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Mardi 14 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
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STANDING COMMITTEE ON ESTIMATES

COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Tuesday 14 November 2006

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The committee met at 1604 in room 151.

MINISTRY OF PUBLIC INFRASTRUCTURE RENEWAL

The Vice-Chair (Mr. Garfield Dunlop): Good afternoon, ladies and gentlemen. We're here to resume the consideration of the estimates of the Ministry of Public Infrastructure Renewal. There is a total of four hours and 17 minutes remaining, and when the committee was adjourned, the official opposition had about 19 minutes remaining in its rotation. Minister Caplan, welcome today, and all the staff with you. We'll proceed with Mr. Hudak.

Mr. Tim Hudak (Erie–Lincoln): It's good seeing everybody again. Minister, it's good to see you again. Welcome back.

Hon. David Caplan (Minister of Public Infrastructure Renewal, Deputy Government House Leader): Glad to be here.

Mr. Hudak: I have a couple of questions from some of my colleagues that I'm going to ask on their behalf. The member for Victoria–Haliburton–Brock, Laurie Scott, is obviously pursuing the reopening of the Frost centre, which was closed two years ago, in July 2004. I think the minister knows it had been providing outdoor education to thousands and thousands of Ontarians for many decades. There was a Frost centre working committee, struck by the current government, that provided a report over a year ago, in July 2005, about reopening the Frost centre. There have been two requests for proposals for the Frost centre to be reopened, and those RFPs expired in August and we still have had no response from the government for two and a half months. Obviously Ms. Scott is—as are many members of the committee, I'm sure—concerned about the future of the Frost centre and the delays in response to the working committee. I'd like the minister to comment on when we can expect a decision on the future of the Frost centre.

Hon. Mr. Caplan: Mr. Hudak, you well know, as you mentioned in your opening comments, that we did strike the Frost centre working group, had a series of recommendations which were embraced by the government and the Ontario Realty Corp. In fact, a request for proposal, as you mentioned, was issued, and there were responses both in the qualification and the proposal stages. I believe that there are two proponents who did submit tenders

under that request for proposal. There is also currently an environmental assessment taking place on the subject lands. At the conclusion of the environmental assessment—and also we continue to engage with the Frost centre working group on the evaluation of those two particular proposals and we'll be in a position, in the not-too-distant future, to share the outcome of that tender.

Mr. Hudak: Would the minister care to narrow it down for the sake of the folks in Haliburton county who are concerned about the Frost centre and what “the not-too-distant” future” means?

Hon. Mr. Caplan: I don't have a specific time frame to share with the member at this point. As the member well knows from his history and experience, environmental assessments and the evaluation of two well-put-together bids will take time. We want to make sure that we get it right. We also want to engage the people locally. I do know that the Ontario Realty Corp. met yesterday with the Friends of Frost to go over the next phases. And I just had a note passed to me that it should not be more than a couple of weeks that we hope to be in a position—I don't want to place an artificial time frame around it. I want to make sure that we get the job done correctly. But that's around the time frame that we're looking at.

Mr. Hudak: Outstanding, a couple of weeks. Thank you, Minister, for narrowing down the definition of “in the not-too-distant future.” Shall we be expecting good news as we head into the holiday season?

Hon. Mr. Caplan: At the Ministry of Public Infrastructure Renewal it's always good news. I certainly am not in a position to judge, nor would it be appropriate for me to look at, the particular proposals that have been submitted. I know that the Ontario Realty Corp., in co-operation with the Friends of Frost, will do that work diligently. We'll find out what the results are when we're able to announce the findings.

Mr. Hudak: Thanks very much.

Ms. Scott is also concerned about the status of the Highway 35 expansion in Kawartha Lakes. I think the minister knows that there have been literally hundreds and hundreds of names on petitions that were brought to the Legislature requesting the much-needed four-lane expansion of Highway 35 in the city of Kawartha Lakes. The ministry has been planning this for some time. I know that consultations took place and have now, I believe, been completed. When can we expect this project to finally move forward?

Hon. Mr. Caplan: I think that question would much more appropriately be placed before my colleague the Minister of Transportation, who of course did unveil—spectacularly so—a \$3.4-billion southern highway strategy. I know that is most welcome news, not only to members like yourself in the Niagara region but also in Kawartha region where there is much good news indeed around safety improvements, additional lanes that have been placed. I'm looking through here. I think we can follow up with the Ministry of Transportation on the specifics of that particular project and see if there is some information to provide to this committee.

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Mr. Hudak: Thank you very much. The other project that Ms. Scott wanted me to inquire about is equally important to members in the eastern GTA, Durham region and, I would think, Northumberland county, etc., and that's the eastward expansion of the 407 to Highways 35 and 115. Perhaps the minister could update the committee and those members on when we'll actually see the 407 expansion go forward.

Hon. Mr. Caplan: I want to thank the member for the question. It would have been helpful had there been the previous work on route planning, environmental assessment, property acquisition and design of that particular route. Unfortunately, that work simply was not done.

I can tell this member, and indeed all members of the committee, that we have developed something called the growth plan for the greater Golden Horseshoe. We do believe that the 407 east extension is a high-priority route. I know that that is why my colleague the Minister of Transportation quickly moved toward the work I mentioned earlier that had not been done previously; namely, an environmental assessment, route selection and the necessary engineering work that would need to go in. Of course, after we know all that, the property acquisition and hopefully the financing and construction can ensue.

Mr. Hudak: The Highway 9 expansion is last on my list. My colleague Mr. O'Toole asked me to inquire about the Highway 9 expansion.

Hon. Mr. Caplan: I'm going to look to the deputy, if we have any specifics on that one. I don't have that detail with me, but I would undertake to contact my colleague the Minister of Transportation and provide any follow-up and details to the committee that we may have available.

Mr. Hudak: I would ask, on behalf of my colleagues, for the entire weight of the hard-working staff at the MPIR to get behind these projects when the MTO is doing its ranking.

Hon. Mr. Caplan: I'm really glad, Mr. Hudak, that you mention the very hard-working staff at the Ministry of Public Infrastructure Renewal, because we have put together not only the much-needed \$1.8-billion northern Ontario highway strategy, but also the \$3.4-billion southern Ontario highway strategy. I know that we met quite recently—a new innovation supported by our ministry, where we sit in round table format with our ministry and other central agency partners to develop multi-year capital plans. You would know, Mr. Chair, from

your vast experience in government, that this kind of exercise, this kind of collaboration has never taken place within government. We had the opportunity to meet with our colleagues in transportation. I can tell you that these and many others, whether it's Highway 401 upgrades and expansion, whether it's many others too numerous to mention here—perhaps, Deputy, I saw we had a copy of the southern Ontario highways program. This is the actual document. You will find it on the Ministry of Transportation website. So, for example, Highway 3 under way from St. Thomas to Aylmer; Highway 6, new from Fergus to Arthur, reconstruction of bridge and rehabilitation. The completion date for that one is 2007; project length is 17.3 kilometres. Also on Highway 6, a new CPR overhead bridge in Puslinch county and the Lynn River lift bridge in Port Dover. Highway 10, Markdale to Chatsworth, resurfacing and bridge rehabilitation, 23.7 kilometres, also to be completed in 2007. Highway 19, Mount Elgin to Highway 401, reconstruction and also the provision of a commuter parking lot. Target completion is this year for that eight and a half kilometres.

Mr. Hudak: That's the one I was waiting to hear about, Minister. Thanks very much.

Hon. Mr. Caplan: There are lists of literally hundreds, if not thousands, of projects supported by the great staff at the Ministry of Public Infrastructure Renewal. I wish I had more time to share them with you.

Mr. Hudak: You hit on some very important ones, and I'm pleased to see those come from the minister.

Hon. Mr. Caplan: I could list more, if that would be helpful.

Mr. Hudak: We had talked before about the estimates and some concerns I had around the ministry missing its targets, particularly on the capital side. At this point I actually want to visit the operating side before revisiting capital. Minister, I'll call your attention to page 19 of your estimates document, particularly the operating expenditures at the "Infrastructure and Growth Management Planning/Ministry Administration" section. You'll see that in 2005-06, the estimated expenditure in that division was \$106 million, and in reality \$90.5 million was spent. So you're \$16 million under budget in that part of the division. Were those just deficiencies that were found or were projects left uncompleted?

Hon. Mr. Caplan: I'm going to ask the deputy to delve into some of the numbers.

Ms. Carol Layton: I'll be happy to do that. The \$16 million actually comprises a few different areas. One is that in this fiscal year, the ministry is contributing overall to an accommodation savings target. It was in one of our divisions that \$10 million was taken out.

You're referring to the \$16 million, which is the difference between the \$106 million and the \$90.5 million? Is that what you're referring to?

Mr. Hudak: Exactly.

Ms. Layton: Okay. Actually, Jeanette, if you want to help out on that one, too?

Ms. Jeanette Dias D'Souza: Certainly. Thank you. Jeanette Dias D'Souza, CAO, Ministry of Public Infra-

structure Renewal. I think the question was directed to the difference between the 2005-06 estimates and the 2005-06 actuals. May I ask, were you asking specifically about growth management or just in general about the ministry?

Mr. Hudak: I'm trying to figure it out. You're \$16 million off what you were estimated to spend. Was that simply an efficiency that was found in-year, was it redistributed somewhere else in the budget, or were there programs that you were supposed to deliver not delivered?

Ms. Dias D'Souza: On the operating side, which I believe is what you were asking, there were a number of reasons. In a number of the areas we needed to staff up. Staffing costs account for a certain portion of our ministry operating expenditures, so in some areas we may not have staffed up as quickly as we would have thought. In addition, there were other delays related to projects. There could have been timing of legislation, such as the Places to Grow Act, that would have caused additional delays. There were some legal costs related to Rama litigation that we thought may have been a bit higher.

As you know, the estimates are what we think we're going to spend. There were multiple reasons for why we actually came in lower than what the estimates were.

