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

**Wednesday 13 October 2004**

## **Journal des débats (Hansard)**

**Mercredi 13 octobre 2004**

**Standing committee on  
estimates**

Ministry of Municipal Affairs  
and Housing

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires municipales  
et du Logement

Chair: Cameron Jackson  
Clerk: Trevor Day

Président : Cameron Jackson  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 13 October 2004

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*The committee met at 1527 in room 151.*MINISTRY OF MUNICIPAL AFFAIRS  
AND HOUSING

**The Chair (Mr Cameron Jackson):** I'd like to call to order the standing committee on estimates. We are pleased to welcome the Honourable John Gerretsen, Minister of Municipal Affairs and Housing. We have engaged the first half-hour and, in accordance with custom, I would now like to recognize Mr Hudak for the official opposition.

**Mr Tim Hudak (Erie-Lincoln):** Thank you, Minister, for your presentation yesterday. I had a chance to review your comments, and I think Mr O'Toole and I will have a few questions on your outline for the ministry's intentions and its relationship with the expenses.

Before I begin, let me also say thanks. I haven't had the chance to say it to the minister and his team here directly with respect to Marcy's Woods in Fort Erie. The minister extended the MZO for that area an additional six months to help a solution come forward to preserve that forest in perpetuity. So I thank the minister and his staff. I know John MacKenzie particularly, in the minister's office, has been active on this file. It's not often that we get to say thanks, so I should make sure I take the time to do so. Thank you.

Minister, one concern we in the opposition continue to bring up—and it's not just us, and not just the media, particularly around the one-year anniversary of the Dalton McGuinty government, but it's commonplace in the coffee shops across Ontario—is the lengthy list of broken promises. Dalton McGuinty seemed to cynically make all kinds of promises to everybody who was listening before the election campaign and then, once in office, began cynically breaking those promises one by one. I think what we have, and PC services put together, is about 37 major broken promises. I suspect there are more broken promises out there.

Minister, I've known you for some time. I've seen you in action in the House. I know you're a minister and a man of integrity and that you hate breaking campaign promises. It's not in your nature. I want to ensure, Minister, that—

*Interjection.***Mr Hudak:** I think he agrees.

**Hon John Gerretsen (Minister of Municipal Affairs and Housing, minister responsible for seniors):** Is there a question?

**Mr Hudak:** No, there's no question.

**Hon Mr Gerretsen:** You see, I think you forget—

**The Chair:** Minister, your mike's not on. It's never going to be recorded, and I'm still going to have to give the honourable member his time. I understand it's your first estimates, Minister, but you are afforded a half-hour of full rebuttal. It is yours, and yours exclusively, to use as you see fit. You have staff here who will take notes on the kinds of comments you wish to make when your time comes up in rotation, but I really must adhere a bit to the rules here. So thank you, and please proceed.

**Mr Hudak:** Thank you, Chair, and, Minister, I will get to some particular questions with regard to estimates and the broken promises.

But I think it's important in our preamble, as the official opposition, to talk about the setting that we find ourselves in one year or so from the election date. That is, I think, an image of a Premier, frankly, who can't be trusted. Unfortunately, it reflects on the particular ministers who form part of his cabinet.

I think, no doubt because of your experience in municipal issues and his trust in you, he put you in the challenging portfolio of municipal affairs and housing and dealt you some pretty tough cards out of the gate—a mixed metaphor. He dealt you tough cards in your first hand as minister. I think in the first few months there were two major campaign promises broken. In fact, one is always in the top five, and that's stopping the 6,600 homes on the Oak Ridges moraine, a very clear commitment made by Premier McGuinty and many on the campaign, including probably the member who challenged me down in Erie Lincoln.

Then even once elected, I think even once he knew better—I suspect he knew for some time—Premier McGuinty continued to say that he was going to keep this promise of stopping every one of the 6,600 homes. Then poor Minister Gerretsen had to go in there and say, "Dalton, I can't do it. It's clearly going to be a broken promise." So Minister Gerretsen was forced to carry the ball in breaking one of the I think key promises of the Dalton McGuinty campaign, particularly in the 905 area. It's an area, Chair, that we intend to pursue as part of these estimates.

Secondly, it was tough too because you were chased by a giant squirrel, if I remember, that held up a rather unflattering—

**Hon Mr Gerretsen:** Chipmunk.

**Mr Hudak:** Chipmunk. My apologies. How soon we forget. You were chased by a giant chipmunk holding up a very unflattering sign with respect to the broken promise of the Dalton McGuinty government.

Shortly after having to come clean and announce that Dalton McGuinty had no intention of keeping that promise, you had to go up to the Kawartha Lakes area and tell them that, again, Dalton McGuinty had made a promise that I believe he had no intention of keeping, and that was to respect the vote of a referendum for de-amalgamation in the Kawartha Lakes area.

Premier McGuinty said in the Packet, “We would conduct a referendum.” “‘What you can do, you can undo,’ McGuinty said in a telephone interview from Queen’s Park,” reported in the Orillia Packet and Times.

In February 2004, I guess, Municipal Affairs Minister John Gerretsen appeared unannounced at a council meeting and informed councillors, “The government will not be implementing de-amalgamation of the city of Kawartha Lakes at this time,” in the Lindsay Daily Post.

Out of the gates a couple of key promises, I think, that Liberal candidates locally probably tried to use to their advantage were broken, and this minister, given their marching orders by Premier McGuinty and his advisers to go out and break those promises, is on the record. Definitely the Oak Ridges moraine broken promise is something that’s continually highlighted when everybody talks about the Dalton McGuinty record to date.

We want to make sure, I think, to this process, Mr Minister, and I’m sure Mr Prue does as well, that the broken promises have stopped and that the remaining promises the Ministry of Municipal Affairs had listed in its costing report, the remaining promises that Dalton McGuinty or his candidates made in this area, will be kept. That’s an important role we will play in opposition to keep the government accountable to their promises.

One they have is to build 20,000 new affordable housing units. Liberals promised, “We will match federal support to create almost 20,000 new housing units for needy Ontario families.” That’s Liberal platform number 2, page 13. The budget, which came out in the spring of 2004, waters down this commitment significantly to, “We will work with the federal government and municipalities to increase the number of affordable housing units in Ontario.” That’s the budget speech, page 16. So the 20,000 number, like the 1,000 police officers promised, disappeared into the ether somewhere. When you look at the sidebar in the budget speech, page 13, the budget refers only to 2,300 new affordable housing units, barely 10% of the total that were promised. I don’t know if there’s a time limit on that particular promise. Maybe in time the intention of the government is to actually live up to that commitment. The record would cause me some pessimism, Minister, in that regard. It is not a promising start, with only 2,300 committed in funding to date.

Broken promise number 36: Repeal the Tenant Protection Act within one year.

“In our first year of government, we will repeal the misnamed Tenant Protection Act and replace it with an effective tenant protection law. Our law will protect tenants by making unfair rent increases illegal. We will encourage the construction of more rental units to reduce upward pressure on rents.” I guess you could have a very liberal interpretation of what “one year” means, to the date of the swearing-in, so maybe the minister has a couple of weeks to keep that promise. Some would say it should have been kept within one year of the election date.

