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Mercredi 1^{er} novembre 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
Greffier : Katch Koch

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 1 November 2006

Mercredi 1^{er} novembre 2006

The committee met at 1601 in committee room 1.

The Clerk of the Committee (Mr. Katch Koch): Honourable members, it is my duty to call upon you to elect an Acting Chair. Are there any nominations?

Mr. Peter Tabuns (Toronto–Danforth): I nominate Mr. Yakabuski.

The Clerk of the Committee: Are there further nominations? Being none, I declare the nominations closed and Mr. Yakabuski elected as Acting Chair.

MINISTRY OF PUBLIC
INFRASTRUCTURE RENEWAL

The Acting Chair (Mr. John Yakabuski): We're here to resume consideration of the estimates of the Ministry of Public Infrastructure Renewal. There's a total of six hours and five minutes remaining. When the committee was adjourned, the third party had 10 minutes in their rotation. Mr. Tabuns.

Mr. Tabuns: Thanks to research and clerks for providing us with this memorandum about outstanding questions. I just want to note that question number 6—I don't know precisely how it came across in Hansard, but if it needs to be corrected, I'd like to have it stated that what I want to know is the greenhouse gas reduction target, in megatonnes, for the Ministry of Public Infrastructure Renewal overall. I've mentioned this to Mr. Richmond of legislative research. I'd like to know the reduction target in megatonnes and the timeline for those reductions. I have a suspicion that the number doesn't exist, but I'd like to establish that.

The other issue is that of Ontario's energy reduction target, and that was the question that we ended off on yesterday. In the document I have, Results-Based Plan Briefing Book, there's reference on page 11 to "Implementation projects to reduce electricity consumption in government buildings by 10% by 2007." I know that the detail that was set out in this memo captures some of it, but I'd just like to go through so that the minister knows precisely what I would like. The first is the total government electricity consumption; secondly, the amount by which that consumption will be reduced by 2007, by the end of that planning period, the 10% plan, the cost of investment to achieve that reduction; the cost of investment expressed in cents per kilowatt hour. For instance, putting in \$100,000 may be calculated out as a two-cents-per-kilowatt-hour expense, actually reduce

consumption. The fifth point would be average time for investment to pay for itself. The sixth would be net dollar savings to provincial operations. So the government will have made an investment in these buildings. They will have reduced consumption of electricity. There'll be an expense for the investment and there should be a savings from that investment. I'd like to know what those numbers are.

I did ask, and there was a bit of confusion at the end of the day yesterday, about the plans for reduction of energy consumption in the non-electrical area. I assume that, besides electricity, government buildings use natural gas. I doubt that we have many coal-fired buildings left, but who knows? There may be heating oil used in some remote locations, I don't know, but I'd like to know what the plan has been for reducing non-electricity energy and what has been achieved since this government came to power.

With those notes made for the record—guidelines for energy efficiency in all new buildings being built by the government of Ontario: What is the standard?

Hon. David Caplan (Minister of Public Infrastructure Renewal, Deputy Government House Leader): Before I get to that, the member, Mr. Tabuns, has asked some questions and I can provide some information to him. So far, in 2004-05 and 2005-06, we've had several project types: building retrofits and upgrades, electrical lighting refits and lighting control systems, HVAC—heating, ventilating and air conditioning—and building automation systems, mechanical steam converters and hot water tanks, plumbing, including boilers and domestic hot water heaters, windows, doors, buildings and the building envelope. Over that period of time, in 2004-05 and 2005-06, for 285 projects the total cost was \$54.3 million. The total in kilowatt hours savings annualized was \$27.4 million.

We had some additional special initiatives in that period of time, 2004-05 and 2005-06, special initiatives that we would call sub-metering, cogeneration or work that was done to jails and detention centres. There were nine such projects, totalling a cost of \$6.9 million. The total million kilowatt hours saved annualized is 0.7, for a grand total of 294 projects, was \$61.2 million and 28.1 million kilowatt hours in savings.

Over 2006-07 and 2007-08 projected, because some of that work is ongoing: building retrofits and upgrades; electrical lighting retrofits and lighting control systems; HVAC and building automation systems; mechanical

steam converters and hot water tanks, plumbing, including boilers for domestic hot water; windows, doors and the building envelope—the number of projects is 104. The total cost is \$19.2 million, with 12.4 total million kilowatt hour savings annualized, and some of that is projected, of course.

Again, under the heading of special initiatives: sub-metering, cogeneration, deep lake water cooling, jails and detention centres—18: total cost of \$17.3 million. Total million kilowatt hours in savings annualized is 41.9 million, for a grand total of 122 projects, \$36.5 million, 54.3 million kilowatt hours saved, annualized.

In sum, electricity reductions, total achieved and projected: number of projects, 416. Total cost: \$97.7 million. Total million kilowatt savings, annualized: 82.4. As this information has been requested, we'll work to provide similar kinds of analysis and to reply back to the committee.

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Mr. Tabuns: Thank you, Minister. Your recitation of information was useful and it reminded me that, for electricity, I've asked what the start point was and what the end point will be. I'd like to know what the start point was and the end point will be for the other sources of energy.

Hon. Mr. Caplan: Sure. If it's available, we'll provide the information to the committee, Mr. Chair.

Mr. Tabuns: That would be great.

My next question is, for any new construction this government engages in, what is the energy efficiency standard that is set for those buildings?

Hon. Mr. Caplan: I mentioned yesterday in my comments in reply to the question from Mr. Tabuns that, for example, for the new Archives of Ontario, we've set the silver LEED standard in the request for proposal, as well as in other buildings we have out for tender, like the Durham consolidated courthouse. We are, as I did caution yesterday, very new at meeting these particular standards. We do feel it's important for the provincial government to get into the game, so to speak, and show that kind of leadership. We're calling on our partners who will be ultimately bidding on these particular projects to show us how that can happen and what the life cycle analysis is.

There are several other buildings that I've been made aware of, I believe one in Kingston. There was another one as well that we have issued similar guidelines for in the request for proposal documents, and I'm happy to share that with the committee.

Mr. Tabuns: Are these one-offs, or has the government of Ontario determined that LEED silver is the base efficiency standard for all new buildings that it will build?

Hon. Mr. Caplan: I hesitate to say it's a base standard, because I do know that there is something called gold LEED, and platinum as well.

Mr. Tabuns: That's right.

Hon. Mr. Caplan: I would like to believe that we will gain enough experience to be in a position over a period

of time to be able to achieve those kinds of standards. However, at this moment in time, having never had those types of—

The Acting Chair: There's about one minute left.

Hon. Mr. Caplan: Thank you, sir.

Having never had those specifications written into requests for proposals, written into the offerings for renewal of public buildings, I think this government—and I hope the member would want to congratulate the government for taking and showing the leadership in stepping forward to insert these kinds of standards into its move forward. I also would indicate to the member and to this committee that the West Don Lands precinct of the Toronto waterfront is designed to LEED standard, as well.

Interjection: Gold.

Hon. Mr. Caplan: To LEED gold standard, I'm told. That will entail, I believe, the construction of over 6,000 residential units, of which 1,600 will be affordable, and a new park and commercial and retail space to complete just a magnificent revitalization program on the Toronto waterfront.

The Acting Chair: Thank you very much, Minister. That concludes the time for the third party. The minister now has 30 minutes for the right of reply.

Hon. Mr. Caplan: Mr. Chair, I want to thank you and I want to thank this committee for the interest so far. As I said in my comments yesterday, the role of this committee in providing oversight and holding the government to account for its budgeting and spending decisions is, I think, of supreme importance.

I want to come back and share with this committee some work that, of course, we are very proud of. It's called ReNew Ontario. ReNew Ontario is a \$30-billion, five-year infrastructure investment plan, historic in terms of the kind of investment, the kind of rehabilitation and growth work to support the transformation of lowering wait times, lowering class sizes in the early grades. I want to share with this committee that we are on track to deliver over \$30 billion in infrastructure investment by 2009-10 in co-operation with our partners.

In the first two years of the plan, the province invested more than \$11 billion in its own infrastructure, well on the way to achieving or exceeding the five-year, \$30-billion total planned investment and providing funding for more than 100 hospital projects right across the province over the next three years.

Just some highlights: An additional 104 first-year medical school places will be opened in six locations around the province. Four locations will be new satellite campuses. This will allow students to complete significant portions of their training closer to home. As my colleagues have shared with me and with Ontarians, when you train people from the communities in which they reside, they are much more likely to stay and be able to provide critical medical services to the residents of those communities.