Mr. Hudak: Perhaps you could give the committee some examples of the project delays that took place and resulted in a lack of hiring to administer those projects.

Hon. Mr. Caplan: I know one in particular. There's some additional money in the Canada Strategic Infrastructure Fund, the second go-round, over which we had hoped to be able to reach an agreement with our federal counterparts. Regrettably, some of the election cycles that we've seen federally and a little bit of the destabilizing influence have thrown off our timelines for some of those projects, and we're currently in negotiation with our federal counterparts to try to match those funds and make sure they get into the areas that we think they are appropriate for. I know, for example, that that would be a project delay, monies that we had anticipated, matching against federal government dollars for the Canada Strategic Infrastructure Fund. That's one that immediately comes to mind, Mr. Hudak.

Mr. Hudak: I'm a bit confused here. If that capital funding didn't flow, that would be reconciled on the capital side.

Hon. Mr. Caplan: Oh, I'm sorry. You were referring to operating. My apologies. I thought you just meant, what were some of the project delays? I tried to highlight an example of that, but perhaps Jeanette or the deputy on the operating side would?

Ms. Layton: The division where the project delays are specific and the actual amount, the comparison between what was put into the estimates as well as what were the interim actuals—specific to project delays was about \$1.7 million that wasn't spent. That is the division that does develop a lot of the infrastructure policy framework documents. You build in a provision to help deliver that sort of work. An example would be some of the asset management work that the ministry was working on,

specific provisions that would have been there for consultant work, different studies. It would be in that context that there would have been some delays.

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Mr. Hudak: About \$1.7 million of the \$16 million?

Ms. Layton: \$1.7 million of the \$16 million.

Mr. Hudak: Help me understand the other \$14.3 million.

Ms. Layton: They're sort of what Jeanette spoke about, some of the different delays we're talking about. Also in that \$16 million there is the strategic asset management unit, which was transferred into the ministry in-year from the Ministry of Finance. It had consulting allocation dollars for some of the asset reviews that were under way. It's the small team that looked at things like Teranet as well as the beverage alcohol review. There was a higher provision in the budget to allow for some asset reviews than was actually expended as the year progressed.

Mr. Hudak: That was about how much?

Ms. Layton: That's another example, and that would be about \$4 million in underspending, mainly because in that case you had to anticipate, potentially, some legal and consulting costs.

Mr. Hudak: We're still well beneath the halfway point, though. If there's \$16 million that was underspent—you've given me \$5.7 million in examples, which I appreciate—but we're still not even at the halfway point. So is there a large item that just simply failed to materialize?

Ms. Layton: Well, some of the other ones, just to give you more detail: We have recruitment delays, about \$1.9 million. We are a ministry with a very young population of public servants. We bring them in, give them good training and they're desirable elsewhere in the OPS, so a lot of ministries deal with vacancies. Certainly that was a fairly big number for us. As well, some of the underspending in our growth secretariat related to timing issues for the passage of the Places to Grow Act. There was some underspending in that area as well. The Rama litigation was upwards of about \$1 million in underspending. Infrastructure financing, also with some of the transfers to Infrastructure Ontario—there was some underspending; just over \$3 million there.

Mr. Hudak: I guess the expectation is that those projects that were delayed or the hirings that were delayed will take place in this fiscal year; those same positions will be filled?

Ms. Layton: Yes, indeed. You staff up where you can. You have more vacancies as well. It's a constant situation in a ministry.

The Vice-Chair: Less than a minute left, Mr. Hudak, and we'll go to the third party.

Mr. Hudak: Thanks. I appreciate the deputy and the CAO's responses here.

Hon. Mr. Caplan: In fact, we share Jeanette with the Ministry of Energy.

Mr. Hudak: Well, you should get her full-time. She's good.

Hon. Mr. Caplan: Well, she's good enough to do double duty.

Mr. Hudak: Back to the deputy, then: If you're planning on staffing up these positions, why do the estimates for this year actually decrease by a further \$2.5 million?

Ms. Layton: Actually, because of other variables that always factor in to the equation as well. I think—

Mr. Hudak: Caplan cutbacks.

Hon. Mr. Caplan: You wound me, sir.

Ms. Layton: Hang on a second. I'm just going to get to that note.

For the ministry as well we have a reduction overall. There are a bunch of different factors playing into that. The single biggest one is the fact that with the establishment of the new agency, Infrastructure Ontario, there was an entire division, which was known as infrastructure financing and procurement, that was sitting in the estimates for 2005-06. It has disappeared in 2006-07. That is one of the reasons we are a smaller ministry overall.

Likewise, the continuation of the strategic asset management unit doesn't have as large an asset review, so what was built into 2005-06, anticipated to be spent throughout that fiscal year, is less in 2006-07. So it's another significant factor.

The last one is the agencies division, which provides a lot of support for the four different agencies that report to the minister. But the most material change there is that as the ministry contributes to a government-wide accommodation savings target, we actually took our share of that target out of that division as well.

The Vice-Chair: Thank you very much for that answer. We'll now go to the third party.

Mr. Peter Tabuns (Toronto-Danforth): Good day, Mr. Minister. I'm going to be focusing on your growth plan for the greater Golden Horseshoe. My understanding from statements you made at the beginning of this process and from statements made in the House is that without taking action, if we were simply to let business as usual continue, there would be significant increase in travel times in the greater Toronto area and the greater Golden Horseshoe. Can you tell me again what the business as usual would result in, in terms of increase in travel times?

Hon. Mr. Caplan: Sure. Here I have Assistant Deputy Minister Brad Graham. I believe—and I'll stand to be corrected—that the estimate we have is a 45% increase in traffic commute times.

Mr. Brad Graham: Yes, it's 42% to 45%.

Mr. Tabuns: And in what time period? Between now and 2020, 2025?

Mr. Graham: And 2031.

Mr. Tabuns: The first version of the growth plan for the greater Golden Horseshoe had some very useful language around curbing sprawl. It shelved highway projects that would be at cross-purposes with a more compact, intensified region. When we look at the material, when we look at commentary on the material, like the Neptis papers, we see drafts that become increasingly weaker by reintroducing policies that would have created

the sprawl that grips the GTA in the first place. For example, the density target of greenfields development is 50 jobs and people per hectare, a level that, as far as we can tell, really doesn't make much difference in terms of making transit viable. The growth plan for the greater Golden Horseshoe states that 40% of all new residential development must be constructed within built-up areas by 2015. Neptis Foundation research shows through modelling that at this rate of intensification, "The amount of new residential development that would be shifted from farmland to genuine intensification is likely to be insufficient to produce the plan's desired outcomes." Do you have research to show that Neptis's analysis is incorrect?

Mr. Graham: I'm familiar with the paper that they wrote, but I must admit that it was some time ago that I read it, so I can't respond to the specific details today. But just a couple of points: In moving from our draft work into the final growth plan, you mentioned the 40 people and jobs per hectare—

Mr. Tabuns: It's 50.

Mr. Graham: I'm sorry, 50. In fact, in our earlier version that number was 40 jobs and people per hectare in the outer ring, and in the final version we actually upped that for the whole region on the thesis that a greenfield was a greenfield and that they should all be developed the same. As well, not just to focus on the 50 jobs and people per hectare, there are also policies included in the growth plan to ensure that as that development happens, it happens in a way that's transit-supportive. Currently we have fairly dense sub-urban development, but it's happening in a form that makes the introduction of transit pretty difficult. So there's a form policy there as well.

In terms of the 40% intensification rate, we did look around the world and we had some work done here by Urban Strategies and we were working closely with Neptis as well. When you look at jurisdictions around the world, you can see varying rates—some as high as 70%—of intensification. But they tend to be for targeted and mature urban areas. The 40% rate we have set in Places to Grow is for the entire greater Golden Horseshoe, as measured at the upper and single tier. Take, for example, Toronto. It is, in effect, at about a 100% intensification rate. In the calculation, therefore, of the 40% in other regions, you don't get the bonus of Toronto. Each upper tier will have to achieve a 40% intensification rate. Currently, to our best knowledge, intensification rates are running between 10% and 15%. So it is raising the bar quite substantively between now and 2015.

Hon. Mr. Caplan: Do you actually have modelling that you can table that will show that Neptis's commentary that the plan as presented is not going to provide much variation from business as usual—did you do modelling to show that in fact we wouldn't be looking at these big increases in travel time?

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Mr. Graham: We definitely have an analysis that I think we can provide on that. We didn't remodel because, as you'll appreciate, it depends on all kinds of assump-

tions one makes in terms of densities and intensification and the like. But we are familiar with the work and we can provide some—

Hon. Mr. Caplan: I believe, as well, that we have posted three technical studies—I believe they're posted on our website—that can be made available to you or to any member of the public. Remind me what those studies were?

Mr. Graham: There was a land supply paper, the intensification paper, and the third now is escaping my mind.

Hon. Mr. Caplan: Yes, but there is a third one which provides some very good baseline data and analysis that is certainly available to this committee or to any Ontarian who would want to visit www.pir.gov.on.ca.

Mr. Graham: Again, I can't recall the details of that study, but I think there was some misinterpretation about the assumptions made in that analysis that differ from the policies of the final plan; but we can provide that to you.

Mr. Tabuns: Given your analysis, compared to business as usual, which would have a 45% increase in travel times between now and 2031, what will be the increase in travel times?

Mr. Graham: We don't know that right now in the sense of what the ultimate implication of the plan will be. We just know that the analysis Neptis undertook and that we participated in was: What would be the increase in travel time if we continued on our current rate of consumption based on our commuting times today?

Hon. Mr. Caplan: If I might, much will depend over the course of the next quarter century on the kind of infrastructure investment plan that is put in place for transit. For example, in our last budget in March 2006, there was the Move Ontario plan to support the Mississauga bus rapid transit, the Brampton AcceleRide, the subway extension up to the Vaughan corporate centre on Highway 7, support for York region's Viva project. These kinds of investments, cumulatively, with the Canada-Ontario agreement for a \$1-billion investment for the TTC and another \$1 billion for GO—these are the kinds of investments which will give life to expanded transit and expanded options which will relieve some of the pressure on the commuter network.