Ian Urquhart had a very good column on Monday, October 11, about rent control ghosts stirring. There’s a good line in here from Mr Urquhart. It says, “But it is in the content of the bill that the Liberals will most likely break a promise, according to various informed sources.” I hope that’s not true. I mean, it’s been a tough year and, as I’ve said, the Premier gave you some tough challenges in terms of the broken promises that you yourself were responsible for announcing, so I hope the new year doesn’t begin with yet another broken promise by Dalton McGuinty.

Urquhart goes on to say, “The Liberals specifically promised to restore rent controls on vacant apartments, decontrolled by the then Conservative government in 1998.

“But the Liberals added this qualifier: If vacancy rates were above 3% in any given community, full controls would not be restored.”

So the commitment seemed to be that they would impose rent controls, but if vacancy rates were above 3% in a given community, they would not be restored. When that commitment was made, Urquhart suggests, “a 3% vacancy rate must have seemed unattainable,” but “Now, two years later, Toronto’s vacancy rate is running at more than 4%, and landlords are tripping over themselves to attract tenants with offers of free TVs and three-month rent holidays.”

So we’ll be watching this closely when the announcement is made, if it’s made before the swearing-in day, and whether you will meet your commitment or break another promise about introducing such legislation. Secondly, we will see if you allow for decontrol in areas that have higher than 3% vacancy rates. If not, sadly, you’re beginning the new year, just like the last one with the Oak Ridges moraine and the Kawartha Lakes referendum, breaking promises right out of the gate.

The backtracking on Dalton McGuinty’s promise to stop all housing on the Oak Ridges moraine caused two things to happen. I believe it caused an expensive deal for the taxpayer of Ontario to cover for the Premier’s irresponsible promise. In fact, the costing documents that we obtained through the freedom-of-information process after the government sat on them for almost a year—the government fought tooth and nail, to the bitter end, to prevent this document from coming forward. Finally, the privacy commissioner ordered them to be released. The

civil servants had costed as many of the Liberal promises as they could find. With respect to Dalton McGuinty's promise to stop all housing on the Oak Ridges moraine, the estimate was about \$1 billion in that regard.

We suspect that the other shoe is either dropping or about to drop in terms of how the pot was sweetened, so to speak, to stop the additional—I think you saved, what was it now? Ninety homes or something like that were stopped; 6,600 were originally there, and 900, I think it was, were stopped, so 5,700 continued. I think that was an irresponsible promise by the Premier. I think he knew better, and I think that as a result, there are significant costs to the taxpayer. Hopefully we'll find out exactly the extent of those costs very soon.

**1540**

This also triggered—well, I have a couple of quotes here. There was a major backlash against the government. I mentioned the chipmunk with some humour, but there were some very serious comments thrown the government's way upon their breaking of the Oak Ridges moraine promise.

Again, Ian Urquhart wrote at the time in the *Toronto Star*, "The Liberals knew a year ago—when they first made the promise—that the developers had all the necessary approvals. This was truly a cynical promise designed to be broken." It has never been suggested that Ian Urquhart is a Conservative—unbiased, objective opinion; in his words, strong language, "a truly cynical promise designed to be broken."

Glenn De Baeremaeker, president of Save the Rouge Valley, said, "I just think it's an absolute betrayal. They're not in office eight weeks and they've totally caved to the developers." That's what Mr De Baeremaeker said at the time.

Josh Matlow of Earthroots, a former Liberal candidate, had some very strong comments: "We thought this was the chance to put an end to it and we are very disappointed," among others.

What I suspect happened is that in cabinet, probably in caucus, as a result of the extreme backlash to the broken promise around the Oak Ridges moraine land deal, the fact that the Premier had drawn a line in the sand and then, under pressure, backed away significantly caused an abrupt movement in bringing forward greenbelt legislation without a plan to help our farmers who have been impacted, who have lost rights on their land, and who certainly see this as an impact on the viability of their farm operations without any kind of agricultural support program. It's been almost a year—not quite, but almost—since the legislation was introduced, and after consultation in committee and report etc, there is still no assistance, still no word of assistance, still no word of a plan, to help out the farmers who are impacted in the greenbelt. Maybe we'll see that in this year. Maybe that's reflected somewhere in the estimates, a plan to help our agricultural community who are impacted dramatically by the greenbelt legislation. The most recent, I think, magazine from the OFA had some very harsh words about the lack of action from this ministry or the Ministry

of Agriculture to help out farmers. The cart was so far ahead of the horse that it practically has lapped the horse in terms of not responding to the needs of farmers.

The greenbelt municipalities have been saying, and are starting to say with a louder voice, that their needs have been neglected. I think the legislation would have been better received if it had come hand in hand with a plan to help our farmers, agricultural supports, on the one hand, and secondly, a plan to help out the municipal partners. This government talks a lot about helping municipalities, but in the case of greenbelt municipalities that are having their growth significantly restricted as part of this legislation, their future growth to pay for improvements in roads, to pay for improvements in sewers, maybe to pay for a new community centre, their ability to grow is severely constricted by this legislation. I do worry that there will be no assistance for municipalities caught in this particular situation.

There's no doubt the greenbelt, if it's successfully implemented, can be a jewel for the province of Ontario to enjoy, like part of our Lands for Life initiative, for example, across northern Ontario, a jewel for the entire province or country to enjoy. A question they'll ask you, though, in Lincoln, in Niagara-on-the-Lake and other affected communities, is, why should the taxpayers of those communities bear the full brunt of the costs in terms of reduced assessment? What is the plan of the Ministry of Municipal Affairs to assist those communities that are having their revenue growth restricted? Surely the response is not going to be that they can simply raise taxes on their existing residents. I think that would be tremendously unfair and unwise. So hopefully we'll have some sign from this ministry as the year of this hearing goes forward about their plans to help out greenbelt municipalities.

I've got to give credit. Mayor Bill Hodgson from Lincoln, for example, has been proposing this. He's been in the paper talking about it, and hopefully finding some favour in the halls of power of government, so hopefully we'll see some movement to assist these particular municipalities.

From there, I want to get into some particular questions surrounding certain aspects of my initial presentation. I want to see, though, if my associate Mr O'Toole has any opening introductory comments he wants to make in this regard.

**Mr John O'Toole (Durham):** No, I think you're doing an admirable job.

**Mr Hudak:** That's supposed to be my water break.

Let me go back to the Oak Ridges moraine land swap and the recently announced new deal with respect to additional lands transferred in the Seaton area for a number of acres in the Richmond Hill area.

Maybe I'll ask the deputy minister: You have a number of support staff with you here today. Who will be the one responsible for the costing that suggested this particular promise by the government would cost about \$1 billion to implement?

**The Chair:** Please identify yourself.

**Mr John Burke:** My name is John Burke. I'm Deputy Minister of Municipal Affairs and Housing.

The costing, as I understand it, was done internally, strictly to keep some track of what were estimated to be costs associated with simply not proceeding with that land exchange process. As I understand it—I was not personally involved in those calculations—it was strictly very high-level guesstimates around what it might cost if that land exchange was stopped in its current form.

**Mr Hudak:** In terms of the staff you have supporting you here today, who would be the resident expert on the details around the land swap?

**Interjection:** Bryan.

**The Chair:** Welcome, Bryan. Please introduce yourself and state your title.

**Mr Bryan Kozman:** I'm Bryan Kozman. I'm the director of the North Pickering land exchange team.

**Mr Hudak:** Thank you very much for coming forward. Just a quick question for you too: Help me understand the role of the North Pickering Development Corp.