We have slowly but surely begun to reverse the direction that we've seen in this province as far as under-

serviced communities, where I believe the Minister of Health has said that over 400,000 Ontarians who did not have access to primary care now will have, and we look forward to expanding the ability of the province to provide much-needed medical services closer to home and in the communities where people are living.

Other highlights: In September 2005, the MaRS Discovery District, not steps from this Legislature, opened: a convergence and innovation centre that will help to foster research and innovation. Additional funding to support the completion of the west tower was announced in the provincial budget on March 23, 2006. These investments will help Ontario stay in the forefront of future job opportunities, first of all, by bringing together world-class researchers in health and related sciences, our wonderful partners at the University of Toronto, private sector expertise and investment, and will help to commercialize that research into the next wave of job opportunities to fuel the future economy and prosperity of the province.

Our gas tax funding program provided municipalities with \$192 million in 2005-06 for public transit and I believe \$313 million—I stand to be corrected, of course—in 2006-07. Public transit has required much-needed support and expansion. I would note that public transit had previously been downloaded on to municipalities and has subsequently been uploaded, and this government has made a significant investment in helping people and goods and services to move around the various regions and to support much-needed investment in this area.

In August 2005, I had the great pleasure to be in Sudbury with my colleague the Minister of Northern Development and Mines to announce the northern Ontario highway strategy, a \$1.8-billion, five-year plan for highway improvement and expansion in northern Ontario—not just improvement and expansion for its own sake, but for road safety and to create the critical economic lifelines which will help to make northern Ontario a full partner in Ontario's economic prosperity.

We're moving forward on our \$300-million investment in the Windsor gateway, the critical access point for so many of our business opportunities. I saw some very interesting data, that of trade-dependent jurisdictions in the world, Ontario leads all of them. Something along the lines of 56% of our GDP is export-oriented; 75% of that, of course, is auto sector down to the United States. The borders are of such critical importance to make sure that people and goods can flow across and our businesses have opportunities to meet just-in-time delivery cycles and the like. The investment in the Windsor gateway, as well as the \$323-million investment in the Niagara and Sarnia border crossings: utterly key.

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I can tell you that this government has made border and highway investments our number one priority. I've had a chance to meet and communicate with my federal colleague, the Minister of Transport, Infrastructure and Communities, Lawrence Cannon, and we've repeatedly pressed that home. We have a concept of something we call a North American gateway.

Members might be surprised to learn that 40% of the value of goods being exported from the province of Quebec travel over Ontario roads and access that key border point. So it's not simply a critical point of departure, a point of egress for Ontario businesses but indeed for Canadian businesses, from Ontario to Quebec and many other partners in Confederation.

Again on some of the highlights of ReNew Ontario: We remain committed to revitalizing the Toronto waterfront. I just had a chance to share with my friend from Toronto—Danforth some of the wonderful work on the West Don Lands. Work has begun on a new community in the West Don Lands. In fact, I go down there quite often and say somewhat tongue-in-cheek that it's the most beautiful pile of rubble that I have ever seen, on Cherry Street right beside Toronto's historic Distillery District. The creation in that neighbourhood of Don River Park—the starts of transit being brought from the King streetcar down Cherry Street. We're doing things right: the environmental remediation. Work has just begun there; but on the western Beaches waterfront, the central harbourfront, the Union Station platform, the construction of Mimico Park, the harbour's edge project. The Toronto waterfront is indeed an area of great pride for this government because so much has happened in such a few short years.

I want to highlight for the committee as well an initiative from the 2006 budget, presented by my colleague Dwight Duncan, called Move Ontario. The plan has been greatly enhanced over the initial launch of the \$30-billion ReNew Ontario plan. In that 2006 budget, additional investments in infrastructure were announced. Move Ontario is a new \$1.2-billion investment in transportation infrastructure, including \$838 million in funding for new public transit in the greater Toronto area, Mississauga, Brampton, up to York region, extending the subway, support for York region's Viva and much else, including \$400 million for roads and bridges in Ontario municipalities primarily outside the GTA.

Of course, we invite our federal colleagues to partner with us to build the much-needed and critical public transit infrastructure that will be required to help move goods and people around this region and keep us healthy and vibrant and prosperous for decades to come.

When it comes to the education sector, that is, too, another area of enormous pride for us. As of August 2006, urgent repairs and construction are under way at 3,000—I repeat, 3,000—projects in schools right across the province, providing our students with healthy and comfortable learning environments and providing our teachers with the critical places for them to be able to teach the future generation of leaders and residents in the province.

To help bring class sizes down, we've invested up to \$50 million this year to support critical capital projects. We needed to create more spaces for primary classes. The government is funding new schools and expanding others to meet growth requirements.

The Ontario government provided \$60 million in 2005-06 to Ontario's colleges and universities to main-

tain and improve classrooms and laboratories and to purchase and modernize equipment used in college and apprenticeship training programs. This stands in stark contrast to the half-billion-dollar cut inflicted in this sector by the previous government, and we are quickly working our way through those dire times into a new era of investment in elementary but especially in post-secondary—universities, colleges and training programs.

The government is also creating opportunities for young people and supporting innovation by boosting the number of graduate spaces in Ontario by 55% over the 2002-03 levels. In September 2006, we announced that we would boost the number of spaces by 12,050 over two years, rising to 14,000 new graduate school spaces by 2009-10.

Health care is critical to all Ontarians and critical to this government as well. More than 100 hospital projects are moving forward. People from across this province will have access to new and redeveloped health care facilities as we continue our work on hospital projects in North Bay, in Sioux Lookout, in Sault Ste. Marie, in Halton, in Grimsby, I say to my friend from Erie-Lincoln, in Woodstock—and happy birthday, by the way, Mr. Hudak.

Mr. Tim Hudak (Erie-Lincoln): Thank you.

Hon. Mr. Caplan: —in St. Catharines, Toronto, Peterborough, Markham, Belleville, Ajax-Pickering, London, Mississauga, Sarnia, Sudbury, Mattawa and many, many more. It stands in stark contrast to the absolute decline in the level of support for our hospital sector: 28 hospitals closed over the reign of the past government. Ours has very much a different philosophy as far as investing in health care capital, as far as expanding access to services, as far as lowering wait times. In fact, we're planning for construction and expansion of new cancer programs in Barrie, in Newmarket, in St. Catharines and in Sault Ste. Marie. Terry Sullivan, the president of Cancer Care Ontario, has congratulated this government for taking the Cancer Care Ontario plan and fully implementing it. We are very excited about the prospect of expansions in other places—I know my friend from Leeds-Grenville will be pleased to know this—in Ottawa and in Kingston, so that residents in eastern Ontario too will have access close to home to cancer services when cancer affects loved ones in a tragic situation. We, too, want to be there to support eastern Ontario and eastern Ontario residents.

Ontarians are getting top-quality MRI exams more quickly as a result of the nine new hospital-based MRI services in Ontario since May 2005, replacing seven old MRI services. The government has reduced the wait times for MRI scans by 23.3% since November 2004. In fact, yesterday, my colleague from Erie-Lincoln asked about the nine MRIs. We are providing, with our colleagues in health, the answers to that very detailed question that the member did ask, but we are very pleased that we have moved forward with this particular initiative.

Interjection.

Hon. Mr. Caplan: I think I actually have it. The status of the nine MRI service expansions, for the

members of the committee: Grey Bruce Health Services in Owen Sound, start date, August 6, 2004; Queensway Carleton in Ottawa, September 1, 2004; Montfort Hospital in Ottawa, October 25, 2004; York Central, Richmond Hill, January 3, 2005; Markham Stouffville Hospital, January 31, 2005; Halton Healthcare was implemented on September 13, 2004; Windsor Regional Hospital, October 10, 2006; and Niagara Health System, Greater Niagara General site in Niagara Falls, June 27, 2005. The Orillia Soldiers' Memorial Hospital is the only one that I have outstanding, and that is scheduled and anticipated for early 2007, to answer the question that was asked yesterday by my colleague.

By replacing 31 old hospital-based computerized tomography scanners with the latest CT scanner technology, the government is providing the people of Ontario with the high-quality health care they need and they deserve sooner. CT wait times have been cut by 13.6% since November 2004. Thirty-six long-term-care projects have been completed, adding 771 new long-term-care beds and redeveloping more than 3,500 existing beds. Local share policies have been reformed, making it easier for communities to raise their share of hospital capital funding.

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I was very pleased to be able to engage in this dialogue yesterday. The joy that this has been greeted with across the province of Ontario for this change in long-standing government policy—and I can tell you that it is helping, assisting and uploading some of the costs which were previously borne by local residents. The provincial government has now uploaded some of those costs, to be distributed among the population of Ontario.