However, I would say that over the course of time, if provincial governments do not make the kinds of investments, especially in transit, that ought to be made—we've seen previous governments off-load transit entirely onto municipalities—I think you would not see an improvement in the kinds of transit and commuter time data that we are projecting.

Mr. Tabuns: Unless I'm really wrong, you don't have a target for reduction of the business-as-usual increase in travel times; you have a notion. You'd like it to be shorter than a 45% increase between now and 2031. I don't hear a 10% increase in travel times; I don't hear a zero increase in travel times; I don't hear a 50% increase in travel times. You don't have a target. Is that correct?

Hon. Mr. Caplan: I don't think that's an accurate characterization, Mr. Tabuns.

Mr. Tabuns: Well, then, tell me the target, Minister.

Hon. Mr. Caplan: We have a significant transportation investment plan with our partners, with the city of Toronto, in Peel region with Mississauga and Brampton, with our partners in York region, and of course our partners on an interregional network as given life through GO, which we believe will result in the kind of transit expansion which will work to deal with some of the traffic and commuter time problems we are currently experiencing.

What we meant and what we showed was that if there was no work begun, if there was no investment, if there was no plan to connect up those urban centres, this is the likelihood you could reasonably expect, based upon the data. So because of ReNew Ontario, the provincial government's \$30-billion five-year infrastructure investment plan, because of the Canada-Ontario municipal agreement, because of Move Ontario, we are seeing, I dare say, a renaissance in public transit, in the kind of investment. We will be measuring the kinds of results we're getting. I'm sure that our partners, municipally and in business and industry, as well as our environmental partners, will be measuring the cumulative effect of these kinds of investments.

Mr. Tabuns: Mr. Chair, I have a question. Do you have a target for increased travel time in the GTA? You have a target for spending money; I'm hearing that. You've spent a lot of money. You're going to spend billions of dollars. What difference will it make in terms of travel times and greenhouse gas and smog emissions? What will be the concrete outcome of all the spending? You can tell me all the money you're going to spend. I want to know what you expect to get for the purchase.

Hon. Mr. Caplan: I disagree with the way in which it is phrased.

Mr. Tabuns: I have a question.

Hon. Mr. Caplan: Well, I have an answer, sir.

Mr. Tabuns: Is there a target?

Hon. Mr. Caplan: Are you going to allow me to answer, Mr. Tabuns, or not?

Mr. Tabuns: I asked you, is there a target? You can tell me whether there's a target or not.

Hon. Mr. Caplan: Mr. Tabuns, I don't tell you how to ask the questions. Please do me the courtesy of not telling me how to answer the questions. I'm trying to keep it short to allow as much opportunity—

The level of investment in transit is quite breathtaking, in my opinion. It's characterized, I think incorrectly, as spending. I see it as an investment in moving people and in moving goods across this region. We do know—from some work that has been done by chambers of commerce, by the Toronto Board of Trade—the effect of gridlock and the effect of commuter times. By making these kinds of investments, I hope you would agree, Mr. Tabuns, that these are the kinds of investments in public transit to a much more balanced approach and to one which is going to get people moving.

Of course, the evaluation of what we achieve for those investments will be the subject of, I would hope,

foundations like Neptis, like the Toronto Board of Trade, like the environmental movement which is very supportive of transit investment. Certainly I know that our municipal partners are. That's a body of work that we will work on collaboratively, as we have in the past.

Mr. Tabuns: I'm going to assume, Mr. Chair, that I'm not going to get an answer to the question, "Is there a target?" because I've asked and I don't get an answer on targets. I have to say to the minister that I was in Ottawa. I watched the federal Liberals and their climate change plan: \$6 billion in announcements and a 26% increase in greenhouse gas emissions, when the target was 6% below 1990.

I know you can make a lot of announcements and spend a lot of money and not get anywhere near what you state is your target. You don't even have a stated target. There is no target. I'm told there's a wish and a prayer that the spending of the money will be effective. We'll see if in fact it's effective or whether it's wasted spending. We don't know and we won't know, because you don't know where you're going. You don't know what you want to achieve.

Hon. Mr. Caplan: I say, with respect, that I completely disagree, Mr. Tabuns. Certainly this is the first time that we've set out a blueprint for growth, but also to protect valuable natural places in the province.

Earlier you asked questions in this committee on the government's operational energy reduction plan. You asked specifically the amount by which electricity consumption will be reduced by 2007 and the end of the planning period. Mr. Chair, I'm very happy to provide Mr. Tabuns and this committee the response.

The 2002-03 baseline electricity consumption in government-owned buildings was 644 gigawatt hours. Electricity consumption was reduced to 587 gigawatt hours by 2005-06. A 10% reduction will be achieved in 2007 which equals 64.4 gigawatts. By March 31, 2006, the government had reduced electricity consumption in Ontario Realty Corp.-operated and ministry-operated buildings by 8.8%, or 57 gigawatt hours.

Clearly, the government is setting targets. The government is moving towards those targets. The government is setting targets for urban design, for people and jobs being located in municipalities, and we are achieving those targets. So I completely disagree with the characterization. I understand that you and I may disagree, and that's perfectly allowable in this forum, but I completely reject the premise of your question, sir.

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Mr. Tabuns: I find it interesting that you cite the 10% reduction in power consumption—you actually set a target. You can now tell us whether you met your target. In terms of "business as usual" and the increase in travel time, you have no target for reduction from "business as usual." Frankly, you can meet your target of spending and you have no target for reduction in travel times or pollution. So we will never know whether or not you met your target, other than your target to spend money, and that's where we stand in terms of your approach on this.

One of the other issues in terms of the greater Golden Horseshoe plan shifting backwards in the course of drafts was the whole question of building highways that would run at cross-purposes with intensification—projects like the Highway 404 extension to Lake Simcoe, which was not in the first plan and made a comeback in the final plan. This extension, taking Highway 404 to the southern tip of Lake Simcoe, is key infrastructure that will fuel urbanization of agricultural lands in the Queensville, Sharon and Holland Landing areas of York region north of the Oak Ridges moraine, as well as much of south Simcoe county. The route of the extension passes through the greenbelt established by the provincial government last year. Prominent environmental and sustainable planning groups have called it "a road to sprawl."

So, despite the evidence of this road undermining the goals of curbing sprawl and preserving prime agricultural and natural heritage lands, why did this highway come back into the plan?

Hon. Mr. Caplan: Again, I completely disagree with the premise of the question, Mr. Chair—in fact, had always indicated working in collaboration with our partners in York region to open up key employment lands in that area. I can tell you, in looking at the conceptual map, that it does not, as the member has just suggested, even come up or touch the southern end of Lake Simcoe. It certainly does not. I can tell you, had always indicated, we would continue Highway 404 up to Ravenshoe Road, and that's precisely what we're doing.

The Vice-Chair: You've got about three minutes left, Mr. Tabuns.

Mr. Tabuns: Okay. I would just note that in the Pembina Institute report they say, "Highway projects identified in the initial drafts of the plan as not being immediate priorities, and which contract its overall directions, such as the Highway 404 extension to Lake Simcoe, reappeared in the final plan." In other words, a road that had been set aside because of its sprawl implications comes back in your final draft in order to abet and aid sprawl in this region that has sprawl as a problem, leading of course to a "business as usual" implication in terms of travel times, greenhouse gas and smog emissions. Why did you make the decision to move it up and have it go forward?

Hon. Mr. Caplan: As I say, I disagree with the member and with the premise of his question; in fact, quite early on, had provided the region of York with the assurance that we were going to support the extension of Highway 404 up to Ravenshoe Road. In fact that's precisely what we're doing and what the plan calls for. That is part of—and we're very pleased to be very explicit in our support for the opening up of significant employment lands.

I know that my colleagues in York region had the very happy occasion to be there to talk about this wonderful news. There's no mystery whatsoever. In fact, in our printed southern Ontario highway program, I refer you to page 13: On Highway 404, central region, a number of different projects are moving ahead, one of them "Green

Lane to Ravenshoe Road, York region, new four-lane highway”—target start date, 2008; target completion, we have “beyond 2010.”

We have always been explicit in our support for the project, and I couldn't be any more clear about the direction this government is pursuing growth and development. But I would, for example, quote David Amborski, professor/director, School of Urban and Regional Planning, Ryerson University: “The absence of large-scale comprehensive planning has resulted in the loss of green space and development patterns that don't support transit and consequently contribute to pollution and smog. The growth plan”—for the greater Golden Horseshoe—“will help set us on a new path that leads to greater transportation choices, more liveable communities, reduced development pressure on our natural areas, and a cleaner environment.”

Mr. Chair, I hope I have an opportunity to read into the record much of the other support that this plan has received from business and industry leaders, municipal leaders and environmental leaders, domestically and internationally.

The Chair: Okay, that's it for the third party. Now we'll go to the government, if you have any questions.

Mr. John Wilkinson (Perth–Middlesex): Welcome, Minister. I'm interested in having a brief discussion about COMRIF, the Canada-Ontario municipal rural infrastructure fund. The first thing I'd ask you is, we know that municipalities are now applying for the third round under the one program. Where are we with the federal government? There's a question about whether or not this is something that could be of benefit for all Ontarians for years to come—just your thoughts about how effective the program is, where you think there needs to be some improvement, because there's a great need, as we all know, in rural Ontario.

Hon. Mr. Caplan: First of all, thank you for the question. COMRIF, the Canada-Ontario municipal rural infrastructure fund, is really quite a departure from the way that we've structured federal-provincial-municipal cost-share agreements before. This one in particular was just under \$1 billion, a one-third/one-third/one-third contribution from each partner. But as we've seen in the past, what happened was that applications would generally come in to the provincial level, they would be evaluated, they would be referred to another level of government, and they could be accepted or rejected at any point along the way with really no criteria basis or no seeming public rationale for why things were moving ahead or not. I had a conversation very early on with my federal counterparts and said, “Listen, I think we can structure things in a different, more open and more transparent way. Let's form a joint secretariat where we receive one application, we evaluate on the same criteria at one time and we're able to nominate or speak to the municipalities that have been successful and not successful at the same time with a very quick and short turnaround.”