**Mr Kozman:** There's a statute that was created a number of years ago that puts in place a corporation whose responsibility it would be for development of the land out in the Seaton area. It's currently populated, that corporation, by senior-level staff from our ministry, the Ministry of Municipal Affairs and Housing, and the Management Board Secretariat.

**Mr Hudak:** What role does that corporation play in a land swap, either the original one or the additional land that was announced?

**Mr Kozman:** The responsibility I have as a staff person initially is to make sure that that corporation is aware of and privy to the negotiations that went on, the work of our team in terms of support to the negotiation process in terms of future development of the lands. Their responsibility is an oversight role in terms of making sure that the legislative responsibility they have is met.

**Mr Hudak:** How many people work in that corporation?

**Mr Kozman:** It's comprised of a board of directors. I believe there are five or six. There's a chair. I believe Deputy Burke is in fact the chair of the corporation. ADM Arnie Temple is a member of it as well. There are three other staff people from the ministry at the ADM level—actually, two ADMs, and then there's an ADM at the Management Board Secretariat. In total, there would be, I believe, six or seven people who sit on that board of directors.

**Mr Hudak:** Are there staff in addition to the board of directors at the North Pickering land corp?

**Mr Kozman:** I head up the North Pickering land exchange corporation. I have six staff who work for me.

**Mr Hudak:** I see in the estimates—and I apologize. I don't have the page open. Maybe you could assist me. Could you remind me of the budget for the land corporation last year and the budget for the corporation this year?

**Mr Kozman:** Let me just grab my file. As you may be aware, there are audited financial statements for the

corporation that get tabled in the Legislature. For 2002-03, our budget was \$990,000. For 2003-04, our budget was \$1.17 million. Thus far this year, in fiscal year 2004-05, we have incurred costs up till September 30 of \$591,000. So the total spending to date associated with the land exchange is approximately \$2.7 million.

**1550**

**Mr Hudak:** What's the budget for 2004-05 in total for the north Pickering corporation?

**Mr Kozman:** I believe it's \$2.9 million. That's our approved 2004-05 budget.

**Mr Hudak:** And you're on track to meet that budget, or you're under budget or surplus or—

**Mr Kozman:** We're under budget at this point.

**Mr Hudak:** Good for you. Help me understand, then. That's a significant increase; it's a \$2-million increase and a significant percentage increase from 2002-03, and more than doubling from last fiscal year. Help me understand why that's the case.

**Mr Kozman:** As we've come to the end of the process with respect to the land exchange and as we move into development of a land use plan for the Seaton lands, as we move into doing class environmental assessment work, a significant amount of our budget is devoted toward consultants who have an expertise that we don't have in-house: archaeological investigations, land surveying, that sort of thing. So a lot of our budget would be taken up with consultants who have a specific technical expertise that we rely upon.

That's why, as we've gone down the road, as we get closer to the end of the process, as we come to concluding the negotiations and as we come to the end of our process, if you will, we've had to move some of the budget that we otherwise would have done earlier to the end to do those kinds of land use planning and class environmental assessment work.

**Mr Hudak:** OK. If I understand it correctly, you have a strong board of directors from the civil service and you play a role, but you're paid through the Ministry of Municipal Affairs and Housing. Or are you paid through the development corporation?

**Mr Kozman:** There's a loan advanced to the development corporation, and Arnie can probably speak to this better than I can. Our funding comes from a loan advance from the government to the corporation, and then my funding for my staff and our needs are paid through that.

**Mr Hudak:** What's the value of the loan that comes from the Ministry of Municipal Affairs for staffing?

**Mr Kozman:** I believe back in 2002-03, it was in the order of \$4.9 million for a three-year period. I'd have to check on that but I'm pretty sure that's what the amount was.

**Mr Hudak:** Is that strictly for ministry staffing? Is it also for the studies that you're doing?

**Mr Kozman:** It's for the full gamut of work. It's to negotiate the deal, it's for our staff, it's for our erasers and pencils, it's for the full gamut of cost that we incur to support the development corporation, but also to conclude the negotiations and move on to the next phase of

the work, which is the development plan and the class environmental assessment.

**Mr Hudak:** What's your estimate for the cost of the outside consultants that are working on the land deal?

**Mr Kozman:** On a yearly basis or in total?

**Mr Hudak:** How about for this year, what's your expectation?

**Mr Kozman:** We had budgeted an amount for this year of around \$2.3 million.

**Mr Hudak:** And about how much was spent in 2003-04 for the outside consultants?

**Mr Kozman:** In 2003-04, \$656,000; and in 2002-03, \$670,000.

**Mr Hudak:** How do you determine who to hire for your outside consultant work?

**Mr Kozman:** In some cases we go through the normal procurement process, which is an open, competitive tendering process. For example, in the case of the team that's doing our land use plan right now we went through an open, competitive tendering process back in 2003. In the case of archaeologists and surveyors, again, we would have gone through what's called a vendor of record, where you go out into the marketplace and ask firms whether they have the skills and the time and the expertise to do the work, you create a stable of people and then you go and pick the best, if you will, and you use those to mete out the work to them over time.

**Mr Hudak:** I don't know if you have this at hand right now, but how many untendered contracts have been given by the development corporation this year or last year?

**Mr Kozman:** I'd have to go back and check. It would be the minority as opposed to the majority, for sure.

**Mr Hudak:** Mr Chair, if I could put in that request through you for.

**The Chair:** It's noted for the record.

**Mr Hudak:** Thank you very much.

Help me understand too what role the corporation plays in giving advice with respect to the actual details of the land swap, in terms of determining what land did Pickering go through, what land in Seaton? Does it play any role in that whatsoever?

**Mr Kozman:** The negotiation process would have been led through my team and I would be, as you might expect, updating them as those negotiations progressed. But they aren't involved in the day-to-day negotiations of which land goes to which owner, how much and that sort of thing. That was left up to the negotiating team, and then we would bring information, at key points, back to the development corporation and indeed back to the government for its review and consideration as well.

**Mr Hudak:** What kind of advice do you provide? Help me understand specifically what kind of advice you would provide to the decision-makers that are working on the negotiations, for example.

**Mr Kozman:** I would have been involved directly in the negotiations. We had outside assistance, a consultant, if you will, helping who was in fact the lead provincial negotiator. But my role would be to be an active participant in the negotiations with the developers.

**Mr Hudak:** Do you play a role, though, in the valuation of the parcels of land that are being exchanged, the environmental nature of those parcels of land?

**Mr Kozman:** We would rely on outside consultant experts to do that. I don't have an appraisal background; we would rely on people who are members of the Appraisal Institute of Canada, for example, to give us advice in that respect. They would meet all the professional standards and benchmarks that their technical expertise and profession requires of them.

**Mr Hudak:** Back to my first request, and I'm not sure what role privacy standards impact this: I wonder if we could get the names or the companies that have been hired as outside consultants, the role they played for the corporation and the type of advice they gave to those involved in negotiations between the developers and the government?

**Mr Kozman:** The first question I meant to work on with you: The costing that the civil service did for the promise to stop all housing on the Oak Ridges moraine was a rough figure of \$1 billion. How was that arrived at?

