I suspect that if it isn't, then it won't address it, but I look forward to you tabling it.

On a different tack, energy, you're on track to reduce electricity demand in Ontario government building stock by 10% by 2007.

**Hon. Mr. Caplan:** Well on track. In fact, we should hit our target before the March 2007 deadline.

**Mr. Tabuns:** Can you tell me what you've spent on that and what it has cost per kilowatt hour?

**Hon. Mr. Caplan:** We can get that for you.

**Mr. Tabuns:** Okay. And what are you doing to reduce other energy demand—natural gas for heating, any other fuel that you use for heating and operations?

**Hon. Mr. Caplan:** I can tell you that a 10% reduction in government's energy usage was quite an ambitious program and we're quite pleased with the fact that we were able to bring that in.

Deputy, you may wish to comment.

**Ms. Layton:** Specific to the role that we play with the Ontario Realty Corp., which is of course the agency that provides the facilities, improvements and all of that, there are two different things out there. There is the energy savings target, and as the minister said, we're well on track to achieve that. There is also—

**Mr. Tabuns:** For clarification, are we talking energy overall or electricity?

**Ms. Layton:** Largely electricity, in the case of the government and its real estate holdings.

The other point I just wanted to make there is that we also have an accommodation savings target, which is also about just making sure that we better utilize the space that we have. So there is, in that context, a greater utilization of the space we have, including the turning back of space. So we're looking for opportunities to better co-locate and consolidate and all of that, and also

introducing reduced standards as far as the actual space that a public servant, for example, would occupy. So all of that contributes to a better use of the space that we have and, in the case of the leased space, being able to also turn that sort of space back to the owners.

**The Vice-Chair:** Can we just get a quick question now, Mr. Tabuns? You have about two minutes left.

**Mr. Tabuns:** So are your savings in energy predominantly through reducing the amount of space the government uses or by reducing the amount of energy per square foot?

**Ms. Layton:** There are a number of different initiatives, and my colleague Joyce could comment on it. There is also, for example, the deep-water cooling method. I can't give you the specifics on exactly how that will contribute. It is about the space as well. It's easily about things like walking into rooms and lights going on and off automatically. There are many different techniques that have been deployed, such as, obviously, leasehold improvements that increase the efficiency of windows and all of that as well. So it's about upgrading our space, in a sense, to make it more energy-efficient.

**Hon. Mr. Caplan:** Take this room as an example. You've taken your jacket off. I think I'm sweltering

underneath mine. It's quite warm. Many of the government buildings were not built with regard to proper energy and water and other kinds of environmental measures. That presents a significant challenge in being able to reduce the amount of energy usage and bring them to a point where we can have the proper kinds of practices. But notwithstanding that, because of the kind of leadership that the Premier has insisted upon, we have reduced—we may not be 100% yet, but we are 92% or somewhere in that vein—the government's energy consumption and will have hit that target easily by March 2007.

**The Vice-Chair:** Okay. Thank you very much, Minister, and all the staff who arrived today.

Mr. Tabuns, you'll begin tomorrow. You'll have 10 minutes to begin with, if you can.

**Mr. Tabuns:** That would be great. Thank you.

**The Vice-Chair:** With that, we'll adjourn the committee until Wednesday, November 1—which of course is Mr. Hudak's birthday; he'll probably accept gifts or cake or something—at 3:30 or following routine proceedings. We'll be in room 1 tomorrow, everybody. With that, the meeting is adjourned until tomorrow.

*The committee adjourned at 1659.*







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