In the first intake of COMRIF, the cut-off date for applications was January 2005, and we were able to com-

municate with the successful applicants in April 2005, literally a three-month turnaround. We received over 350 applications; 208 projects were approved in 120 municipalities. The province contributed roughly \$125 million. The thing that I most especially liked about it was that we were able to achieve, through some direction and some design, a measure of regional equity. By that I mean simply this: Northern Ontario received roughly one quarter of all the projects, eastern Ontario roughly one quarter, southwestern Ontario roughly a quarter and central Ontario, including the great riding of Huron–Bruce, received roughly a quarter. So we were able to achieve a measure of fairness and equity among the various regions.

I would say one program is not going to redress or reduce the kind of infrastructure deficit that we have. One of the things I've called upon our federal colleagues to develop is a longer-term and a perpetual one. I am really pleased, and I want to give credit where credit is due. In the last federal budget I believe there was a \$2.2-billion municipal rural infrastructure fund. We are currently in some negotiation with our federal counterparts on cost-sharing, on the ways forward. I'm really pleased that we were able to approach our partners at the Association of Municipalities of Ontario for not only their input but their feedback. So municipalities helped to design a program that would work for them, helped to provide the know-how and expertise to their member municipalities to be able to get good applications. In fact, part of the job of the COMRIF secretariat is to provide helpful feedback to municipalities about why applications were successful or not successful, because we don't want municipalities not to receive funding on technical grounds or on grounds that their applications were not properly put together. We want everyone to be on a level playing field.

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I should mention that in the second round of COMRIF we had 339 municipalities submit proposals. The province contributed in excess of \$117 million, and that was funding to 88 municipalities for 145 projects. Just to give you some of the interests: roads and bridges accounted for 279 in intake one and two; water and waste water some 61 projects. I think we had some waste management as well.

The feedback from municipalities of course is that they would like a perpetual program. They'd certainly like some stability to it. Those kinds of principles I think work very well with the fair share campaign that Premier McGuinty has led to ensure that Ontario receives its fair share of federal programs, to make sure that we can get those dollars into the much-needed hands of our municipal partners.

Mrs. Carol Mitchell (Huron–Bruce): Thank you, Minister, for the comments about the most beautiful riding in Ontario, that being Huron–Bruce.

Hon. Mr. Caplan: Aside from Don Valley East, of course.

Mrs. Mitchell: You have to get it in every chance you get.

One of the concerns that comes from my riding repeatedly is water investment strategy. Where are we going and how are we going to get there? We have numerous small wells, we have regional well systems. We have what one would call a mixed bag. It's certainly something that you have made reference to in the past and will continue to do that, and we talk about a perpetual program for funding as well.

I guess what I would like to hear today is, where do you see our strategy going and what is needed? What must happen within our water systems in order to move into the future?

Hon. Mr. Caplan: That's a great question. It's a difficult one to answer in isolation because, by and large, I think almost exclusively, these are municipal systems. So I think the first and most important principle is that we have to take a different and a much more collaborative kind of relationship and directed focus with our municipal partners.

I spoke to my officials very early on and said that clearly water is of keen concern in large urban centres, small rural communities and scattered northern communities as well. Regardless of where you are in Ontario, water is a basic building block, a basic fundamental for growth and development, a basic fundamental for public health and safety concerns. Of course, we did have the excellent work that Justice O'Connor did in the kind of structuring, regulatory regime, the kinds of practices that we would need to get into our water system.

I spoke to my officials very early on at the outset of the Ministry of Public Infrastructure Renewal—What do we need to do? What was the kind of advice we needed to get?—because there are a great number of things and a great number of needs that are taking place across the entire province. We have some excellent examples. For example, the member from Stratford would be well aware of Middlesex county, Huron, London, Elgin, Perth, working together on a regional water system. So there are in fact local solutions that are coming forward.

We asked Dr. Harry Swain, Professor Fred Lazar and CAO of Hastings county, Jim Pine, to form an expert water panel to connect with our local officials, our local water utilities, the environmental community—people who care about water and the need for water investment—and they came up with a series of recommendations and a report to me. It's called the report of the expert water panel. It doesn't have a very sexy title to it, except it's called Watertight: The Case for Change in Ontario's Water and Wastewater Sector. I have taken that report very seriously. They highlight a need for investment over the next short while of, I believe, \$25 billion, plus \$9 billion required for rehabilitation and maintenance or past deferred work that should have taken place.

I took the opportunity to sit down with the executive of the Association of Municipalities to go over the findings of that report, to collaboratively plot out our next steps and how we could work together. One of the things that municipal leaders have stressed to us is the need for flexibility for municipalities to come up with their own

solutions. So whether that would be the town of Russell in eastern Ontario working with—and I see some colleagues from that region here today—the city of Ottawa, or whether that would be, as I mentioned in London, that down in Windsor and Essex region we have a co-operative effort between the city of Windsor and Tecumseh, and they're now working to bring other partners into this water servicing plan, clearly there is other work that is going on. Our colleague the Minister of the Environment, at AMO in Ottawa, spoke to the municipal delegates about undertaking technical consultations on the former Bill 175, the Sustainable Water and Sewage Systems Act. We're going to continue to work with our sector partners: the Ontario Municipal Water Association, the Ontario Water Works Association, the Walkerton Clean Water Centre, the Ontario municipal association—and many, many others, including the Ontario Sewer and Watermain Contractors Association—on getting the kind of investment that we need.

It is a rather large piece of public policy. It is work that we are engaged in and we hope to keep advancing that particular work through this mandate, and the next one, of the McGuinty government.

Mrs. Mitchell: Minister, what do you estimate the needs are in water and waste water throughout the province?

Hon. Mr. Caplan: Oh boy, that's a hard question to answer, because the needs are twofold, both for that which requires remediation and that which is required for growth. Over the course of the next 20 year or so, the best estimate that I've seen from my officials at public infrastructure renewal is somewhere between \$40 billion and \$50 billion worth of investment into the water and waste water sector. Of course, if there is innovation, if there is the ability to co-operate and collaborate, perhaps that will change some of those investments or some of the way that it's done. Remember, that's over a longer period of time. But I do say, and I want to be very upfront in my comments to this committee, this is an area that we've had significant underinvestment in in this province with our municipal partners over a long and sustained period of time. This is an area where we do need to develop this kind of strategy and collaboration.

Mrs. Mitchell: And certainly the municipalities recognize that a significant investment has to be made in their water and waste water systems and are looking for the tools to move forward.

Hon. Mr. Caplan: I think it's just so easy because the pipes are underground, because it is out of sight, out of mind—literally. That's perhaps been the challenge for us. But I think that the tragedy in Walkerton in 2001 really heightened and focused attention. In speaking with municipal officials, with officials in the water sector, I know that there is a great deal of awareness, and I am committed to that full collaborative effort and that partnership in working to develop a water investment strategy for this province.

Mrs. Mitchell: How much time is left?

The Vice-Chair: You've got about six minutes.

Mrs. Mitchell: Okay. Do you have a question, David?

Mr. David Zimmer (Willowdale): Thank you.

Minister, the last day we were here, I asked a question just at the end of the day, and I think you made it quite clear you wanted to answer that today. The question had to do with all the good things that we're doing and so on, and while many, many people are genuinely in support of all the initiatives, when it comes down to something happening in their yard, the hoary head of NIMBYism raises itself. How we are we going to deal with all of those issues?

Hon. Mr. Caplan: I think that's a great question, because one of the comments that I've received, especially from municipal, business and industry, and environmental leaders, is the need for public engagement. I think much of the problem stems from the fact that community residents discover things after the fact, after an application is submitted, after various projects move through an approval process, after there's perhaps a perceived threat to a local neighbourhood. Very much so. I'm heartened by the work that we did on Places to Grow, where up front and beforehand—and I want to give some credit to the previous government. My predecessor, Chris Hodgson, took on and built this coalition of individuals, and was very much interested and committed to wanting to build the public engagement, the public dialogue, and to move forward in the kind of growth planning that I've had the privilege to lead over the last three years. So it's not simply our government alone. I think others, quite fairly, have seen the need to be able to do this.

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That's why John Gerretsen, the Minister of Municipal Affairs, has brought in some key changes to the Planning Act, certainly with Bills 26 and 27, which have a change from a "regard to" standard to a "consistent with" standard, which means that the Ontario Municipal Board, as it evaluates planning and development applications, must be consistent with the provincial policy statement, must be consistent with Places to Grow, with the growth plans, must be consistent with the zoning changes and bylaws that are subsequently brought in by the official plans and secondary plans and the other kinds of documents that the public had been engaged with at the outset, at an earlier time, when they were brought to the attention of a local community.

I very much want to say that it's been a collaborative effort—the Ministry of the Environment, the Ministry of Transportation, the Ministry of Municipal Affairs—but in this particular case municipal affairs: the changes to the Planning Act under Bill 51; specific changes to the Ontario Municipal Board to give direction and a framework for understanding and evaluation as these decisions come forward. But most importantly, the work that our ministry did going on the road: Brad Graham, who was up here earlier, and I travelled to literally dozens of community meetings, large and small, to engage, to listen to community residents speak about how they thought growth and development and protection of their particu-

lar community should happen, and we were very much guided by that. Earlier, there was a question from opposition members: Why were certain changes made from the draft plan to the final plan? Quite frankly, because we listened. We listened to community residents about the ways and means and the number of different views they had in putting together a plan that so many could buy into.

The Vice-Chair: You've got about two minutes, Mrs. Mitchell.