**Mr Kozman:** We would have looked at the cost associated with the deal, as Deputy Burke said, of it not going forward. That would have encompassed potential lawsuits by the developers for the cost they would have forgone in terms of the development opportunity for their land. It would have involved consideration of legal costs associated with having to engage in a potential or possible court case. And you have to remember this isn't just in Richmond Hill, which is where a lot of the attention has been focused. There was another landowner up in Uxbridge, which is also part of the mix. We would have looked at the implications associated with the developers up in Richmond Hill who were selling houses to people, and you'd have been looking at the implication of potential lawsuits coming from those prospective homebuyers and the tradespeople who might have been involved that would have been affected by the cancellation. So there would have been a full—from our perspective, albeit at a high level, as the deputy indicates—evaluation of the impact associated with not proceeding with those full 6,600 units.

**Mr Hudak:** In terms of that full valuation of the impact of not proceeding, what proportion of the billion dollars did you assign to potential legal costs?

**Mr Kozman:** I'd have to go back and check. I don't know the answer offhand.

**Mr Hudak:** No problem. How about the potential lawsuits that would incur? You must have had a value of what the potential upside costs would have been of a successful lawsuit by any of the developers.

**Mr Kozman:** I'd have to go back and look. The billion dollars is what made it in. It would have been broken down, but I'm not sure how fine-grained that breakdown would have been.

**Mr Hudak:** Sure. As part of that breakdown, how about the value of the potential homes or the value of property that would have been lost by the developers if the McGuinty government had stopped all development on the moraine?

**Mr Kozman:** That probably would have been the most significant element of it in terms of there being 1,000 acres of land up in Richmond Hill that was potentially, a good portion of it, developable, and the same thing would have occurred with respect to the Uxbridge land. That would have been the most significant, I would guess—as my recollection allows me—component of that \$1-billion cost.

1600

**Mr Hudak:** Again, Chair, could I request Mr Kozman's details on how that billion-dollar estimate had come forward?

**The Chair:** It's noted by the researcher.

**Mr Hudak:** Thank you, Chair. How am I doing on time?

**The Chair:** You have a minute.

**Mr Hudak:** I guess we'll come back—Mr Kozman, thanks very much for answering my questions. I may come back to this.

Just quickly to the minister, with respect to the most recent part of the land swap, is it the government's intention to make all of those details public, and, if so, when?

**Hon Mr Gerretsen:** It's just a question: I thought that you had a question earlier—

**The Chair:** He has now asked you for an answer.

**Hon Mr Gerretsen:** All right. We'll make all the documentation available as soon as a final resolution has been reached with respect to the Uxbridge owners.

**Mr Hudak:** I've read that in the paper. I just wonder if there's something specific. You've managed to settle all the issues with the vast majority of owners. I know that there's one remaining. When can we expect that last—it has been a year, Minister. When are you going to resolve this and make the details of the deal public?

**Hon Mr Gerretsen:** It's an arrangement that started under your government, with respect to the Uxbridge owners. So it may take some time to resolve that issue. We hope it to be sooner rather than later, but we have no idea as to what the time frame will be.

**The Chair:** I would now like to recognize Mr Prue. You have 30 minutes.

**Mr Michael Prue (Beaches-East York):** I'm going to get right to the questions. I have lots to say, but I don't need to hear myself say it, so let's go right to the questions.

You were asked by Mr Hudak about the Kawartha Lakes amalgamation. I'd like to spend a little bit of time on that, because I have to tell you that this is one of the most perplexing decisions I have ever seen made in this place. When I asked you in the House, you said we're not going to honour the democracy of the people of that community because it costs too much. How much was it going to cost?

**Hon Mr Gerretsen:** First of all, I never said that, Mr Prue. I indicated to you that the reason we could not live up to the request of the council of Kawartha Lakes was quite simply due to the fact that, according to our calculations, at least four or five of the former municipali-

ties, if we had returned back to the former municipalities, would become totally financially and fiscally unsustainable. I can go into the reasons for that if you'd like me to.

**Mr Prue:** Oh, please.

**Hon Mr Gerretsen:** All right. It's my understanding that the vast majority of the municipalities, in effect, on the last day or near the last day of their individual existence, if I can put it that way, got rid of most of their reserve funds by, I take it, tax cuts, or that in one way or another it went back to the taxpayers who presumably had paid for them over the years.

The next thing that happened, the way I understand it—of course, we weren't in government at the time—was that there were a number of OSTAR applications and OSTAR projects going on in the new municipality of Kawartha Lakes. I can get you the exact number of municipalities—if we don't have it here, I can certainly get that for you—that basically provided for a significant amount of provincial revenue in order to get the various water and sewage treatment facilities going. It also required a local contribution. If memory serves me correctly, in at least three or four municipalities that come to mind right now, the local contribution just to carry the interest on the local contributions and to keep those plans going would have meant anywhere between a 10% and 30% tax increase in those municipalities if they had gone back to the former 16 municipalities. That's just to carry the interest on the municipal portion of the OSTAR loans. So we came to the conclusion that it would simply be unsustainable for those four or five municipalities to allow them to return back to the original 16, taking into account the amount of debt load they had to carry as a result of the water and sewage works that were going on in those municipalities.

**Mr Prue:** There were three or four of them, so I would take it that there were 12 or 13 that were sustainable. Is that correct?

**Hon Mr Gerretsen:** I'm not sure about that. We were more concerned about the ones that wouldn't be sustainable. But let me go on.

As I had clearly indicated to the council, both when they visited me here in Toronto near the end of January and later on when I made a personal visit to them—I believe it was some time in the middle of February. I had intended to meet with the mayor. She had called a meeting with council and asked me if I wanted to address council, and I said, "Of course I will." I clearly indicated to them at that time that we as a government are always willing to look at new service delivery mechanisms for municipal services to the taxpayers, to the residents of any community, provided that the council of the community requests that. It's my understanding that one of the groups that is quite active in the de-amalgamation efforts in Kawartha Lakes has put precisely that kind of resolution before council just this week, asking that they look into the possibility of starting some form of a two-tier municipal system there, with a number of lower-tier municipalities and one upper-tier municipality. If the council passes that and if they bring it forward to the



ministry, we will certainly take a very good look at that. Anything that will help the delivery of municipal services in municipalities, we're all in favour of.

**Mr Prue:** That municipality, in terms of people, is only about 75,000.

**Hon Mr Gerretsen:** That's correct.

**Mr Prue:** In terms of distance, I came from Bancroft. I decided to take Highway 121/118. I showed up in Kinmount and saw a sign there that said, "Welcome to the City of Kawartha Lakes." I drove for more than an hour—around an hour—to get to Kirkfield and I was still in the city of Kawartha Lakes. I didn't get anywhere near Lindsay. I can see why the people think that maybe this government is just a little bit distant from them. Would you think there's a lot of people—

**Hon Mr Gerretsen:** It is a large municipality. You and I must have had the same experience, because my wife and I just happened to drive almost that same route, from Highway 12 right across to Highway 7. I was surprised myself. All you have to do is look at a map to see that it's a very, very large municipality. I'm not for a moment suggesting that if we had been in power at the time, we would have set up the municipality the way it is, but that was done by the former government.

**Mr Prue:** Going back to these municipalities, they were all, to the best of my knowledge, solvent at the time they were amalgamated. They all had money. None of them had any debts that were not sustainable. Is that correct?

**Hon Mr Gerretsen:** I don't have any information on that, but I assume they were ongoing municipalities. Some of them may have required some financial assistance from the ministry at some point in time, but I'm not aware of that.

**Mr Prue:** And today what you're saying is that these past municipalities would not be self-sufficient because they gave their assets away. Is there any other reason that they would not be self-sufficient?