Also, to improve access to doctors, the government is increasing the number of first-year medical school spaces by 23%. We're also creating four new satellite medical education campuses in Waterloo, St. Catharines, Mississauga and Windsor—that's in addition to the new spaces at Queen's University and the University of Ottawa. This will create 104 new first-year spaces in medical schools by the year 2008-09.

The Northern Ontario School of Medicine, with campuses in both Thunder Bay and Sudbury, opened its doors in September 2005. The school is the first-ever medical school in northern Ontario and the first to be built in Canada in 35 years.

I wanted to focus a little bit on transportation, on some of the unprecedented support for transportation infrastructure we've seen in the province of Ontario, because to support economic growth and the quality of life is absolutely vital and critical. In northern Ontario, as I mentioned earlier, we introduced the five-year, \$1.8-billion northern Ontario highway strategy—that was in August 2005. What it means in real terms is expanding the northern highway system by more than 60 kilometres, constructing more than 50 new bridges, and repairing 2,000 kilometres of highways and 200 bridges over a five-year period of time.

Ontario invested \$656 million to expand and repair provincial highway infrastructure in southern Ontario to

support the transportation and trade corridors; 56% of these projects were completed in the year 2005-06. To relieve congestion, reduce commute times and improve quality of life, the province recently opened high-occupancy vehicle lanes—we call them HOV lanes—in Highways 403 and 404 in the greater Toronto area in December 2005. The government continues to make improvements to Highway 401 through Toronto, in Oshawa and along the Cambridge–Woodstock corridor.

In June 2006, the government announced the five-year, \$3.4-billion southern Ontario highway program. It will mean an additional 130 kilometres of highway, the replacement of 64 bridges, the repair of 1,600 kilometres of highway and the replacement of 200 bridges. All of these expansions and improvements will be completed or under way by the end of 2010.

I know that my colleague the Minister of Tourism has been one of the tireless advocates for the widening of Highway 406 near Welland. This will support growth and development while enhancing safety in the Niagara gateway economic zone that we identified in the growth plan for the greater Golden Horseshoe earlier this year.

Transit, as I mentioned earlier, is especially an area of focus for us. In 2005-06, transit riders in 110 communities benefited from \$192 million in improvements made to 83 transit systems funded through the provincial gas tax program. As reported in ReNew Ontario in the 2006 progress report, after five years this program will have delivered over \$1.4 billion to municipalities for public transit. But it didn't just end there, because the government continued its strategic investments for multi-years, more than \$1 billion to support the GO Transit expansion program, bringing vital service up to Barrie and 24-hour two-way service from Hamilton in partnership—and I want to give full credit to our federal partners, in particular former Minister John Godfrey and Joe Volpe, who were instrumental in signing that agreement to help us to fund this much-needed expansion and improvement program, and of course our municipal partners right here in the GTA.

Millions of commuters in the greater Toronto area will have more convenient and efficient access to public transit as a result of legislation that was proclaimed on August 24 of this year, creating the Greater Toronto Transportation Authority.

Through the government's Move Ontario initiatives announced in March 2006 there was a further \$838-million investment in public transit and, as I said earlier, we anticipate and we continue to press our federal colleagues to match and to partner with us for much-needed public transit improvement.

Together with our federal and city of Toronto partners we're investing more than \$1 billion to improve, modernize and expand the Toronto Transit Commission system, committing more than \$200 million toward the construction of a 29-kilometre north-south Ottawa light rail system, the largest civic works project of its kind in the city of Ottawa's history. I hope, of course, that our federal partners remain committed to this vital project in the city of Ottawa.

I want you to know, Mr. Chair, because I know you're from the region, that the Ontario government is resolved in its commitment to provide that support to the city of Ottawa for light rail expansion.

The Ontario government is investing in environmental assessment studies to kick-start major light rail expansion in Waterloo region. We've allocated further investment, and we hope that we'll have a federal partner to help us to begin construction.

We're contributing \$50 million toward the construction of phase 1 of York region's Viva rapid transit system. When fully implemented, phase 1 is expected to increase transit ridership by 30%, removing 7,000 car trips from major highways each and every year.

I touched upon the border because it is so utterly critical to our economic well-being, and that's all of our border points, whether they're in eastern Ontario in Cornwall, southwestern Ontario at the Windsor, Niagara and Sarnia gateways or northern Ontario in Sault Ste. Marie.

Through ReNew Ontario, the government is investing \$638 million with our federal and other partners to improve border efficiency and access. We're also investing more than \$200 million to widen Highway 401 between Windsor and Tilbury.

The completion of a \$45-million project to add a new lane at the Queenston-Lewiston Bridge in Niagara Falls and the installation of a queue-end warning system is easing traffic congestion and improving safety at the site.

I'm pleased to report that construction continues on the QEW in Niagara and Highway 402 near Sarnia to improve access to border crossings. We provided \$5 million to the city of Cornwall to enhance the connection to and the linkage to international crossings.

Ontario is indeed working to make sure that people and goods are able to move efficiently through the border crossings at the Windsor gateway and, together with our federal partners, the province is moving ahead with a \$300-million investment for short-term improvements to relieve congestion at the Windsor gateway.

We're also working with our partners to address longer-term needs, to identify the preferred location for a new Windsor border crossing by mid-2007. That's an especially difficult undertaking because it requires six governments to work together: two municipal governments, one on the Canadian side, one on the American side; two state or provincial governments, Ontario and Michigan; and of course two national governments, our greatest friend and trading partner the United States of America, and the government of Canada.

But in addition to the Windsor gateway investments, the province and its partners are investing \$323 million to improve access to the border in Niagara and Sarnia. We're investing, with our federal government partners, an additional \$15 million to improve access to the border in Sault Ste. Marie.

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I touched yesterday on our landmark growth plan called Places to Grow in the greater Golden Horseshoe. The growth plan, in fact, is predicated upon access to our

key border points. It's the first growth plan area designated under the Places to Grow Act, and there will be more areas designated and more plans released, but this is the one we chose to deal with first. The philosophy of this government is that all regions, all areas of this province, deserve to have the attention of the government; deserve to have a blueprint for growth, development and economic prosperity and, ultimately, the highest quality of life that we possibly can.

The need was most urgent in the region called the greater Golden Horseshoe because of what is coming down the pike. We note that two thirds of the province's population already live in this area, and over the next 25 years, an additional 3.7 million residents and two million additional jobs will be created.

As I mentioned yesterday, that's something you want to plan for, because if you don't, things will 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 think that, even with the declining air quality that we've seen, we could readily accept that kind of situation?

If you do nothing, you will see longer commute times to work. It's estimated that there will be a 45% increase in average commute times arising from increased traffic congestion. You get urban sprawl. We'd be looking at—and I want to put it into some context—the loss of about 1,000 square kilometres of farmland. What that translates into is an urban envelope expanding to roughly equal the size of the current urban envelope of the city of Toronto itself.

The Acting Chair: Minister, I just want to inform you that you have two minutes left.

Hon. Mr. Caplan: Two minutes? Mr. Chair, I have so much more to say.

Interjection.

Hon. Mr. Caplan: I hope that my colleague will want to ask about that, because there is some news to report.

The last point I wanted to make was that the other effect of doing nothing is that you would get excessive costs for the infrastructure needed to support that kind of growth, an estimate being something along the lines of \$12.2 billion in the greater Toronto area alone. When dollars are so precious and resources so scarce, we can ill afford not to take the kind of proactive action to build the kind of partnership with municipal leaders, with responsible environmental leaders, with our business and industry leaders, to get a plan which is going to do the job and provide the kind of blueprint that we need. So I am very proud of the growth plan for the greater Golden Horseshoe. I'm very proud of building the opportunities for new investment and for more jobs.

I simply want to conclude the way that I did yesterday, because we're going to be receiving nearly four million new residents, and 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 safe water and clean air.

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

I want to conclude my remarks now, and I'm again happy to engage this committee and answer your questions.

The Acting Chair: Thank you very much, Minister. We'll now roll into the 20-minute rotations of questions and answers, beginning with the official opposition.

Mr. Hudak: Thank you very much, Chair.

The Acting Chair: And happy birthday.

Mr. Hudak: Thank you very kindly, Chair. Thanks to the minister and his team as well.

I wanted to start a little bit on one of the agencies you are responsible for, the LCBO, specifically the wine strategy. The wine strategy, as you know, began under the previous government and has continued under this government. We're always pleased to see those plans continue. The Ontario wine strategy was a partnership among the government, the Ontario wine council and, most importantly, the LCBO to hit certain targets in terms of LCBO sales of Ontario wine and the proportion of domestic wine sold in Ontario. Specifically, the goal was to have a 50-50 market share after five years, by 2007-08, between domestic and imported wines in the province. I'm wondering if the minister could update us on whether they're hitting those targets as part of the wine strategy.