Mrs. Mitchell: This is just to add further to the discussions that we've had on water, waste water and roads. I want to make mention of the \$11 million that Huron-Bruce was successful in receiving from Move Ontario. But I also wanted to give you the opportunity to talk about further details on Move Ontario. I do want to say how important it has been to the cities and the small rural ridings. Our roads had been neglected with previous governments for over a decade, and this single investment of Move Ontario has made just a tremendous difference in our rural communities. The level of paving and asphaltting and the difference it's made on our roads is tremendous. So Minister, could you just provide us with a bit more detail on Move Ontario?

Hon. Mr. Caplan: Move Ontario was a \$1.2-billion initiative in the last budget—very well received. We focused on urban transit in some key areas in the GTA, but transportation in all of Ontario is of critical importance to our government. That's why in excess of \$400 million was provided to municipalities for investment in road and bridge and infrastructure projects. We have had such tremendous feedback.

One of the things which often happens is that provincial governments are very prescriptive about how dollars are to be spent and where they're to be spent. Oftentimes, we choose the projects that municipalities in turn provide. Move Ontario was quite a departure, where we said to municipalities, "We have confidence that you can identify what is going to work for economic development, for community safety and what have you as far as road and bridge projects in your particular municipality." So we provided what are called unconditional grants to municipalities. We uncuffed and unshackled municipalities and provided them the ways and means to be able to make that kind of investment.

Now, would you ask, "Is it enough or is it sufficient?" The short answer is no, but it's a darned good first step, or actually a second or third step, in getting the kind of investments in our municipal roads and bridges.

Just by way of illustrating, I had one municipal leader at AMO—I had several, actually, but one that I would highlight—tell me about a project that never would have moved forward but for the arrival of those critical dollars from the Move Ontario fund. In fact, that's going to open up new employment and economic development opportunities in a small town in Ontario. That's the kind of investment, an investment in getting people moving, in getting goods moving and in building and supporting jobs for which I know the fund was set up. I look at the

recent fall economic statement where Finance Minister Sorbara talked about, even to a greater degree, accelerated infrastructure investment, to get people and jobs, growth and development and support to our regions of Ontario which are badly in need of that kind of investment.

Ms. Lisa MacLeod (Nepean–Carleton): I appreciate the opportunity to participate in today's committee. I have several questions for the minister with regard to the Ottawa light rail project. I'd just like to follow up on some of the questions I had in question period today. I wasn't satisfied with the answers, because, quite frankly, I wasn't convinced you understood the file. So I'm going to ask again.

The former mayor of Ottawa has said—and I've got the letter right here, and it essentially says, "Any contemplation of the proposed east-west LRT project, or other potential alternative investments, would be inconsistent with the terms and conditions of our MOU."

Essentially, former Mayor Chiarelli suggests that this is in terms of the project which many of the candidates in the municipal election didn't support. If it wasn't supported by the next mayor, the province of Ontario will be removing \$200 million, because they didn't support the plan as is. I'd like you to clarify: Was the previous mayor correct in saying that if the LRT project in Ottawa is at all modified, you will not be forthcoming with \$200 million?

Hon. Mr. Caplan: Well, Mr. Chair, certainly I don't appreciate the comments earlier. I know this file quite well and I would suggest that the member opposite really has never been a supporter of it.

Ms. MacLeod: Mr. Chair, that's categorically false. If he wants to editorialize things that he doesn't know about—

The Vice-Chair: Okay, answer the question. We're in questions and answers, okay? Go ahead.

Hon. Mr. Caplan: Well, Mr. Chair, the member made several statements which I think I should be entitled to address.

The Vice-Chair: All right. You answer the question.

Hon. Mr. Caplan: If the member wants to editorialize in her question, I think I should be entitled to a rebuttal.

On April 21, 2005, I was quite honoured to sign a memorandum of understanding with the city of Ottawa and with our federal government in good faith to support what the city of Ottawa had identified as a top investment priority: the north-south line of the Ottawa train. I was quite proud of it then and I stand behind the memorandum of understanding and the agreement that we have, which in fact was recently ratified in either the late spring or summer by the city council of Ottawa.

I can tell you that the problem has really been—and I hope the member will take this seriously because it has been the interference by the federal president of the Treasury Board in the municipal election which has thrown this project into complete disarray. I know that the federal minister, for reasons that are unknown to anybody, has decided to meddle and apparently—I hope not, and I hope the member would join with us to get our

federal colleagues to live up to the agreement that they signed in good faith with the city of Ottawa and the province of Ontario to support that much-needed transit expansion.

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Of course, I do want to say at the outset that I congratulate Mr. O'Brien, the mayor-elect of Ottawa, on his election victory last night and I look forward to an opportunity to chat with him and with council on any future direction. But I want to be very clear: The Ontario government has signed an agreement with our partners, and we stand behind that agreement.

Ms. MacLeod: Fundamentally, there is a misunderstanding of what the situation in Ottawa actually is. I'm going to take a few seconds to explain it, because this is major infrastructure funding not only for my community but for my entire city.

Essentially, this \$200 million, at all three levels of government, was committed on May 14, 2004; \$600 million was committed before there was an environmental assessment done and details for the current light rail project were actually set in stone, which is fine, because it's a great investment in my community.

I've got a letter here from mayor-elect Larry O'Brien, who wrote to John Baird asking him to do some due diligence on the O-Train file. He says, "In a letter sent to Treasury Board President John Baird, O'Brien asked if a due diligence review is in progress and whether the \$200 million grant was conditional upon the federal government being satisfied that the overall expense to Canadian taxpayers is justified." That did occur.

A couple of days later, I put down a few order paper questions asking if the province did due diligence as well, because the appetite for accountability and transparency in Ottawa is very high. John Baird did that. He made a commitment to the people of Ottawa. He said the next council can make a decision on whether or not they want to move forward on light rail in Ottawa. Overwhelmingly last night there was a decision made by the new mayor and by the people of Ottawa that the current project might change.

In any event, I'll wrap this up. To be very quick, we got a letter on Friday in the city of Ottawa—now John Baird has committed. There's \$200 million coming from the federal government, waiting to be spent by the city of Ottawa. We have a problem here with the province of Ontario not committing to keeping that pool there for the new council, who may or may not decide to go with the current plan. That's where we fundamentally have an issue and that's why I would like to listen to what the minister has to say. Maybe he can shed some light on why he's obfuscating right now.

Hon. Mr. Caplan: I don't think "obfuscating" is in order, Mr. Chair; I think the member has to withdraw that.

The Vice-Chair: I'm not sure what you—

Hon. Mr. Caplan: She just accused me of lying.

Ms. MacLeod: No, I didn't. I just—

Hon. Mr. Caplan: Don't be smug. You're not that clever.

The Vice-Chair: Rephrase it, and answer the question.

Hon. Mr. Caplan: I want her to withdraw it.

Ms. MacLeod: I withdraw it. I didn't mean to hurt your feelings.

The Vice-Chair: Now answer the question. She wants to know if you're going to put the \$200 million in or not.

Hon. Mr. Caplan: I think I should be allowed to answer the question.

The Vice-Chair: Well, then, answer it.

Hon. Mr. Caplan: Well, thank you very much.

First of all, I think it's a little unseemly to see the member front for Mr. Baird. I'm not sure that the chronology that the member offers is either accurate or—

Ms. MacLeod: So can he withdraw the—come on, Mr. Chair. Essentially, all I'm asking—

Hon. Mr. Caplan: Am I going to be allowed to answer, Mr. Chair?

The Vice-Chair: Go ahead and answer the question. Please let him answer.

Hon. Mr. Caplan: I hope you'll keep order, Mr. Chair.

In fact I have a copy of the memorandum of understanding right here. It's public. You will find it on www.ottawa-public-lrt.ca. It is a public document for anybody who wishes to view it, but I have a copy of it here today.

Section 4 states:

“(a) The city acknowledges that Canada's and Ontario's funding for the project remains conditional on meeting, to the complete satisfaction of Canada and Ontario, applicable federal and provincial government requirements including, but not limited to:

“(i) successful completion of all necessary federal and provincial environmental assessments which includes implementation of any applicable mitigation measures in the engineering design;

“(ii) the city completing a detailed ridership study that supports the implementation of the project;

“(iii) the city completing a business case that analyzes the technical and financial viability of the project, including those detailed in the Canada Strategic Infrastructure Fund transit information requirement template (the 'CSIF template');

“(iv) where possible, the exploration of the employment of an innovative delivery strategy to offset costs and transfer risk;

“(v) project compliance with all applicable laws and regulations, and receipt of all required approvals; and

“(vi) the negotiation of a formal agreement(s) containing Canada and Ontario's terms and conditions regarding the making of contributions including, without limitation, agreed terms and conditions regarding the city's obligation to Canada and Ontario in consideration for Canada's and Ontario's financial contributions toward the project....

“(b) The city further acknowledges that Canada's and Ontario's funding for the project is conditional on approval of funding and approval of, and authorization to

enter into....,” subject to Management Board and Treasury Board.

Now the question: Did the city meet the due diligence required in section 4? The answer is yes.

Environmental assessments: The provincial EA was approved by the Ontario Ministry of the Environment on June 7, 2006, followed by federal EA approval on June 16, 2006. I would have thought the member would be aware of this.

The detailed ridership study was completed in February 2005. I would have thought that this member and Mr. Baird would have been familiar with it.

The Vice-Chair: Maybe you're not aware of that. Maybe they do know that, and you're just not aware of that. You're implying that they don't know what's going on.

Hon. Mr. Caplan: Mr. Chair, I don't—

The Vice-Chair: That's what you're implying, and if anybody's going to withdraw anything, you're going to withdraw that.

Hon. Mr. Caplan: I don't think we're allowed to debate here, sir.

The business case, in accordance with the Canada strategic infrastructure funding template, was completed in August 2005. The innovative delivery strategy, a study on the north-south land uplift value and capture, was also completed in June 2005. The provincial Treasury Board and cabinet approved Ontario's commitment to enter into a formal agreement with the city of Ottawa and the federal government to fund the LRT project on June 15, 2006.