**Hon Mr Gerretsen:** No, I think we looked at it primarily from a financial viewpoint. That would be correct.

**Mr Prue:** If the people of those former municipalities knew it was going to cost them a 10% increase, as you've estimated, and still wanted their municipality back, what is the problem with that?

**Hon Mr Gerretsen:** Well, as I indicated before, for some of those former municipalities it was between 10% and 30% just to carry the interest cost on their share of the OSTAR grant or loan. I would have no idea, if you were to reconstitute them under the current conditions, as to what any tax increase would be, but I would think it would be significantly more than merely the increase of the loan amount that they were carrying on the OSTAR loans. But we don't know that.

**Mr Prue:** But if they wanted it, if they wanted to pay, what's the problem with that? This is what they voted on. They knew it was going to cost money to de-amalgamate; they didn't know how much.

**Hon Mr Gerretsen:** I think, as the Minister of Municipal Affairs, that as the government of Ontario we have a responsibility that municipalities are as sustainable as possible, and we came to the conclusion that four or five of these municipalities would not be financially sustainable.

But again I say to you, as we've said to them, as I've written to them a number of times, we are more than prepared to look at any methods whereby services can be better delivered to the people of the Kawartha Lakes area. If they come forward with a resolution, as I understand this particular group has brought forward to their local council just this week and which I understand is going to be discussed next week, that they want to look at some further restructuring on a two-tier basis, with three or four lower-tier municipalities and one upper-tier municipality, we will definitely take a look at it. Absolutely.

1610

**Mr Prue:** What are they going to have to do? Are they just going to have to pass a resolution or are you going to require a referendum? If so, how is the referendum going to be different from the last one?

**Hon Mr Gerretsen:** Well, first of all, it wasn't our referendum question.

**Mr Prue:** No, but you did say you'd honour it.

**Hon Mr Gerretsen:** Just a minute, now. It wasn't our referendum question, and I don't think you will find anywhere a statement by anyone—well, certainly myself, because I wasn't involved in this at all prior to the election—that we were going to recognize this specific question that was asked in that resolution. I haven't got it in front of me, but it was basically, "Do you want to go back to the 16 original municipalities?"

I can well recall a meeting that I had in my office near the end of January, which was attended by every member of their council, specifically asking individuals, asking the council and the other people who were there in the room, "Are you prepared to look at other possible governance structures?" etc. It was very interesting. The individual councillors, regardless of what side of the question they were on, whether they favoured amalgamation or didn't favour amalgamation—I believe every one of them, every one of them who spoke, anyway, indicated, no, they wanted to know whether or not we as a ministry or I as the minister were going to recognize the referendum question. In other words, neither side at that point in time on the issue was willing to look at possible other methods of governing the area.

But it's a large city; there's no question about it. All one has to do is look at a map or drive through it. I totally agree.

**Mr Prue:** This was a ministerial-sanctioned referendum where the question was put, the two opposing sides were given money, the political process was instituted. The people voted. Your party, my party and the Conservatives all said that we would honour it. I don't think you said that; I think Dalton McGuinty said that on your behalf.

My question to you is, what is this municipality going to have to do to get out of what they consider to be a totally ridiculous situation: a government they don't want, a structure they do not believe works for them and on their behalf? What are they going to have to do? Are they going to have to hold another referendum, or are you going to accept whatever vote comes out of their municipality, be it next week, next month or next year? I want to know exactly what your position is.

**Hon Mr Gerretsen:** First of all, when you say everyone believes it's a ridiculous municipality, that's not my understanding.

**Mr Prue:** The majority.

**Hon Mr Gerretsen:** It's my understanding that some of the councillors—and I wouldn't want to put any number on them—certainly favour the current set-up and some of them don't, and I don't know who has the majority or what. As I indicated to you before, if a resolution is passed by that particular council that wants us to take a look at new delivery or governance methods for that municipality, we as a ministry are more than prepared to take a look at that.

**Mr Prue:** But I want and I think they want some assurance, if they go through all this exercise in a different way again, that something is going to be resolved around the issue. It's all well and good to do exercise after exercise, vote after vote, and end up nowhere.

**Hon Mr Gerretsen:** You know, Mr Prue, it would be totally unacceptable for me to give carte blanche to a particular proposal when nobody knows what that proposal is. It's the obligation of the ministry and of the government to make sure the governance structures that we have in this province make sense for individual communities etc. I will say again, if they bring something forward by way of a resolution, we will be more than prepared to take a look at it and work with them to bring the best governance model possible.

I believe in local government, as you believe in local government. The best kind of local government that we can create in particular parts of this province, whether it's Kawartha Lakes or elsewhere, is what we should strive toward, so that the people there can have the best possible quality of life.

**Mr Prue:** Just one last question on this. I'm going to move on to something else. You made a statement—and I didn't capture it; I'm not writing it down; I hope to read it in Hansard tomorrow—that the Liberals were not responsible for this. We know that this happened during the Conservative reign that preceded you. They just brought in a guy—Kitchen, I think was his name.

**Hon Mr Gerretsen:** Harry Kitchen was involved.

**Mr Prue:** Harry Kitchen came in: a one-man community destroyer. He came up with an idea that doesn't work. Would you agree that you would not have done this, that as the minister, you would not have combined these 16 municipalities?

**Hon Mr Gerretsen:** As I've said to you before, it was not our government that put this municipality together, and we may very well have taken a totally different approach to it.

**Mr Prue:** OK. So I take it then that you think the status quo is not acceptable. Can I at least get that much?

**Hon Mr Gerretsen:** I'm saying that if the municipality comes forward—

**Mr Prue:** This is like pulling teeth.

**Hon Mr Gerretsen:** No, it's not like pulling teeth. Local areas, municipal governments, are governed by councils that are elected, in exactly the same way you and I are elected, every three years. Those councils make decisions on behalf of the people within their jurisdiction. If that legitimately elected council comes forward with a resolution that they want us to look at a particular issue relating to governance or service delivery, we will certainly take a look at it and work with them to make it happen, as long as the end result is going to be better service delivery for those people who live in that particular area. But we can't prejudge anything. You want me to prejudge the situation. You would never do that in government or as a mayor of East York or whatever, and I'm certainly not going to do it in this position.

**Mr Prue:** I would have honoured their referendum.

OK. Next, let's move on to the Seaton area. I think that too is sort of a fun thing. Just two days ago—or was it three days ago?—I read in the Toronto Star, which I guess did a little bit of digging around, that the municipal council and the mayor of Pickering were not happy with the deal and in fact were threatening to take you to court. Is that your understanding of what's happening in that particular municipality today?

**Hon Mr Gerretsen:** I read the media as well. I have not spoken with Mayor Ryan since, but I spoke to him a number of times before that. I even went out to visit the Seaton area near the end of August and we had a beautiful bus ride. He showed me the lands that are contained in Seaton and, I believe, a significant amount of land within the agricultural preserve as well.

We had a very friendly conversation in which I clearly indicated to him that I had instructed the ministry that's involved in preparing an ODP plan for the Seaton lands, which have been lying there fallow for the last 30 or 40 years, to work together with the city of Pickering and its officials and the region of Durham. At the end of the day, when all is said and done, whatever development is going to take place there, those two municipalities, both at the upper and lower tier, are going to be left with the development of employment and residential lands and of the infrastructure that is there. It is extremely important that the province not be seen to unilaterally impose a plan there that doesn't have input from the city of Pickering and the region of Durham. That remains my position. It has been said to him; it has been said to Chair Roger Anderson; it has been put in letters to them. I've given instructions not only to our ministry staff but also to our consultant working in this area that I want the city of Pickering and the region of Durham intricately involved in putting that plan in place, because that's the only way it's going to work in the long run.