Hon. Mr. Caplan: I'm pleased to take the question. In fact, I do want to give credit where credit is due. Support for Ontario's wine industry is one that cuts across all political parties, and my colleague Mr. Hudak did in fact initiate some of the work.

My understanding is that, when what's called period 7 of 2006 is compared to period 7 of 2005, all VQA still table wines sold in Canada are up 14.9%, all VQA white is up 11.5%, all VQA rosé is up 142%—this number is a little bit deceptive because the amount of wine produced under that class is quite small, so when you see a rise it does tend to be dramatic—and all VQA red wine is up 25.5%, year over year.

Interesting enough, because it is a partnership with our colleagues—and I have had the opportunity to meet with Linda Franklin, the president of the wine council, and with Mr. Norm Beal, the chair of the Ontario wine council. I'd like to quote Mr. Beal:

"We are pleased the government has listened to our concerns. We have been working very closely with them to address serious ... concerns about margins and access that have prevented the Ontario wine industry from growing to its true potential." What the government is doing "is a good step forward."

What the Ontario government and the Ontario wine producers have asked for is the Ontario wine strategy. In fact, that's why the Ontario government supports the wine and grape industry with measures like the LCBO providing a monthly VQA superstars promotion in stores and in Food and Drink magazine. And we have trained Ontario wine advocates in almost 300 stores—

Mr. Hudak: If I could, I appreciate this, Minister. You'll remember that those programs actually began, I think, at the time I was minister. I'm pleased to see that you're continuing those programs. I think they're effective. But I was asking a specific—

Hon. Mr. Caplan: There are more that have begun since, and I do want to give—

Mr. Hudak: There's a specific question I had for the minister with respect to the wine strategy. Let me give you an example. The goal of the wine strategy, as I said, was to have a 50-50 market split between Ontario wines and import wines sold in the marketplace by 2007-08. If I understand correctly, the province, sadly, is off that target. I think the best the province is projected to do now is 44% domestic product.

Let me give you another specific. In terms of the LCBO itself—which is owned by the taxpayer and which, in my view, has a public duty to promote domestic product—has fallen far short of its goals. In fact, if I understand correctly, there has been barely any progress in market share at the LCBO for Ontario wine: As of 2005-06, we're at 30.8%. Is the minister satisfied that 30.8% is the appropriate share of sales at the LCBO for Ontario product?

Hon. Mr. Caplan: I'll continue the answer I was providing earlier, because I think it's important to have a target. I would note the support of Mr. Beal, the chair of the Ontario wine council, for the positive steps that this government has taken to support VQA and Ontario-produced wine.

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I'll continue. We've introduced a craft winery program that helps small wineries establish their brand in a store with high VQA sales; an annual promotion of Ontario wines in both September and October; and a comprehensive Vintages strategy to support Ontario's VQA wine, where the government announced \$10 million over three years to support the long-term economic growth of Ontario's VQA wine industry. In 2005 alone, the government announced an additional \$2 million annually for the next five years to support marketing initiatives as part of an Ontario wine strategy, and a further \$5 million as a one-time grant to the wine industry and the grape sector in the March 2006 budget.

Do we still have more to do? I would say yes. The LCBO has three important mandates. The first mandate—

Mr. Hudak: Minister, it was a brief question.

The Acting Chair: The member has a specific question, so if the minister could try to limit his answer to that specific question.

Hon. Mr. Caplan: I'm doing my best. As I say, I do believe this committee provides important oversight, and I want to provide as full an answer as I possibly can.

Mr. Hudak: Super. And maybe I'll ask you to keep the answers to the particular questions I ask of you, just in the interests of time.

At the time, the target for Ontario wine sales by 2007-08 was 35.4 million litres. We appear to be far short of

that, with 31 million litres forecast. What's shocking about these numbers is that the goal was about 64 million litres for imported wine by 2007-08 and we've already passed that. So whatever the growth rate of Ontario wine is and, most importantly, of VQA wine, the growth rate of heavily subsidized imported product from France, Italy and Australia has outstripped the growth rate of Ontario wines. So you've surpassed your goals for imports, but you're far behind the goals that have been set out for domestic wines. Minister, isn't it time that the LCBO pulled up their socks? Can you tell the committee that you'll make sure they hit the target they signed years ago for domestic wine for 2007-08?

Hon. Mr. Caplan: In fact, Ontario is well on its way. I think the member would want to be fair in his comments and indicate to this committee that over the course of the last two years, we've had two short crops which have significantly affected producers with Ontario grapes. I know the member is well familiar with that. Regrettably, we also had, I believe, as the member would also be aware, something called an Asian ladybug crop which severely damaged grapes in the area. So the member, of course, is aware of those. The 50-50 goal, by the way, is a shared volume goal of the LCBO and the wine retail stores themselves.

I want to quote for you Debbie Zimmerman, CEO of the Ontario grape growers' association. At the standing committee on government agencies she said, "We want to congratulate the government of Ontario because they have signalled their intent to improve more access for these wines at the LCBO." It's with partnerships like that, with the wine council and the grape growers, that we are well on our way to achieving our goals and targets.

Mr. Hudak: Mr. Runciman.

Mr. Robert W. Runciman (Leeds-Grenville): How much time do I have, Mr. Chair?

The Acting Chair: You have 12 minutes.

Mr. Runciman: I have some LCBO questions as well, but I'll initially talk about the OLG, because we know that there have been some public concerns about that operation and perhaps their spending practices.

We've heard a lot about the \$6 million to drop the "C" from their brand. I was looking at a quote, Minister, from you in the House with respect to this \$6-million expenditure, indicating that the rebranding effort "will help Ontarians know that they received the same high standard of integrity, entertainment and service at ... gaming sites, or where lotteries are sold. This is a good investment."

I just wondered if you could expand on that, take this opportunity to take a couple of minutes to expand on why you think dropping the "C" accomplishes those goals that you've outlined here.

Hon. Mr. Caplan: I certainly appreciate the question. As the member well knows, the OLG is an arms-length agency of the government. As I've made clear to the board on the occasions that I've had a chance to chat with the chair and members—in fact, I did have an opportunity to attend a board meeting—I expect the OLG to

make efficient and effective market-related decisions that best reflect the organization, like any business enterprise. We should remember that Ontarians are all shareholders in this enterprise.

It is not uncommon practice for companies to refresh their brand from time to time. The amount of money that Ontario Lottery and Gaming allocated was within the size and scope of the kind of exercise one would normally associate with it. The rebranding effort will help Ontarians know that they will receive the same high qualities of integrity and entertainment services at any of the 22 gaming sites or when they purchase the products. The OLG, with a strong brand, will contribute to the competitiveness of the OLG casinos and slot facilities, protect jobs and generate greater economic activity and effort, which of course will in turn be invested for the benefit of Ontarians in health care, education and infrastructure.

Mr. Runciman: You're not answering my question, Minister; with respect, you're not answering my question.

Hon. Mr. Caplan: I think I have.

Mr. Runciman: What I'm getting from your response—you specifically mentioned all of these benefits from dropping the "C," the \$6 million. You said this is going to accomplish this. What you're telling us now, essentially, is that the reason you said this is because the board told you that was the case. You didn't get this from any outside expertise with respect to the impact of this \$6-million—in my view, crazy—expenditure of revenues that could have been utilized for so many other, better initiatives.

I want to talk to you a bit about another issue.

Hon. Mr. Caplan: I wonder if I might respond, Mr. Chair?

Mr. Runciman: No. You've answered the question as best you can. I want to ask another issue that's dealing with the OLG. They just recently opened, I'm advised, a very lavish office in the Atrium on Bay, essentially for photo ops, apparently. Can you tell us what this cost the gaming commission in terms of capital expenditures and what it's costing on an annual rental basis in one of the highest rent districts in the city of Toronto?

Hon. Mr. Caplan: Sure. A couple of things: I didn't just provide the board's perspective. Professor Alan Middleton, marketing professor at York University, said in *Marketing* magazine, Monday, October 9, 2006: "Why John Tory is yelling about it, who the hell knows, except that he has nothing else to yell about."

I'm not sure I agree with the characterization of the member opposite—I know I don't. I don't have the exact figures that he has requested and I will endeavour to provide the information that the member has asked for to this committee.

The Acting Chair: The figures for the question he has asked, then?

Hon. Mr. Caplan: I will provide them to the committee.

The Acting Chair: Okay. Mr. Runciman.