The question was, was due diligence done? In fact, according to the memorandum of understanding signed in good faith by the federal, provincial and city governments, the city lived up to it and due diligence was done. It's regrettable that, for some unknown reason, this member and the new federal Treasury Board president seem intent upon derailing this particular project.

Ms. MacLeod: That was great. It didn't answer my question. Let me rephrase it. Almost half of the new council has publicly stated since last evening that they will probably vote against the current proposal when it goes back. My question for you: If that changes even one iota, is that \$200 million still going to be made available to the city of Ottawa for rapid transit? Yes or no? It's not that hard.

Hon. Mr. Caplan: I think I'm very clear.

Ms. MacLeod: You haven't been clear.

Hon. Mr. Caplan: We've entered into an agreement. It's been ratified by the city council of Ottawa. I've heard a lot of “probablys” and “maybes” and “if” it would be. I do know that the city of Ottawa council has ratified, and it's contained in their minutes, the particular agreement that we have. We stand behind that agreement. It's for \$200 million to fund the north-south rail line. As I said, I have not had a chance to call and congratulate the new mayor-elect, Mr. O'Brien, on his election victory last night. I look forward to having that conversation with him. But we have an agreement, and I want to assure this

member that at least the province of Ontario, unlike, seemingly, our federal government, stands behind the agreement that it has signed.

Ms. MacLeod: Well, that's great. Right now, on CRFA radio in Ottawa, city councillor Jan Harder, whom my colleague across the floor would be quite familiar with, has indicated that Siemens and the consortium are willing to give mayor-elect O'Brien some time to look at alternatives on the light rail project, so that is hitting the media right now. At the same time, of course, the federal Treasury Board president has just indicated that he has never threatened to pull the funding, like the Ontario government did, and says he is willing to fight for more infrastructure funding for the riding of Nepean–Carleton and the city of Ottawa.

Again I ask, with this new information, with the fact that we've been told today that there's a possibility of half of the council not being willing to support the current light rail project, with the fact that Councillor Harder has now made a public statement that the city of Ottawa and the consortium are considering alternatives, will the \$200 million committed to the city of Ottawa by the province of Ontario on May 14, 2004, still be on the table if that rail line moves one iota?

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Hon. Mr. Caplan: I don't think I could be any more clear. It's, as I say, unseemly to see this member shill for President Baird. However, I can tell you that the province—

Mrs. Mitchell: It's sad.

Hon. Mr. Caplan: It's sad, my colleague says, but I think unseemly. I can tell you that the province has entered into an agreement in goodwill with our counterparts federally and locally. It's been ratified by the province of Ontario. It's been minuted at Treasury Board. Our colleagues at city council have ratified it; the ratification of the deal appears, I believe, in their minutes. I don't think I could be any more clear with this member. Notwithstanding the comments of the federal Treasury Board president, I think that actions speak louder than words. The McGuinty government has never wavered one iota in its commitment to Ottawa and to this project. I don't believe this member, nor the federal Treasury Board president, can say the same.

Ms. MacLeod: Obviously, we have a difference of opinion on this letter dated November 10 that was sent by your deputy minister to the city of Ottawa. From my understanding of what the federal government's done and what the city has done—essentially what I'm understanding is that if the light rail project doesn't go through as is, yes, indeed, it will be vetoed. That's a real shame, because that \$200 million is required in my community.

In any event, I have a series of questions that I'd like to ask the minister. I'm just wondering if he could provide the total amount of money that the government has committed to the city of Ottawa. Is it indeed \$200 million, or have additional funds been allocated or set aside for this project?

Hon. Mr. Caplan: It's \$200 million.

Ms. MacLeod: Have you at any time thought of initiating a value-for-money audit with the city of Ottawa with regard to this project?

Hon. Mr. Caplan: I think I've already indicated that subsection (4) indicates all the due diligence with business planning, ridership planning—those have been fulfilled by the city of Ottawa. In fact, I believe that this flight of fancy from this member and from President Baird is simply an attempt to derail a very important investment in the city of Ottawa. This government stands behind its commitment.

Ms. MacLeod: Nothing could be further from the truth when you're talking about an investment to the magnitude of what we're talking about—

Hon. Mr. Caplan: We didn't see it over eight and a half years of the previous government.

Ms. MacLeod: We expect that the money will stay there. There is a lot of support for rapid transit in my community.

I'd like to know how much money has actually been transferred to the city of Ottawa for this light rail project.

Hon. Mr. Caplan: None as yet. I can tell you that while there may be a lot of words of support, there was not a lot of financial support by the previous government for light rail investment in the city of Ottawa. I'll let the facts speak for themselves.

Ms. MacLeod: I'm just wondering if the minister can indicate whether or not you've received copies of the contract of the light rail transit program in Ottawa.

Hon. Mr. Caplan: No, we have not.

Ms. MacLeod: Just to correct, we did a lot of work with—I was working at the city of Ottawa when this was going through with the member opposite.

Essentially, I'm hearing today that it's quite likely that if the project doesn't go through with an MOU, we're probably not going to get the \$200 million. That concerns me greatly, considering the federal government has indicated that they will continue to put the—

Hon. Mr. Caplan: Mr. Chair, can I send some Q-tips over to the member?

The Vice-Chair: Do you want to continue your line of questioning?

Hon. Mr. Caplan: Because that is not what I've said. We stand behind the agreement that we've entered into with both our federal and our city partners, and I wish that the member would accurately describe the remarks that I've made. The Hansard record will be very clear about this. It has only been the federal government that has wavered in its commitment to this project, and I think that's regrettable.

The Vice-Chair: It is estimates, and you can continue on with your line of questioning. You've got three more minutes

Ms. MacLeod: It just concerns me, knowing what I do know in the community and seeing what we've seen in terms of the correspondence and the fact that the mayor-elect actually did write a letter to the Treasury Board president, and that's why he got involved—we're still wondering exactly why this letter showed up three

days before the municipal election with the candidate who had the as-is project benefiting, obviously, from this letter, while the other two candidates at the time—

Hon. Mr. Caplan: Can I answer that?

The Vice-Chair: Let her finish her question and then you can answer.

Ms. MacLeod: —weren't supporting the current LRT project. I guess what it all comes down to at the end of the day is \$200 million that should be going to my city. Quite frankly, we're nervous that this—

Interjection.

Ms. MacLeod: Well, I come from working at city hall, and the one thing I enjoy about the city of Ottawa is that they've got competent city councillors who are duly elected by the people of the city of Ottawa, and they should be able to make the decisions on whether or not—

Interjection.

The Vice-Chair: You don't need to heckle her, okay? She hasn't heckled you.

Go ahead.

Ms. MacLeod: Minister, do you not believe that the city of Ottawa councillors who were elected last night and the newly elected mayor should define their own transportation and transit initiatives, yes or no? Because this is what it all comes down to, with this letter that you've sent to Mr. Kirkpatrick, who is the city manager in the city of Ottawa. It essentially tells us, "If you go outside the parameters of the MOU, even though you're a new council, we will not be giving you the money." Former Mayor Chiarelli actually looked at this and took from it that any future monies will be vetoed and the next plan will be vetoed.

Hon. Mr. Caplan: Well, I have the e-mail from Réjean Chartrand to Deputy Minister Layton, copying Mr. Kirkpatrick. It says, "You have no doubt been kept informed concerning the federal funding for the city's LRT project and the need to have our new city council support the project ... as a condition for the Minister of Transport..."

So notwithstanding the fact that our federal government, supposedly in good faith, signed an agreement with the province and the city, it now wants some additional approvals. Notwithstanding the fact that we have the signature on a memorandum of understanding, a federal cabinet minister is now deciding, "Well, notwithstanding any of that, we want some future group of people." Notwithstanding the fact that the city of Ottawa cancelled it, this member extols the virtue of these elected officials who want to take it out of their hands. I think that's reprehensible, because I support local councillors making decisions about local investment. Anyway, so Ms. Chartrand, I assume—

Ms. Layton: Monsieur.

Hon. Mr. Caplan: Monsieur Chartrand says, "We will use your response in any communications related to this with our council elect.

"An early response would be appreciated. Please feel free to call Kent or myself directly..."

That was on November 6 at 4 o'clock in the afternoon.

Ms. MacLeod: So you just sent a letter three days before the municipal election so that one of the candidates could have a press conference three days before a municipal vote—

Hon. Mr. Caplan: Hold on.

The Vice-Chair: Let the minister finish and then we're done this round, okay? So Minister, if you could finish very quickly because we want to go on to Mr. Tabuns.

Hon. Mr. Caplan: We received a request for an early response from the CAO of the city of Ottawa. We provided a response and now we're being criticized for responding too quickly. Under previous governments, when this member was a staffer, I believe the responses never came forward to our municipal officials. But here's what Deputy Minister Layton says:

"Please accept this letter as a confirmation of Ontario's commitment to the Ottawa north-south light rail ... expansion project as defined in the April 21, 2005 memorandum of understanding ... approved and signed by Canada, Ontario and Ottawa."

I can't be any more clear than that. Now, of course, I do wish—

The Vice-Chair: End it quickly now, because I want to get on to the third party.

Hon. Mr. Caplan: I appreciate that, Mr. Chair.

From Susan Sherring of the Ottawa Sun:

"So it seems Progressive Conservative leader John Tory is 'disappointed' Ontario Premier Dalton McGuinty is 'threatening to withdraw ... funding if Bob Chiarelli isn't elected.'

"Well, I'm disappointed Tory can't read.

"Let's be clear here.

"The Ontario government has informed bureaucrats in Ottawa that they're on board to hand over their \$200 million for the light rail project now in place.

"And so it's ... clear. The money is there for either Alex Munter or Larry O'Brien if they want to build the north-south route the province signed on for.

"The province isn't saying Chiarelli has to be at the helm for the money to be handed over.

"And for the life of me, I can't understand why some believe it's okay for Treasury Board President John Baird to go back on his word, and withhold federal funding, and yet Tory"—and this member—"is up in arms because the province says it will honour its commitment.