**Mr Prue:** The amount of land that's being swapped, to my understanding, is some 200 acres on the moraine

being swapped for some 600 acres in Seaton; is that correct? Again, my source would be the Toronto Star.

**Hon Mr Gerretsen:** No, I believe it's more like about 1,050 acres for about 1,200 acres in Seaton.

**Mr Prue:** So it's how many acres for how many acres?

1620

**Hon Mr Gerretsen:** It's 1,050 acres on the Oak Ridges moraine—is that the right number?—and 1,250 in Seaton.

**Mr Prue:** Why is more land being swapped? Why the extra 200 acres?

**Hon Mr Gerretsen:** It's done on a value-for-value basis.

**Mr Prue:** The land on the moraine is more valuable?

**Hon Mr Gerretsen:** I assume so. What we have made available publicly—and it certainly can be made available to the committee as well—is the report from the Fairness Commissioner, Mr Justice Houlden, which is dated July 14, 2004. It's a lengthy letter that goes into the various agreements that were reached, both by the former government and the supplementary agreement reached by the current government relating to the 900 fewer units of housing that are going to be built on the Oak Ridges moraine.

I'll just read you his concluding paragraph, and you are more than welcome to have this report, because it is public information. He states, "From my examination of the documents and from the information that I have received from the persons from your ministry, I am pleased to report, with reference to the agreement respecting the land exchange, as follows:

"(a) The process used to reach the agreement was fair and appropriate; and

"(b) The agreement constitutes a fair and reasonable outcome from the perspective of the taxpayers of Ontario."

That deals with the issue Mr Hudak raised. He goes on to say, "This report does not address the land exchange with the Uxbridge owner. It would be my recommendation that if a land exchange proceeds with that owner"—and it's our intent to do that—"that consideration be given to application to that owner of the principles contained in the arrangement with the Richmond Hill owners. The question of fair application of those principles established with the Richmond Hill owners to the Uxbridge owner could be determined by arbitration ... if not agreed to by the parties."

So the reason why we don't want to release all the documentation relating to the Oak Ridges moraine exchange for Seaton is that we hope to apply those same principles to the Uxbridge situation. But once that deal is finalized as well, we will certainly—I've always believed that at that point in time all documents relating to the two exchanges should be totally made public.

**Mr Prue:** Again, I'd just like to get your assurance, to close this line off, that the town of Pickering and the council of the town of Pickering will be able to have input—and would they have veto power?—over this land

transfer and over the use of that land for residential housing. I guess I have another question that follows that.

**Hon Mr Gerretsen:** It is land that's owned by the province and has been for many years. I wouldn't want to talk about veto powers, but we certainly want to work with the town of—the city of Pickering.

**Mr Prue:** Is it a city? It's a town, isn't it, still?

**Mr Wayne Arthurs (Pickering-Ajax-Uxbridge):** It's a city.

**Mr Prue:** I didn't know. I thought it was still a town. My apologies. I knew it wasn't a borough.

The question was also raised in that same newspaper article that this was going to cost, or potentially cost, for these additional many, many homes that can be built on 1,250 acres, the city of Pickering monies they would not have for infrastructure, be it sewers, roads, schools, hospitals and that kind of thing.

Is part of the deal that is being struck with the developers going to include municipal payments? As you know, being a former mayor, there's a whole difficulty with municipalities charging the fees unless they can show it was actually used for infrastructure. Is this part of the deal that is being brokered with the developers?

**Hon Mr Gerretsen:** It's my understanding that the developers will be paying for the servicing of the lands they will be left with. As a matter of fact the province, as part of the deal, is putting in \$5 million to service the lands that the province will be left with after the exchange takes place, which hopefully will service some of the employment lands that will then be sold by the province to developers and builders that want to build on the development lands. The servicing will basically be paid for by the developers.

**Mr Prue:** And indirectly, then, by the people who buy the new houses. That's all that, but—

**Hon Mr Gerretsen:** That's the case that happens in every—

**Mr Prue:** In every case, yes. I just want to make sure that the existing residents of the city of Pickering and of the regional municipality of Durham aren't going to be stuck with a bill for a land swap orchestrated by the province.

**Hon Mr Gerretsen:** I totally agree with you. It shouldn't be. No, you're right.

**Mr Prue:** It shouldn't be. OK. Anybody who buys a new house, that's probably fair game. I mean, everybody pays those.

**Hon Mr Gerretsen:** That's right.

**Mr Prue:** All right. How much time would I have, Mr Chairman?

**The Chair:** Five minutes.

**Mr Prue:** Oh, my goodness. Let's start a new round here.

The next one is, I'd like to get into the whole issue of housing. In the Liberal election platform, the Premier promised, "We will match federal support to create" almost "20,000 new housing units for needy Ontario families." It was echoed in the budget, but we haven't seen any funding to back this up. As minister, can you

tell me whether such funding is forthcoming, and if not, why not?

**Hon Mr Gerretsen:** It's my understanding that in fact 2,300 new affordable housing units are in the process of being built, and that the ministry is putting in, I believe, \$56 million. My colleague the Minister of Public Infrastructure Renewal, David Caplan, is currently negotiating an agreement with the federal government with respect to the balance of the 20,000 units, which would be around—

**Mr Prue:** It would be 17,700.

**Hon Mr Gerretsen:** —17,700 units. And hopefully he'll be successful in that, sooner rather than later.

**Mr Prue:** There's been a small down payment, you're telling me, and the balance is contingent upon negotiations with the federal government?

**Hon Mr Gerretsen:** Yes. It has always been our position, right from day one, that we wanted to match the federal government with respect to their commitment to affordable housing in Ontario.

You may recall that the last government, I think, contributed something like \$2,000 or \$3,000 per unit and the federal government at that point in time put in \$25,000 a unit, which was in their initial allocation. We've always said we want to match the federal government contribution in whatever new programs can be negotiated with the federal government.

**Mr Prue:** To go to the civil service, and perhaps the civil service here can tell whether or not my numbers are correct—a little bit of research with the small, tiny staff we have. I thank you for having a small, tiny staff. It says that the civil service in December of last year informed the minister that implementing the commitment for 20,000 new housing units would require an investment of \$362 million. Is that number correct?

**Hon Mr Gerretsen:** This is Doug Barnes, the assistant deputy minister for housing.

**Mr Doug Barnes:** I believe that number is correct, yes.

**Mr Prue:** All right. And this is money over and on top of the \$20 million that had already been committed?

**Mr Barnes:** I also believe that's correct.

**Mr Prue:** My staff is pretty good. And that breaks down to \$225 million to match the existing program, \$120 million for a new program and \$17 million for administration. Are those numbers also correct?

**Mr Barnes:** That's roughly correct, yes. I think the federal program—

**Mr Prue:** The question I have for all of this money, then: When will this money start to flow? We're more than halfway through this fiscal year.

**Mr Barnes:** The allocation for this year is \$85 million. That is being paid out on the basis of new projects which are coming underway. But we are still in the process of trying to develop a new program with the federal government.