Mr. Runciman: Thank you, Chair. Hopefully we'll get another round here and we can talk a bit more about some of the things with respect to the CBC concerns and the allegations.

Back to the LCBO, briefly: Who is the chair at the moment? Is it still the acting chair, Mr. Olsson?

Hon. Mr. Caplan: Yes. Mr. Olsson is an acting chair, but I would commend to you the recent budget bill that was introduced, Bill 151. The historic 1927 legislation had both the chair and the CEO as the same person.

Mr. Runciman: I'm aware of that.

Hon. Mr. Caplan: Bill 151 splits the chair and the CEO position. I hope I'll have support from the member and all members of the Legislature to pass the legislation as quickly as possible.

Mr. Runciman: That has nothing to do with my question. I asked you if Mr. Olsson was still the acting chair. You've confirmed that he is. How long was his appointment? He was initially the vice-chair; he got a six-month appointment in an acting capacity. Has he since received another appointment in an acting capacity?

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Hon. Mr. Caplan: No. Mr. Olsson is in an acting capacity because we cannot, until the legislation passes, have a chair. It is the desire and the proper governance practice to have a separate chair and a separate CEO. Until such time as that happens, Mr. Olsson is in an acting capacity.

Mr. Runciman: You recently increased the per diems for board members at the LCBO. What's the per diem rate at the moment?

Hon. Mr. Caplan: I believe that was a government-wide initiative. I'm not sure that there was anything specific to the LCBO.

Mr. Runciman: It impacted them. I'm just curious what their per diems are at the moment.

Hon. Mr. Caplan: We can get that for you. I don't believe it was large dollars, but we can get that for you.

Mr. Runciman: And you're increasing the number of members on the board as well? What's the rationale behind that?

Hon. Mr. Caplan: That too is contained in Bill 151. A couple of things; we like to get other potential sectors: for example, hotel-restaurant, people with that particular expertise, marketing expertise. LCBO has significant real estate assets; we'd like to make sure we have real estate expertise. We'd like wide perspectives. Remember, of course, that there are three particular kinds of alcohol beverages: beer, wine and spirits. We'd like to get as much insight and expertise from the various sectors as well as all the related ones.

The proposal in Bill 151 is to expand the board from seven to 11 members. We think that that's appropriate and will help to provide the LCBO with the kind of well-rounded board to protect the public interest in Ontario.

Mr. Runciman: With respect to the request that you indicated you would respond to, in terms of the new prize office in downtown Toronto and the capital, the costs, I would ask that you also include the cost of furnishings for that facility as well as the rental rates.

Going back to the OLCG: One of your comments in the House, again, talking about Ernst and Young, reviewing the “insider win” policy—I’m just wondering. They have sort of endorsed the approach of the corporation. Obviously, you must have some concerns with respect to the allegations that have been made on the Fifth Estate. You have turned down the request from our party and our leader, Mr. Tory, with respect to a forensic audit in response to those allegations. I’m wondering what you think about restricting lottery operators and their families, in terms of winning on their own machines, if you’re taking a look at that kind of an initiative.

Given some of the expenditures and decisions that have been made by this organization, when was the last time the Provincial Auditor took a look at the corporation, and why would you not consider calling the Provincial Auditor in to review the policies and whether indeed taxpayers are getting good value for their dollar being spent by this organization?

Hon. Mr. Caplan: I don’t know when the last time the Provincial Auditor—of course, it’s the prerogative of the Provincial Auditor.

Mr. Runciman: It’s your prerogative to call him in.

Hon. Mr. Caplan: I know that the Provincial Auditor is currently looking at various aspects of the government. As well, we have expanded the Provincial Auditor’s scope, because we do believe it’s important to give him that opportunity.

These are very wide-ranging comments, Mr. Chair, so I’m going to try to address them as best I can. The Fifth Estate certainly last week made some very serious allegations. I, as minister, and this government take them very seriously. Even upon being made aware of the allegations on I think the national news program the next day, we contacted the chair of the board to initiate a review and an analysis and a report back as quickly as possible. I have referred to the audits that are done. Both KPMG and Grant Thornton do forensic audits of financial statements, but Ontario Lottery and Gaming does not just stop there. In fact, they have undertaken Ernst and Young to look at what’s called—

The Acting Chair: Minister, that concludes the time for this round. Perhaps you’ll get back to it—

Hon. Mr. Caplan: Then I’ll come to more later.

The Acting Chair: —the next time around.

We now go to the third party for a 20-minute question and answer.

Mr. Tabuns: Minister, you’ve announced a five-year, \$30-billion infrastructure program. When you announced the plan, you indicated that \$2.5 billion worth of the projects would be financed under your AFP, or alternative financing model. Is that still the plan?

Hon. Mr. Caplan: I don’t believe that your figures are correct.

Mr. Tabuns: Then please correct me.

Hon. Mr. Caplan: I think we had said at the time that roughly 10% of the projects would be using the AFP methodology. It’s probably somewhere around 11%.

Mr. Tabuns: So it’s in the \$3-billion range.

Hon. Mr. Caplan: Yes, that’s about the range over the five-year period of time, correct.

Mr. Tabuns: So instead of \$2.5 billion, it’s around \$3.1 billion. Okay.

How many announcements have been made involving projects to be built under this AFP model?

Hon. Mr. Caplan: How many announcements? I believe we have 39.

Ms. Carol Layton: You’re right. Over 40 have been assigned.

Hon. Mr. Caplan: Because there are more than simply hospitals. There’s the Durham courthouse, the GTA youth centre. So I think 42 or 43.

Mr. Tabuns: Could you provide us with a list of all of those announced projects, including the price tag you used in announcing each of the projects?

Hon. Mr. Caplan: Price tags were not used in making the announcements, for a very critical reason. When we are negotiating for the best price possible for the people of Ontario, we don’t want to share and create an artificial floor where bidding will begin and, of course, inevitably rise. We want to achieve the very best value for money for Ontario residents.

All of the projects, I believe, and all of the announcements are listed on the Public Infrastructure Renewal website. I would encourage the member to visit the website, and he will find the dates and the announcements that were made on all of the particular projects.

Mr. Tabuns: It would be great to have the web link on that, so I don’t spend a lot of time running around. I find that interesting. Are you saying to me—I just want to be clear—that in all of those cases, the final cost has not yet been set, or the final cost has been set and you’re not publicly releasing what the final cost is?

Hon. Mr. Caplan: What will happen is, we do our internal forecast of what the cost is and try to get a good idea of what we can expect in the bids. What we wish to achieve is a competitive tendering process, to achieve the very best value for the project for the people of Ontario. The prospective bidders will come, will bid, and we will be able to deliver that value.

I’m giving the website: pir.gov.on.ca; and of course, the Infrastructure Ontario website is infrastructureontario.ca. All of the announcements, the RFPs and the commercial contracts are listed and posted on that website. I encourage the member, all members and all Ontarians to go there.

At the conclusion of the negotiation, of the signing of a commercial contract, construction will commence, and we will produce a value-for-money audit, which is available for the scrutiny of the Auditor General or any other third party to compare—

Mr. Tabuns: Minister, you’ve given me what I need, and I’ll go on to my next question.

The government will contract with private sector consortiums to build and manage these projects. You’ve got RFPs out on them—on all of these 42, 43 projects?

Hon. Mr. Caplan: No, that’s not correct.

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Mr. Tabuns: Then please correct me.

Hon. Mr. Caplan: I believe there are RFPs out for—

Ms. Layton: Eight on the website right now.

Hon. Mr. Caplan: Eight of them currently on the website—

Ms. Layton: And one contract on the website, and that's the Montfort.

Hon. Mr. Caplan: The Montfort Hospital contract is currently posted.

Mr. Tabuns: Okay. So just one contract has been finalized—the Montfort Hospital?

Hon. Mr. Caplan: That's correct.

Mr. Tabuns: What's the time frame for finalizing the contracts for the other eight?

Ms. Layton: Every one of them is on a different schedule. There are schedules around the issuing of the RFP, the closing of the RFP, the start construction as well as the substantial completion. You won't find all of that detail on the website, but for the eight RFPs that are up there and the dates when they close, I think we could probably give you that information.

Mr. Tabuns: I'd appreciate that, if you could.

Can you tell me what kinds of businesses are members of the bidding consortiums: pension funds, banks, construction companies, property management companies? What's a typical consortium?

Hon. Mr. Caplan: The folks that you've mentioned, as well as engineering companies. There are engineering, legal, potentially architectural; there's generally a financial partner, a construction partner.