"Near as we can tell, Tory is upset because the provincial Liberals are keeping their word. Shame on them."

The Vice-Chair: Okay. Well, we'll watch for that word to be kept.

Mr. Tabuns, it's now your turn.

1730

Mr. Tabuns: Thanks, Minister, and thanks, Chair.

I'm concerned, Minister, that one of the Smart Growth policies you seem to be withdrawing from is changing the land transfer tax rebate program. It was introduced in 1996, and it's been the subject of considerable criticism for providing incentives to consumers to purchase homes

in new subdivisions rather than homes in existing urban areas. It's quite clear that revamping this rebate so it applies to homes in priority growth areas would help with intensification.

While the first version of the growth management plan mentioned reforming the act, later drafts did not make reference to changing it. Will you be reforming the land transfer tax rebate program to encourage intensification?

Hon. Mr. Caplan: I think it's important to remember that we identified in a discussion paper a number of potential tools that could be used. There has been no backtracking, as the member suggests. We do believe that there are a number of things—and I would highlight for this member, for example, that the Ministry of Finance has recently, in its fall budget bill, introduced pilot legislation for tax increment financing. We believe this is the kind of tool for either infrastructure investment or for brownfield remediation that has proven to be successful in other places in the world. So there are suites of potential tax policy measures that will be brought forward in due course by the people who are responsible—mainly the Ministry of Finance—at the appropriate times to support the overall policy framework.

Earlier, Mr. Zimmer asked a question related to the planning regime and the Ontario Municipal Board. Our colleagues in municipal affairs have brought forward, as I said, Bill 26 and Bill 27, in addition to Bill 51 and the Planning Act. Our colleagues in environment are bringing forward and have brought forward source water protection, regrettably not supported by my colleague Mr. Tabuns. The finance ministry is bringing forward tax increment financing. And there is much more to come and much more over the course of the horizons of the plan.

Mr. Tabuns: So will you reform the land transfer tax rebate program to encourage intensification? It's a straightforward question.

Hon. Mr. Caplan: That's an idea that has surfaced. It is still under very active consideration.

Mr. Tabuns: So no commitment to it at this point? Okay.

Fiscal downloading has drained municipalities' budgets. To avoid increased property taxes and user fees, municipalities have come to raise revenues through development charges, though in the long run this strategy can be perverse; it leaves cities and towns with costs associated with sprawl.

The first draft of the growth management plan mentioned changing development charges so that they reflect full infrastructure costs stemming from building in greenfields. Subsequent editions of the plan dropped this topic. Will your government be reforming the Development Charges Act so it fully internalizes infrastructure costs of new developments?

Hon. Mr. Caplan: I think that you can see, also from the recent budget bill that was introduced by finance, reform of the development charge regime in the province of Ontario. Is there more work to do? Well, we take an approach to meet and collaborate with municipal,

environmental, business and industry officials. I'm sure this will be a topic of conversation, but the necessary first steps are, in fact, being taken.

Mr. Tabuns: So you have a commitment to taking action on this and fully internalizing infrastructure costs?

Hon. Mr. Caplan: As I've indicated, in the recent budget bill there are some of the first steps. The member is also aware that we have initiated a provincial-municipal financial review that is currently under way. I suspect that this particular topic of conversation will form a part of that review, and I'll be very eager to see how that process works and what the fruit of that conversation is, and to take the appropriate steps at the appropriate time.

Mr. Tabuns: Okay. Not yet.

As you know, Minister, infrastructure has an incredibly important role to play to reduce the level of greenhouse gas emissions and smog. It can foster development and transportation patterns that reduce vehicle use. Right now it's not apparent, but major infrastructure projects, particularly those related to transportation, are tested against criteria that measure their impact on climate change and air quality.

Will you require that the approvals process for infrastructure projects be assessed against the criteria outlined by the National Round Table on the Environment and the Economy? I'll just read those to you so that you know what I'm asking about. The National Round Table on the Environment and the Economy set out criteria that needed to be considered when these transportation infrastructure decisions were made, factors such as:

“How the proposed infrastructure investment fits into a comprehensive, longer-term investment plan for improving urban environmental quality;

“How existing infrastructure capacities have been or will be fully exploited;

“How all options for jointly addressing infrastructure needs with surrounding municipalities or other relevant entities have been explored and fully exploited;

“How a comprehensive approach to managing the demand for the infrastructure has been taken (for example, for transportation infrastructure, a transportation demand management plan is required; for water-related projects, a metering program);

“That a range of alternative options for solving infrastructure needs—including other types of infrastructure—have been explored;

“A quantification of the expected environmental improvements in terms of air, water or soil quality of the proposed project and the alternatives.”

Quantification, I think, being a fairly important point. So will you require that the approvals process for infrastructure projects be subject to the criteria set out by the National Round Table on the Environment and the Economy?

Hon. Mr. Caplan: Well, a very interesting list, Mr. Chair, and certainly a lot to talk about. Earlier the member had asked about the ministry's contribution to greenhouse gas reductions, and I was able to list a number of

initiatives that our ministry is engaged in. For example, public transit: \$838 million to expand and modernize public transit in the GTA—

Mr. Tabuns: Minister, I don't mean to be rude, but I asked you a question as to whether or not you'll apply these criteria to projects. I don't need a list of the projects—

Hon. Mr. Caplan: You asked a rather long question; I'm trying to provide you with as good and comprehensive an answer as I possibly can, Mr. Tabuns—

Mr. Tabuns: Yes, and I understand, Minister, you're very helpful that way, but I want to go back for a minute—

Hon. Mr. Caplan: Mr. Chair, may I answer the question, please? He asked a very comprehensive question.

The Vice-Chair: Okay, I don't think he's looking for a long, long list from you. You answer the question, then. You have the floor. You answer the question and then we will go over to Mr. Tabuns.

Hon. Mr. Caplan: Thank you very much, Mr. Chair. Anyway, as I was saying, this kind of investment, according to the Ministry of the Environment, will result in 35 million fewer car trips on Ontario's roads and highways annually. That translates into an estimated reduction of 228 tonnes of greenhouse gases.

Mr. Tabuns: Two hundred and twenty-eight tonnes?

Hon. Mr. Caplan: My apologies; 228,000 tonnes, that single investment alone. All of those factors that you cite, I'm quite intrigued by that list. To date, we have not built that in, but I'm quite intrigued by it and we'll undertake to take a look and see to what extent possibly that could be done. At this point, however, there is no plan to do that.

Mr. Tabuns: Okay. What mechanisms will be used to ensure implementation of the growth management act at the municipal level?

Hon. Mr. Caplan: Previously, the Places to Grow Act, Bill 126, was passed by the Legislature, which authorizes the Minister of Public Infrastructure Renewal along with colleague ministers to ensure that municipal official plans are brought into compliance with the growth plan which has been set out.

In addition, because it's not simply a land use exercise, I'm quite proud of the five-year ReNew Ontario infrastructure investment plan, which provides the specifics about how and where and when we're going to make the appropriate infrastructure investments to be able to support the growth plan. Not only that, but other colleague ministries: for example, the Ministry of the Environment doing source water protection, wellhead mapping; the Ministry of Natural Resources, natural heritage system mapping and the like; other partner ministries like the Ministry of Economic Development doing identification of key provincial employment areas and the kind of support that would be required there; ministries like the Ministry of Finance—so not just legislative sticks, if you will, but the appropriate carrots and investments to give it life. So it's a comprehensive, multi-ministry not only plan and overview, but partner-

ship on the local level plus the appropriate tools to be able to give it life.

1740

Mr. Tabuns: So who's the lead ministry?

Hon. Mr. Caplan: The Ministry of Public Infrastructure Renewal.

Mr. Tabuns: How do you monitor it?

Hon. Mr. Caplan: In fact, we have something where we meet monthly. We call it, somewhat tongue-in-cheek, the G9, nine ministries that work together. We come back—what's that?

Mr. Hudak: What about the Russians? Are they part of the G9?

Hon. Mr. Caplan: No, we didn't let the Russians in because they're still working on it. It is only tongue in cheek.

What happened early on, if I can relate this to you—if I get long-winded, Mr. Chair, please rein me in. We got together—

Mr. Tabuns: That is a rare statement. I want it recorded.

Hon. Mr. Caplan: We got together municipal affairs, transportation, environment and ourselves and we worked to map and overlay a lot of the different initiatives, whether it was the greenbelt or source water, whether it was the growth plan or the Greater Toronto Transportation Authority or the like. Four, and then later a fifth, colleague ministries joined us. They are agriculture and food, natural resources, finance, economic development, and energy. These nine ministries meet on a monthly basis. It is not a committee of cabinet, but a unique forum of ministers. And there are parallel Ontario public service, the assistant deputy ministers and others, who also meet in parallel to track all of these initiatives and to be able to ascertain where we are and what we need to do either to maintain on track or to get things back on track, as the case may be. So there's monthly monitoring internally both on a ministers' and a ministry level.

I'm trying to put something that's quite involved into a very compact answer for you, Mr. Tabuns.

Mr. Tabuns: And so what action is taken against municipalities that don't meet the growth strategy targets?

Hon. Mr. Caplan: As you would well be aware, in June 2006, the first growth plan was issued. Municipalities have three years to bring their official plans into conformity. So the question is moot at this point, because we're still working with our municipal partners to be able to bring their official plans—of course, as you would well know, under Bill 51, local zoning bylaws are also to be updated and brought into conformity with official plans. At this point, anything other than working with our municipalities to help them to develop the kind of growth management and growth management planning culture that—some municipalities, by the way, are well ahead of the province or their sister. For example, Waterloo region has one of the most outstanding growth management plans anywhere, not only in this province but in North

America, that we can tell. It really does serve as a bit of a model and a template for how it should grow.