**Mr Prue:** Again we come back to the federal government. The federal government attempted to initiate this program. It would have been—I'm trying to think of

the exact time—probably in November 2001. The ministers met in Quebec City. Is that where all this flows from, from that accord?

**1630**

**Mr Barnes:** The new federal proposal started in January 2001. There was the accord later in the year and, subsequently, the agreements. The first Ontario projects started in 2003.

**Mr Prue:** Refresh my mind, because I was under the impression, throughout all of that, that the previous government was not interested in those projects. The only projects that existed involved some \$20 million, which was taking off the 7% sales tax. What you're talking about was 2003?

**Mr Barnes:** The \$2,000 is the rebate of the provincial sales tax.

**Mr Prue:** And that was the only program in 2003?

**Mr Barnes:** That's correct.

**Mr Prue:** All right. Is what we're talking about here today all new program over and above that?

**Mr Barnes:** The money we're talking about this year is a continuation of the pilot program. In other words, it is the \$25,000 federal, \$2,000 provincial, until we make the new arrangements. But the overall cost-matching will be 50-50 in the long term.

**Mr Prue:** As of today, it's still that \$2,000 from the previous government. Nothing has changed in the year?

**Mr Barnes:** That's correct, except for one additional part of the program, which is that we have introduced the potential—we have a prospective builder for a home ownership program. That would be an \$8,000 combined subsidy, federal-provincial. The provincial component would be the rebate of the sales tax and the rebate of the first homebuyer's land transfer tax.

**Mr Prue:** When do you, on behalf of the civil service, anticipate that this deal will be struck? I know the minister will be called in at the last minute and there will be a photo op of the federal and provincial people and a big announcement will be made. But when do you anticipate, civil servant to civil servant, that this will be accomplished?

**Mr Barnes:** We would like to think, shortly, but we have to see how it goes. The negotiations are ongoing.

**Mr Prue:** When was the last time you met? Let me rephrase that.

**Mr Barnes:** Yesterday morning for three hours.

**Mr Prue:** When is the next time you're meeting?

**Mr Barnes:** Friday morning.

**Mr Prue:** Then it is ongoing and I accept that.

**The Chair:** Stay tuned.

**Mr Prue:** My time is up.

**The Chair:** That is correct, Mr Prue. Thank you, Doug.

Minister, you have up to 30 minutes for response, if you wish to respond to any of the discussion or concerns.

**Hon Mr Gerretsen:** Just so I'm clear, if I don't take all of my 30 minutes, will the government caucus get the balance of the time?

**The Chair:** No. It's prescriptive; it's "up to." It's not an entitlement; it's an "up to." If you don't take the 30 minutes, then we'll begin the rotation.

**Hon Mr Gerretsen:** I'll just respond to a number of the issues that were raised, then.

I find it passing strange that whenever the opposition members bring up this notion as to how many promises were made and how the promise-keeping is going etc, they never want to talk about the fact that when we became the government there was a deficit of \$5.6 billion racked up in a matter of about six months. I know they are no longer the government so they no longer have to answer that question, but I think any rational person out there would say to themselves that any new government, starting off with what was supposed to be a balanced budget—you may recall that the Magna budget was supposed to be balanced; we were told that over and over—and then to find yourself in a \$5.6-billion hole almost six months into the government, it's not like starting even. It's not like starting with no deficit at all or having some money in the bank. The idea that we would be able to commit to all of our platform commitments in the first year of our government, with that kind of deficit hanging over us, is totally unrealistic and I think the people of Ontario will see it that way.

I could also say that it was never the intent to meet all of the platform commitments within the first year. Except for specific issues where we said we would bring in legislation within a year, we always talked about it in terms of bringing in those commitments that we made within the term of our government, within the four-year term. It still has three years to go, three years and a bit more, actually. So I would simply suggest that the former government has some explaining to do as to how a budget could be balanced on April 1 and be \$5.6 billion in the hole as of October 2. And you don't have to take our word for it. All you have to do is take the word of a very respected individual who worked as the independent Provincial Auditor of this province for over 10 years, an individual whom I worked with very closely as Chairman of the public accounts committee for four years, Mr Erik Peters, who had then retired from that position. He also came to the conclusion that, I believe, we were \$5.5 billion short at that point in time.

I'm just pointing out that that's the starting basis in which we found ourselves when we took over the government. It wasn't a break-even proposition at that point in time, so it is going to be difficult to meet all the particular commitments we made during the election campaign, especially in the first year of a four-year mandate.

With respect to the Oak Ridges moraine, let's go back a little. I can remember sitting in the House—I believe it was in 2001—when the then Minister of Municipal Affairs and Housing, Mr Chris Hodgson, brought in a bill that froze all the land use on the Oak Ridges moraine. Everybody was so excited that it got approval from all three sides in the House, I believe in a matter of five minutes. After that a plan was developed in much the same way that we're developing the greenbelt plan right

now. At no time was there ever any mention that there was a side deal that would allow a further 6,600 units of housing to be built on the Oak Ridges moraine. Or if there was, it certainly wasn't within the knowledge base of the opposition, or it was hidden within the documents to such an extent that it would have been almost impossible to find.

We thought that was not a very upfront deal, if I can put it that way. People were led to believe that the Oak Ridges moraine was not going to have any development on it, and there was this side deal that the previous government made to allow 6,600 housing units to be built on it. We came into government and, quite frankly, we made their bad deal better to the extent that an additional 900 units would not be built on the moraine. I would suggest that allowing 5,700 units to be built there is better than allowing 6,600 units to be built there. We end up, in effect, with a much wider corridor of moraine land that is now protected for wildlife and for the environment than would have been the case if we had simply implemented their plan. That's about all I want to say about that.

I think I've dealt with the Kawartha Lakes situation about as well as I can, at this stage anyway, and the affordable housing units.

The greenbelt legislation: I feel very excited about this. In this current session we're going to introduce at some point the greenbelt legislation, and it's going to vastly increase the amount of agricultural and environmentally sensitive land that will be protected for future generations. Obviously, the details are still being worked out, but the legislation will be introduced relatively soon. The constant fearmongering that some members of the Legislature have done with respect to property rights, that somehow the rights of the individual landowners on the moraine are going to be affected, I just want to totally dispute.

No current rights that individuals have with respect to land use on the moraine are going to be affected. Farmers will still be able to farm their land. That's one of the reasons why they're going to protect the land within the greenbelt area. We are looking at ways in which perhaps, if new, modern technology comes along, certain farming operations can be expanded within means etc.

**1640**

We realize that people make a livelihood. This is prime agricultural land. We want the farmers to be successful there. To suggest that we are somehow denying them the right to farm, when in effect one of the purposes of setting up the greenbelt is to protect the farmland so that future generations can farm on it, is just totally fallacious in my opinion.

There are maybe certain people who had hoped that at some point in time, perhaps when they had finished farming, their land could be turned over to development, and yes, if the greenbelt legislation is accepted by the Legislature, that possibility will be curtailed or finished. But when you're dealing with the current rights as to what people can do within the greenbelt area, whether it's in tourism, whether it's—the urban zoned areas of

this province are not going to be affected by the greenbelt legislation. I'll just leave it at that for now.