As well, we have different kinds of what we call AFPs. We have something we call construction finance, where, for the period of construction, a consortium will build it and finance it, and at the completion of it, we'll take out the long-term financing and finance that ourselves. We have something that we call a DBFM—design, build, finance and maintain—where that will be a longer-term relationship. There may be a maintenance partner or other partners, if the hospital board so wishes, who will carry on a longer-term relationship. Those might be long-term construction maintenance individuals, if a hospital board wished it. We will not force any hospital board to bundle in other services—food services, laundry services and the like. If that is their choice, they can add that, as they can currently. It has been the long-standing Ontario practice to allow them whatever arrangements they wish, but that too can be built in.

Mr. Tabuns: So is there a typical configuration of these consortiums? Do you typically have a bank or a pension fund at the centre, with the others on the periphery?

Hon. Mr. Caplan: Financing, construction, engineering, architectural, cost consultant, legal would be the typical ones. Then if you went to the DBFM model, there would be other partners as well.

Mr. Tabuns: What role does the Ontario Infrastructure Projects Corp. play in the development of these projects?

Hon. Mr. Caplan: The Ministry of Health identifies the projects, the public policy and the health delivery imperatives. The cabinet decides, given the resources and the availability, what projects to move ahead with. I, as minister, assign projects to Infrastructure Ontario for them to offer through requests for qualifications, requests for proposals, and to enter into the negotiation and the contract with the consortium who will bid.

Mr. Tabuns: In any of the structures that you're talking about, do the private consortiums actually own the land and the buildings and simply lease the package back to the hospital or, in the case of a courthouse, the government of Ontario?

Hon. Mr. Caplan: This is one of the major differences between previous governments' P3s, both NDP and Conservative, and our AFP approach. As I mentioned earlier and yesterday, all assets, all infrastructure, will be publicly controlled, and key ones, core ones—hospitals, schools and water systems—will be publicly owned.

Mr. Tabuns: So the ones that are publicly controlled are not publicly owned?

Hon. Mr. Caplan: No. For example, 40% of current government office space is leased space, space that we would go to others for. You would be familiar, from your history as a city councillor in the former city of Toronto, that we lease space from the city of Toronto. I believe we have a provincial courtroom in College Park. There are other spaces which of course are not owned, nor would there be a requirement that they be owned, but core ones—hospitals, schools and water—will always be maintained in public ownership.

Mr. Tabuns: So a non-profit hospital won't be leasing space from a private consortium. It will actually own outright the land and the building.

Hon. Mr. Caplan: They will own the deed; they will own it.

Mr. Tabuns: Okay. I think you've covered my next one.

Can you tell us, on average, what will be the interest rate spread between an Ontario government bond and the borrowing rate for a typical P3?

Hon. Mr. Caplan: I again correct: We are not doing typical P3s in the way that the New Democrat or—

Mr. Tabuns: The average P3, then.

Hon. Mr. Caplan: We do something called AFP.

Mr. Tabuns: Sorry. Call it an AFP, then.

Hon. Mr. Caplan: Well, it is an AFP. P3s were a different kind—I would point the member to something called the Capital Investment Plan Act, 1993. I want to read the preamble of that act: "The government of Ontario has announced a capital investment plan for Ontario under which the government, municipalities and other public bodies"—presumably hospitals or others—"and the private sector will work together to make significant investments in the province's infrastructure."

There was no policy framework, no requirement for public ownership. AFP is much different than previous NDP and Conservative P3s.

Mr. Tabuns: Minister, going back to my question because I think historically it may be interesting: What's the spread between what Ontario government bonds are going for and the borrowing rate for the P3s? Just tell me the average of all of them.

Hon. Mr. Caplan: I can attempt to get that figure, but different consortia will be able to access different rates for their financing. Usually they're able to achieve—they're always able to achieve commercial grade rates.

Mr. Tabuns: One would hope.

Hon. Mr. Caplan: Yes. I was fascinated by one of the examples that I've heard: the Hyundai road project in Edmonton. The private consortium was able to get a rate just slightly higher than the Alberta government's own rate, which of course is the best of any province or the government of Canada because of the relative debt position. So as these consortia get better—

Mr. Tabuns: Minister, you'll be able to give me the average rate as compared to government of Ontario bonds?

Hon. Mr. Caplan: We'll certainly do our best.

Mr. Tabuns: On a \$500-million hospital, for instance, how much more would an AFP, if you want, cost as compared to traditional public sector financing over the entire repayment period: say, 25 years?

Hon. Mr. Caplan: I submit it will cost less, given the history in the province of Ontario of quite massive cost overruns from the original budgeting. One of the projects that I know the member is well familiar with is the Thunder Bay hospital; or perhaps another project the member would be familiar with is the SkyDome, originally budgeted at a \$100-million figure.

Mr. Tabuns: I understand your freelancing, and I can see you're enjoying it, but I asked—

Hon. Mr. Caplan: I think it's important—

Mr. Tabuns: I asked—

The Acting Chair: Mr. Tabuns, you did ask him for his opinion as to how much more it would cost.

Hon. Mr. Caplan: I have to be allowed to answer.

The Acting Chair: He is telling you that, in his opinion, it would cost less.

Mr. Tabuns: I was asking for the difference in financing cost, Mr. Chair. So over 25 years, if you're paying a higher rate in financing through an AFP than you would if you were financing it through the government of Ontario, there is going to be a difference in cost.

Hon. Mr. Caplan: That's only one factor in cost.

Mr. Tabuns: Well, I'm asking for that one factor.

Hon. Mr. Caplan: Okay. What I'm answering is that there is more than one factor over the course of the lifetime of the asset and over the delivery and the construction period for—

Mr. Tabuns: Minister, that's fine. I just want one factor.

The Acting Chair: Minister, Mr. Tabuns asked for the average rates and—

Hon. Mr. Caplan: And I've said we'll provide that.

The Acting Chair: —you have agreed that you're going to try to get those.

Hon. Mr. Caplan: If that's available, I'll be able to provide that. But then the member went further and made the assertion that somehow AFP will cost more than a traditional bond. I want to assure the member that, in my opinion, it will cost less, given the history in the province of Ontario and elsewhere. We have evidence from, for example, the Auditor General of the United Kingdom—

Mr. Tabuns: I appeal to you, Mr. Chair, if I can. My question is about the cost of financing. He can talk about all the others, he can ship me all the documentation he wants, but I'm asking for the difference in the cost of financing over the lifetime of that repayment. What's it going to be, on average? One element.

The Acting Chair: Minister?

1720

Hon. Mr. Caplan: I'd already undertaken to provide the information that the member required. I would add as well, as I was about to, that there was a very detailed analysis done by the Auditor General in the United Kingdom, detailing both what they call PFI, their model of delivery, and what would be traditional public works. The PFI model was delivered on time and on budget 88% of the time, and traditional public works 30% of the time. So in the additional 70% of the time in public works, additional cost and time delay were borne entirely by taxpayers in the UK, 12% of the time didn't come on time or on budget. The interesting factor, of course—

Mr. Tabuns: I asked a question, Mr. Chair.

Hon. Mr. Caplan: And I'm providing an answer as best I can.

Mr. Tabuns: No. I'm asking about financing costs.

The Acting Chair: My tendency is to give as much leeway to the opposition because it is their 20 minutes.

Hon. Mr. Caplan: Give him his time.

The Acting Chair: So if he wants to move to something else, if that's okay—

Hon. Mr. Caplan: I'm answering the best I can, Mr. Chair.

The Acting Chair: I understand.

Mr. Tabuns: Will all the P3 contracts, AFP contracts, be made public?

Hon. Mr. Caplan: In fact, all the ones that have been signed are posted on the Infrastructure Ontario website as we speak.

Mr. Tabuns: With all the numbers on financing rates and costs etc.?

Hon. Mr. Caplan: You should know as well that we'll produce six months after the close something called a value-for-money audit, comparing all the numbers with a traditional public-build project so that you or any third party can make a credible judgment. The only information that will not be disclosed is information which is proprietary to an individual company.

Interruption.

Hon. Mr. Caplan: Are we still okay, Mr. Chair?

Mr. Tabuns: I think most of us are okay. The television is on. The lights are on in the hall. Someone hit the switch.

Interjection.

Mr. Tabuns: But they soldier on.

Hon. Mr. Caplan: Should we continue? I'm happy to continue. There we go.

Any proprietary information or commercially sensitive information will not be shared, but all else will.

Mr. Tabuns: How much time do I have left, Mr. Chair?

The Acting Chair: You have just under five minutes, I believe. I didn't catch the last click of the clock.

Mr. Tabuns: Okay. I'm going to leave that one, then, for a few minutes.

You're responsible for casinos, lotteries and all of that. How much does your ministry spend to help people deal with compulsive gambling?