I know you'd be familiar with the work that Paul Bedford did on the new Toronto official plan. It contains many of the elements of growth management, a node and corridor strategy, that you would want to see. Is it fully contained within the construct of the overall provincial framework? No. It will need to be brought into conformity. But we didn't feel it was fair to municipalities to say, "The world has changed. Now, overnight, change everything." We want municipalities to be able to connect with their local residents, to be able to work with their local environmental NGOs, to work with their local business and industry stakeholders to put together a plan that reflects the aspirations and the aspirational nature of each individual municipality. We're committed to working with them to help them achieve that.

I hope that's answered your question.

Mr. Tabuns: The Greater Toronto Transportation Authority: I was quite concerned when the GTTA legislation went through, because I didn't believe, and neither did the Ontario Chamber of Commerce, that the act had the power or resources to actually foster public transit in the GTA.

The GTTA is supposed to lay out integrated transportation plans for the region. A week prior to the legislation passing, and actually the same day you presented the finalized growth plan, the Minister of Transportation released the southern Ontario strategic highways program for 2006 to 2010. That plan draws some serious questions about the influence the GTTA will have in transportation planning and shaping a more transit-centred transportation system so there's less gridlock. Will the highway plan—and I think that's what you have in your hand—be changed to conform to the GTTA's regional transportation plan as it's developed over the next year or two?

Hon. Mr. Caplan: I disagree with the comments of Mr. Tabuns. In fact, nothing could be further—the Greater Toronto Transportation Authority is a long overdue initiative. Certainly, others have looked forward. Regrettably, there have been some failed attempts in the past to bring together a super-regional perspective in transportation planning and coordination, the kind of investment that is going to be needed.

I was able to highlight, in answer to an earlier question, part of our Move Ontario initiative: subway expansion, rapid transit in Mississauga, Peel region, York region. I would note for you that Durham region, which unfortunately is not represented on this committee, about a year ago lifted up and created a regional transportation authority. I think that's an excellent decision, albeit somewhat controversial amongst all the participating municipalities. But I think it was fundamentally a good decision because it will enable the kind of regional transportation master plan developed by people in Durham region to be integrated into a Greater Toronto Transportation Authority master plan. And I have tremendous confidence in the new chair, Rob MacIsaac, and the kind

of thoughtful and strong working relationships he has been able to put together over the years.

But I want to be very clear that there is significant need for road, for economic corridors as we call them in our growth plan, or highways as you would call them, Mr. Chair, a need for those kind of investments, particularly pointed toward our key points, our key economic lifelines: our borders. I've said before and I'll say again, we need to have balanced transportation, not only road and rail, but we have to look at the key assets of air and sea to be able to access some of our key markets. That's one of the great things about Places to Grow, because we look to provide the kind of transportation choices for residents and for businesses that will help to keep things moving. We look for the proper balance to be able to make that happen.

If the member has more detailed questions on the Greater Toronto Transportation Authority, those questions ought to be placed before the Minister of Transportation. We do work very closely, and our ministry does support the work they're doing because it is quite integral to the overall growth plan.

As I often say, the greenbelt was critically important because that tells us where growth should not occur. What are those key areas, the key natural features that we don't want to see development overtake, either for employment or residential? Then the next question is, of course, where should growth take place? What should that look like? What form should it be in? The third leg of the stool, if you will, is, how does it all connect together? How does it all fit together? We have three ministries—municipal affairs, public infrastructure renewal and transportation—working very closely, but each with responsibility for those particular initiatives.

So I think your question, Mr. Tabuns, is much better placed before the Minister of Transportation, and I'm sure she could provide a much more detailed answer about the role of the GTTA and what it's going to be doing. But I can tell you, from my perspective, we're quite thrilled that finally this action is taken and that the work will ensue.

The Vice-Chair: You have one more question, Mr. Tabuns, and one more quick answer, okay? We'll go to the Liberals for the last 10 minutes.

Mr. Tabuns: Section 4.2.3 of the growth management plan outlines a strategy to develop "a long-term strategy for ensuring wise use" of mineral aggregate resources in the greater Golden Horseshoe and rehabilitation when feasible. The Greenbelt Act itself has in practice offered little protection to natural heritage lands across the GTA. What further protection, what statutory protection, does Places to Grow offer to protect prime agricultural lands from destruction from aggregate extraction?

1750

Hon. Mr. Caplan: That's a good and a fair question. The policy itself, the blueprint, is not a legislative act. Those would be contained in the Ministry of Natural Resources, in the Ministry of Agriculture and Food or in the greenbelt. But from a policy standpoint, of course we

comment on mineral aggregates. I would say that I'm planning a great deal of infrastructure investment. We are going to need close-to-market supply to be able to make the kind of investment that can build the kinds of hospitals and schools, roads and transit that we're going to need to be able to make the plan possible. So that's why, in fact, we identify it. But prescriptively, the policy is not a legal framework on the aggregate that would be found in natural resources, in municipal affairs, in environment and in agriculture, as you outline it. It's not contained within the Places to Grow Act.

The Vice-Chair: Okay, that's fine for today. Now we'll go to the Liberals. They have about nine minutes left.

Mr. Phil McNeely (Ottawa—Orléans): I was just—

Hon. Mr. Caplan: I hope more questions on the O-Train.

Mr. McNeely: No questions, but I was just referred to a few times, so I'd like to take some time to set the record straight. I'm aware of the memorandum of agreement between the province, the federal government and the city. I've looked at it. I just find that the way the province has acted has been to make sure that the agreement was fulfilled but to leave autonomy to the municipality to come up with their project. The meddling, of course, was done by John Baird from Treasury Board, meddling in municipal affairs. As an Ottawan, I would just like to get on the record that I'm not very pleased with that. Certainly, the province has been consistent and straightforward. There's an environmental assessment process and there's a memorandum of agreement. The province, to me, has been very straightforward in following through and leaving municipal autonomy in place.

I want to ask you a question. The record of the former government with Highway 407 was not that great. When we go into new types of bringing forward infrastructure, I think we have to be very careful. The 407 approach: We know what's happened there, where we went through all the heavy lifting as a province and ended up giving a very good facility to others that we can't control the prices on.

I'd just like to ask a question about the alternative financing and procurement program that is presently under way, that Ontario has, the Building a Better Tomorrow framework. The first principle of the framework is that public interest is paramount, and I can see that that is the way these projects are going forward. Your AFP method of financing is different from the previous government's. Under your plan, all core government assets are publicly owned, and will remain publicly owned, and all other assets will be publicly controlled and accountable. I know that the previous government's P3s were not open to public scrutiny and did not ensure public ownership and control of key public infrastructure and services. So I agree this is not about privatization. From my understanding, AFP arrangements engage the private sector in the financing and procurement of public infrastructure to help ensure that projects are delivered on time and on budget. The Ontario Health Coalition has

been fearmongering, saying that AFPs are the same as P3s, and this has caused some confusion. Can you explain that there is a big difference between AFPs and P3s?

Hon. Mr. Caplan: Thank you, Mr. McNeely. I was hoping to respond to your comments on the O-Train, but I think you've really said it all.

There's a certain irony. A lot of people, the Ontario Health Coalition and others, believe that the concept of private sector investment partnering with provincial government and other bodies was begun under the previous government. In fact, nothing could be further from the truth. In 1993, then Finance Minister Floyd Laughren introduced something called the Capital Investment Plan Act. I'll just read literally the first sentence:

"The government of Ontario has announced a capital investment plan for Ontario under which the government, municipalities and other public bodies, and the private sector will work together to make significant investments in the province's infrastructure."

So even back in 1993, Mr. Laughren and the New Democratic Party, who were the government of Ontario, started us down the road of working in collaboration with the private sector. The next government came along, took the ball and ran with it. I want to be fair, but I do say that I believe there was either an ideology or another agenda toward privatization of public services, of public assets, and we did see that in relation to one very famous—or infamous, I should say—contract that was signed.

I took the opportunity to talk to Ontarians very shortly after the Ministry of Public Infrastructure Renewal was formed, and I asked about all the different strategies we could use, all the different ways we could invest in infrastructure, because I did talk about the infrastructure deficit. What we came up with was not only the methods but the terms and conditions, the principles under which this should work. I think that's fair, not only for the public, which wants to know, "What are your bottom lines? How is this going to work?" but also for prospective partners in the private sector. It's not fair to them to change the rules of the game or to have, in essence, no rules of the game. So we wanted to set this down into a framework, the Building a Better Tomorrow framework. That's the title. The unglorious title is the infrastructure financing, planning and procurement framework. It's not a very sexy title. It's posted on our website. I encourage all members of the public and certainly this committee to take a look at it and read it.

AFP is different for a couple of reasons. You mentioned public interest and ownership and control. Those are two of the principles. But value for money must be demonstrated, so six months after we achieve financial close, we will issue, and publicly make sure it's available, a value-for-money statement, so that people can compare whether we have the proper accountability—in fact, the first tenders and contracts are posted on public websites—and whether we have a fair, transparent and efficient process. That's important.

AFP will help us to eliminate cost and scheduling and time overruns. It will ensure a better coordination between design, construction, long-term maintenance and better building services. It lessens the financial risk of cost overruns and delays by transferring those risks to the private sector. So these are some of the benefits.

I think it's regrettable that for very narrow ideological grounds, some try to mischaracterize what AFP is, because it is an invaluable tool for us to gain in that kind of investment and, more importantly, get delivering the value for money that our public—the people of Ottawa–Vanier, Don Valley East or anywhere in the province of Ontario—would want to see. With AFP, we're able to

deliver infrastructure projects sooner, not in some distant future.

Someday maybe we'll click our heels, we'll end up in Kansas and we'll still have hospitals which are an average of 43 years of age. That is not acceptable. We need to get this work done. We need to provide modern facilities. We need to upgrade. We need to get that level of investment, and AFP is going to allow us to do it, and do it much sooner.

The Vice-Chair: With that, we're adjourned for today. We'll reconvene tomorrow at 3:30, or following routine proceedings, and we'll be in room 1.

The committee adjourned at 1800.

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