Hon. Mr. Caplan: The province of Ontario provides—we don't spend it directly or provide direct provision, but I believe it's \$36.5 million annually. I believe that's amongst the highest of any jurisdiction internationally. I believe the province of Alberta recently increased their level of support, so Ontario would be second internationally for the support it provides for responsible gaming, research—is that a correct figure? Yes, \$36.5 million.

Mr. Tabuns: To what extent are you able to reduce problem gaming, to reduce gambling addiction? How many people who've had gambling addiction problems have actually been able to sort themselves out?

Hon. Mr. Caplan: I'm not in a position to be able to provide a response to you on this. Through Ontario Lottery and Gaming, we provide the source of funds. The disbursement of those funds, plus the analysis of efficacy, is in both the Ministry of Health Promotion and the Ministry of Health and Long-Term Care. So I can tell you the aggregate amount, but I'm afraid I just can't share with you what is the analysis of the disbursement of those funds or the efficacy of them.

Mr. Tabuns: Do you have any analysis of the percentage of revenue that Ontario secures from gaming that comes from the core group of gamblers, people who have the biggest problem with gambling addiction?

Hon. Mr. Caplan: I believe that there was a study, and it was quite a controversial one. I believe it was based upon 12 individuals. The author was called, or in fact teleconferenced, with the standing committee on government agencies. I don't have the details of that but I know that the study itself does not receive widespread academic support and the conclusions are very much disputed. So I don't have the detail of that, but I do know that there is a great deal of controversy around that particular funding and that particular study.

Mr. Tabuns: Okay.

The Acting Chair: You have a little over one minute.

Mr. Tabuns: Minister, are you responsible for maintaining and securing new hydroelectric corridors in this province?

Hon. Mr. Caplan: I'm responsible for the existing ones, the ones that were transferred from Hydro to the Ontario Realty Corp., but not for new ones, no.

Mr. Tabuns: So if the system of distribution is expanded, you will not have anything to do with that.

Hon. Mr. Caplan: No. The Ministry of Public Infrastructure Renewal does not work on energy. Energy is its own ministry and has its own enterprise corporations to deal with policy, regulatory, safety and the like. Those are not under the purview of our ministry.

Mr. Tabuns: What's your responsibility for existing corridors?

Hon. Mr. Caplan: The existing corridors: This has gone back and forth, I believe, historically. Joyce, if I make a mistake, you'll correct me. I understand that the way this worked was that they were transferred from Hydro One to the Ontario Realty Corp. under the previous government. The title, if you will, to the existing corridors currently sits with the Ontario Realty Corp., which is housed under the Ministry of Public Infrastructure Renewal.

Mr. Tabuns: So you have title, but you don't have any operational—

The Acting Chair: That concludes this round. We will now move to the government side for 20 minutes.

Mr. Phil McNeely (Ottawa—Orléans): I was fortunate, as PA for transportation, to go through the Greater Toronto Transportation Authority Act. This was really interesting to me, to see what a large population was involved, what a large area was involved, and how the transportation planning for that large area was going to take place. It ties in with the greenbelt as well—that was one of the first pieces of work by this government—and then the growth plan that was developed with the Places to Grow Act. I'm just wondering how those three elements worked together to make this a sustainable growth that we're going to see in the future.

Hon. Mr. Caplan: I call these the three legs of the stool. The first and most critical element is, what are the natural areas which must be protected? Where do you not want growth to take place? In the greater Golden Horseshoe, clearly on the Niagara Escarpment, the Oak Ridges moraine, and the agricultural and sensitive natural heritage lands. I'm absolutely proud of the legacy of permanently protecting 1.8 million acres of that natural legacy for generations yet to come, relieving the pressure and making sure that legacy is in place.

But the second part of the question is, okay, if you're not going to grow in those places, where are you going to grow? What is that growth going to look like? What are the areas that can handle the 3.7 million additional residents, the two million additional jobs that you want to create? That's what the growth plan is all about: identifying 25 urban growth centres, places that we're well familiar with. We might call it the Toronto waterfront or mid-town Oakville or the city core of Barrie or the city of Kitchener. These are existing urban areas which have what we call greyfields, maybe surface parking lots or very underutilized, already paved-over land, or brownfields: ideal candidates for infill, for the kind of re-development and revitalization that is so utterly critical, all of the literature tells us, to growth and long-term economic prosperity.

The growth plan sets targets as far as densities, as far as conditions for urban boundary expansions. We believe

that 40% of new growth should take place within current urban boundaries. That means of course that 60% of growth will take place on what would be termed green-fields. I think it would be unrealistic to suggest over an area so vast that it would all take place in existing urban envelopes. I note the city of Vancouver calls for 70%, but it's not a comparable kind of thing. Vancouver is bounded by mountains, an ocean and a delta. That does not allow them to grow, because they just don't have any more room to grow. So we're taking some lessons from the over 100 jurisdictions from around the world that had delivered these kind of growth plans.

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Other kinds of things: We want to see a certain number of jobs and people per hectare, so that we call for and we get 50 jobs and people per hectare so that we can get the maximum usage out of the land itself.

Of course, I don't want anybody on this committee to be left with the impression that Queen's Park is interested in planning the municipality of the city of Toronto or any municipality. We think that work is critically in the hands of our local officials and local residents to determine the character and the nature of their particular community within the guideline, within the framework that we're able to identify. So if, for example, the city of Mississauga decides that it wants to grow in a certain way, wants to invest in a BRT or a higher-order transit system along certain corridors, those are the kinds of decisions that we'll support and that we think are appropriate, and similarly for the other 110 upper- and lower-tier municipalities across the greater Golden Horseshoe.

The third leg of the stool is transportation. Transportation is utterly critical to connect those key urban growth centres and also to connect us and the lifeline of our key, as I mentioned earlier, border points in Windsor, down in Sarnia and down in Niagara.

In transportation we see two particular opportunities or two particular modes. One is, we think about the movement of people. For the movement of people, we think of a strategy to better utilize higher-order transit: public transit, rail, an interregional spine like a GO Transit or individual transit systems, a Mississauga BRT, an expansion of subways.

I'm quite delighted—and I see our new Chair is the member for Pickering–Ajax–Uxbridge; I hope I got that right, Mr. Chair—that Durham region has recently uploaded all transit to the upper tier, to the regional level. I am very eager to work with Durham officials on a transit vision and a transit plan for that region, just as an example.

Cellphone ringing.

Hon. Mr. Caplan: I think that was Durham region calling right now.

The Acting Chair (Mr. Wayne Arthurs): To the Chair.

Hon. Mr. Caplan: Yes, to the Chair.

Additionally, the other area is something we term economic corridors, future highway widening and, more importantly, expansion. We identify in the greater

Golden Horseshoe three key ones, and I really wish that Mr. Hudak, the member for Erie–Lincoln, was here. We identified the Niagara–GTA corridor, a point to the border linking up toward the greater Toronto area, as our first priority. It is currently in environmental assessment. We identified two other routes—one is the extension of Highway 407 out to Highway 35/115, and an additional east-west route from the north GTA out to Waterloo region—as key priorities for us for economic corridor/highway expansion.

So these things fit together: areas where you don't want growth, how you do want growth, and what that's going to look like and how it all fits and connects together, both for roadways, for highways, and for public transit.

As well, since we've been able to bring in Places to Grow, some of the advocates have said to us that it's more than just about public transit or about roadways; you have to have community design which allows people to walk, which allows opportunity—and of course we have challenges as far as our northern climate for outdoor activities like bicycling or pedestrian traffic. But if you create the kind of community design, you could have these different modes of transit.

We also identify the key modal hubs like airports, and we have some wonderful assets like the Toronto, the Malton—the Pearson International Airport, the Munro international airport in Hamilton. We also have major seaports and we want to take advantage of those because of the commercial activity that takes place there. So we want to use all of the different modes of transit.

But those are just three elements. There are so many other elements of growth planning as well, and I really appreciate the question, Mr. McNeely.

Mr. McNeely: I'm really pleased to see that. The city of Ottawa is much smaller, of course. I was on council there in 2001 when the official plan was brought in, and for us it was simply a matter of freezing the urban boundaries because the NCC had the greenbelt, I think, back in the 1940s. So it was much simpler.

I'm glad to see that for Highway 17 in Kanata there's a \$50-million project that has been funded. That's great news for us, because that was a major link, really, through the city, and that's coming along well. This government was able to fund Highway 7, which has been sitting around for many, many years and didn't have the funding. That was, I think, over \$107 million, and that is great. You're also doing the environmental assessment of the Queensway through the city, and that impacts me in Orléans with what's called the split—417 and 174. That's in the environmental assessment and is being worked on now. Also, we have the Hunt Club interchange. So we're very pleased with the dollars that came through even in the last budget, the dollars that came through for the city of Ottawa; just the gas tax was \$36 million, so that was great, and 32 million special dollars in the budget. So that's helped us get going.

What other projects have you got in eastern Ontario that will be funded through your—

Hon. Mr. Caplan: I'll get some of the projects for you and I'll ask my deputy to take a look at that. One of the things that you commented on, though, Mr. McNeely, really intrigued me. The province of Ontario lagged behind a lot of municipalities as far as growth management practices. Waterloo region is a municipality that really has its act together—and I am a big fan of the folks in Waterloo region—bringing together industry, municipal leadership, environmental leadership, their media, their academia.

The other one that I think I really want to pay some tribute to is Ottawa. Ottawa has an outstanding growth management plan, and I'm hoping one day to have an opportunity to build upon some of the work that you did when you were at council and that I know Mayor Chiarelli and others have really been leaders in. The city of Ottawa developed its own greenbelt, and I think that was a very wise move for them to make, to be able to protect that natural legacy for future generations and then to have the growth management plan.

The third leg of that stool, of course, is the O-Train and some of the investment in higher-order transit, much needed in Ottawa to get things moving. That's why I'm very proud that you've asked about some of the things we're funding.

We're providing \$200 million to phase 1 and phase 2 of the O-Train because we think that's a critical investment.

We have some other investments in the city of Ottawa that I'd like to share with you.

CHEO was under a bit of a guillotine order at one time. In fact, the phase 3 reconstruction is taking place. At Queensway Carleton, the ambulatory care and the renovation is taking place. The Ottawa Hospital itself is moving ahead. We've broken ground, as you well know, on the Montfort Hospital.

You've noted the highway funding for Highways 17 and 417.

There's the medical school expansion to address the pressure of the double cohort and beyond at the University of Ottawa.

I'll give credit where credit is due: The previous government initiated something called the Medical and Related Sciences centre, and we are expanding that, but we also see Ottawa as an opportunity to create a convergence centre. We've started the planning for an Ottawa innovation campus because we really believe in that philosophy.

We're completing our funding obligations for the Ottawa Congress Centre. I hope that we still have a federal partner to complete the very much needed expansion for that. In fact, the expansion has been, I believe, \$28 million.

We think Ottawa has a very vibrant cultural community, so there's support for the concert hall, the Ottawa Chamber Music Society, the performing arts centre, the Great Canadian Theatre Company—I know you're a great supporter of the arts, Mr. McNeely—the Orléans Art Centre and Town Centre, which I know you're very

familiar with. Of course, one of the things we've done is relocated and created a true Ontario government presence and campus in Ottawa and brought together a number of different departments. Those are just some highlights, in addition to so many other things that we are very proud to have funded in Ottawa.

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Now, you said eastern Ontario. I think if I went on too much longer, I could take all of the time for additional questions, so perhaps I'll just stop there.

Mr. McNeely: How much time is left?

The Acting Chair: Six minutes.

Mr. McNeely: Right now, there are elections in Toronto. When do you see the GTTA up and running? It will be working with you. They have a five-year plan that they have to come up with for capital works, and they've got many other things they're going to be doing with your ministry. When do you see that getting up and going?

Hon. Mr. Caplan: The Greater Toronto Transportation Authority is a key initiative for our government. It is already up and going with the announcement of a full-time chair in Rob MacIsaac. If I may, Rob has a tremendous legacy as mayor of Burlington. Mayor MacIsaac was a true leader and a visionary amongst many very strong colleagues. He was a member of the Central Ontario Smart Growth Panel and was on the Greenbelt Task Force. He's a natural to assume this leadership position. The vice-chair is Peter Smith. Peter has tremendous experience as a former chair of GO Transit. So we have some of the key elements in place.

The rest of the composition of the Greater Toronto Transportation Authority will be made up of municipalities that will nominate who their representatives are. Our expectation is that at the conclusion of the municipal elections, municipalities will make known who their representatives will be. The key for the Greater Toronto Transportation Authority—and I perhaps can't be as knowledgeable as you are as the parliamentary assistant, at least previously, in transportation. You're still in transportation, yes?

Mr. McNeely: That's right.

Hon. Mr. Caplan: This is under the leadership of just a wonderful minister in Minister Cansfield. The first task for them will be implementation of a greater Toronto area fare card program. This is long overdue, something that the public has been clamouring for, something that will bring an ability to coordinate 12 different public transit systems and an ability for transit riders to access the different transit systems as efficiently and effectively as possible. So that's going to be one of the first initiatives of the GTTA.

The other will be to develop a transportation master plan for the greater Toronto area, which includes Hamilton, by the way. We have, for example, the city of Mississauga, which has already developed quite an extensive higher-order transit plan that we are funding and that we're hoping our federal partners will come to the table and similarly fund. We have the city of Brampton,

which has received funding from the province under Move Ontario, and we similarly hope that our federal partners will come to the table finally and provide funding for Brampton. We'd like to work with Halton region, with Hamilton and with Durham. York region has Viva. We've already supported phase 1, and we're supporting phase 2 as well to help them plan and deliver that.

Colloquially speaking, the gorilla in the room is of course the Toronto Transit Commission and GO. We achieved, at least with the previous government, a \$1-billion state-of-good-repair investment into the TTC and \$1 billion for GO Transit. Certainly, the Greater Toronto Transportation Authority will help to coordinate and integrate on the planning and capital spheres. It's a very exciting initiative.

Mr. McNeely: Mr. Chair, if we have a couple of minutes, I think Mr. Zimmer would like to ask a couple of questions.

The Acting Chair (Mr. John Yakabuski): You have just under two minutes.

Mr. David Zimmer (Willowdale): I know the intensification file, broadly speaking, is something your ministry's been working on for years, along with other ministries. But it seems to me one of the challenges I'm coming across when I'm out speaking to this issue is that I find people—citizens, the average person on the street—understand and acknowledge the need for intensification, understand why it's a good thing, understand how it fits into the broad plan over the years with all of the other things, such as the greenbelt and transportation and so on. Yet, when it comes to intensification, if they find themselves in what I'll refer to as so-called intense areas, they've inevitably got a lot of concerns and so on. Frankly, there are touches of NIMBYism here and other things. What are we doing as a ministry and a government to allay these fears, to bring these folks on board and make it palatable to them?

Hon. Mr. Caplan: That's a great question, and a hard one to answer in the one minute I have available.

The Acting Chair: You don't even have a minute.

Hon. Mr. Caplan: Well, then, Mr. Chair, when the next round comes back, I hope Mr. Zimmer will be here to pose the question again. I'm delighted to talk about our corridor strategy. I'm delighted to talk about Bill 51 and some of the changes we've made to the Planning Act, and also some of the public engagement that our ministry has undertaken previously and that we're anticipating

taking short, medium and long term to help community residents, municipal leaders and many others.

The Acting Chair: That is the extent of the time, Minister. We'll now go to the official opposition.

Mr. Runciman: Knowing there's a vote coming up, I'll just put three requests on the record, and hopefully the minister will provide the answers at our next opportunity.

In terms of this poll that the media tells us the OLGC is undertaking to determine the impact of the Fifth Estate allegations on their business, we'd like to know what the cost of that is. Looking at the Windsor numbers, they're pretty shocking in terms of the drop in business and the impact on their revenues. I would like to have a status report on the expansion project at Windsor and the cost projections in terms of the finalized expansion, what you're looking at now in terms of the ultimate cost for that expansion project. Also, I'm assuming there was a business case developed when you made a decision to make such a significant investment in the Windsor casino. I'm wondering if that business case could be tabled with the committee as well.

Hon. Mr. Caplan: Am I allowed to respond, Mr. Chair?

The Acting Chair: We're going to have to cut it in a minute or so because the bells are going to ring and there are a couple of announcements I have to make.

Hon. Mr. Caplan: Okay. I take the comments, and I'll let you make your announcements. I believe, Mr. Chair, we're coming back on the 14th?

The Acting Chair: November 14.

Hon. Mr. Caplan: I look forward to attending this committee. It's been a pleasure to be with you here today, and I look forward to providing insight and answers to the questions that members raise at that time.

The Acting Chair: Thank you, Minister.

I have a couple of announcements to the members of the committee. Mr. Richmond will be revising yesterday's outstanding public infrastructure renewal questions based on input from members Hudak and Tabuns. So there will be some revisions on those questions from yesterday.

I want to thank all the members of the committee for their input and co-operation and the minister for his co-operation as well. This committee stands adjourned till November 14.

The committee adjourned at 1749.

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