**The Tenant Protection Act:** We are going to bring in a bill that we believe is going to be balanced for tenants and landlords. It's going to provide some real tenant protection, which we don't believe the current legislation has. We've always said we're going to restore real rent control, and we intend to do that. It's certainly my hope that we'll be able to introduce that bill before the first anniversary of this government. But we want to get it absolutely right so that it is balanced legislation between landlords and tenants. If it's going to take an extra week or two, then it's going to take an extra week or two, but it's definitely going to be introduced in this session of the Legislature. Depending on how the debate goes and how the members feel about the legislation, hopefully it will be passed this session as well. That of course depends on the will of the Legislature.

I think I'll just leave it at that. Thank you for your consideration.

**The Chair:** We have about an hour and 15 minutes before we must adjourn, so I'm in the committee's hands. First of all, I have to ask, do we want to stack the votes or do we want to go through each vote by the estimates book? Any suggestions? It has been the custom so far to stack them and vote on them all at the end. Once you vote on a section, you can't reopen it.

**Mr O'Toole:** Let's stack the votes.

**The Chair:** Mr O'Toole has recommended we stack them till the end. Mrs Cansfield?

**Mrs Donna H. Cansfield (Etobicoke Centre):** I'm just curious as to whether or not we'll have an opportunity to ask a couple of questions.

**The Chair:** That's what we're just ordering up, the remaining time for this afternoon. I'm hearing no objections. We have 75 minutes, so we'll do 25-minute rotations. Is that agreeable? All right. That will give each party 25 minutes. That will bring us to about three and a half hours left of estimates. With your concurrence, we'll proceed. We'll begin the rotation with the official opposition, the third party and then the governing party, and continue the rotation until estimates are completed. Mr O'Toole?

**Mr O'Toole:** I'm always pleased to work with the critic of your ministry, Mr Hudak. He has outlined a broad array and got into some very detailed questions. I'm going to follow up on a couple of things.

Where would I find the money in this document on estimates for your commitment of 20,000 new homes? Where would I find that? You mentioned it in your remarks yesterday, some \$85 million. I think I heard the number right. That's one thing you could point out for my clerical vulnerability here.

Also, you had some greenbelt discussions over the summer, which I felt were poorly attended and orchestrated in such a way that—not to fearmonger, as you might have suggested—some of the constituents are left somewhat confused on that consultation, which will result in legislation. Some are still uncertain in Durham

region, for instance, whether or not Brock, which is part of Durham region, is in or out of that area. That's an important question.

Actually, Bill 26, the freeze on development and that, has caused great chaos in Durham region. In fact, building lots have gone up by as much as 30%. There are a lot of growth pressures in Durham region. I'm not advocating encroachment on agricultural land, but this is where Bill 26 and the greenbelt legislation have caused some difficulty, certainly in high-growth areas.

Then, when I look at the greenbelt, I know agricultural use or activities are permitted uses. Nutrient management and source water protection and all these threatening future concerns are sort of a backdrop to their concern about property rights issues. It's more and more encroachment through all the things I've mentioned, some within your ministry and some not.

You may want to clarify the role of currently licensed aggregate operations. They may not be operational, but certainly on the moraine, the moraine is a large gravel pit, basically. It was the shores of Lake Iroquois at one time. That's my understanding, anyway.

I've heard people in my own riding, both landlords and tenants, saying they can see that rates have really never been higher in some areas. The market itself will—in fact, I can say from my own experiences that I'm finding that rents are coming down. They're a function of the brisk economy and adequacy of inventory with housing. People are making the choice, with low interest, to go to paying a mortgage as opposed to renting.

Is there any possibility, in your review of rent control, to recognize the good work that was done during our time to implement a regime in rent control that allowed for the inventory of available rental stock or inventory to be built up and housing supply to be at adequate levels to allow additions, as opposed to government-mandated annualized increases? Would you have some reflection on vacancy rates by area? Because it varies for areas across the province, whereas one uniform increase based on some kind of rent guideline is somewhat suspect.

I'm going to leave most of the time for my colleague. I have one last question. I know this doesn't come under your jurisdiction, but they are municipal affairs and housing. Assessment in rural and agricultural areas is a huge issue, big time. I know it's the Ministry of Finance, but I know that with your generous background as a municipal person, AMO, and mayor of Kingston and all that, you would know this is a timeless, ageless problem, really.

Do you have any thoughts you might share with the committee as the Minister of Municipal Affairs and Housing, with the assessment base being the only source of revenue for municipalities and the tinkering that's gone on with assessments and tax rates? The taxpayers themselves are basically confused now, because municipalities are blaming the province that the assessments have gone up. That's a true reflection of the current value assessment system.

What hasn't happened is they haven't understood that the municipalities still set the tax rate. The two are

separate. You, as the minister, are in a key position here and are not helping, in my view. The municipalities are blaming you now. They used to blame us, saying, "Well, it's their fault for this assessment system. That's why it's going on."

You aren't explaining to them that really it's the tax rate that's set regionally, locally and provincially by the school component, I guess. You might want to say something about that on the record. I think it's an important dilemma, now that you face the gas tax being a new revenue source. I don't know how many hooks and tethers will be on that new source of revenue and how you're going to control it. Municipal transit—it could be anything from access to rural properties, I suppose.

Have you got anything to say on where I'm going to find the \$85 million, the rent control, and basically the planning and greenbelt legislation, leaving a bit of time for Mr Hudak?

**1650**

**Hon Mr Gerretsen:** You've raised a number of interesting issues. First of all, with respect to housing money or the capital money, you will not find that in this budget. That's in the Ministry of Public Infrastructure Renewal. He is negotiating both the infrastructure agreements and the housing with the federal government. The parts of the housing envelope, as it were, that's contained within the Ministry of Municipal Affairs and Housing, are the program sides of housing, the tenant protection side of housing and the various policy areas relating to housing. Once the money is meted out, and that hopefully will be part of the affordable housing program, then the Ministry of Municipal Affairs and Housing will in effect manage the housing portfolio as such. But you will not find the capital money in this.

It's interesting that you mentioned the aggregate operations, because I think the Greenbelt Task Force had a number of recommendations in that regard that I believe have been well received by the aggregate industry.

Basically, what the task force did by going around the province of Ontario—and I can't remember a committee, by the way, that worked as hard as these people did. There were 13 people from a broad spectrum of society, from environmentalists to a farmer to somebody from the development industry, a builder and a municipal person. They literally met on a weekly basis for a good 20 or 30 weeks. They had a number of public hearings, I would say about 10, clear across the area they were studying. They came up with some very solid recommendations that are now being used in order to come up as principles, the guiding principles, as it were, for the new greenbelt legislation.

Brock was in the study area. It was identified in the platform document we ran on during the election as an area we would be looking at as a potential for the greenbelt. As to whether or not it will be included in the final greenbelt legislation, I would just say wait and see until the legislation comes forward, hopefully soon.

I always find the question of rising residential property costs, or at least vacant land, urban land costs, an inter-

esting one. The moratorium is on for a year and will automatically come off on December 15 unless a new piece of legislation relating to the greenbelt is in place.

Our studies, other independent studies and even the UDI studies clearly indicate that there is still plenty of land available for development purposes within the urban envelope. There may be a lot of reasons as to why lot prices went up during that period of time, but I would disagree with attributing all that to the fact that the moratorium was on the greenbelt area. But people have different opinions on that. I know there were still lots of developable land available during that period of time because the greenbelt study area did not affect land that was previously within an urban envelope in any of the municipalities.

As far as MPAC and assessment is concerned, you're so correct that it's not within the Ministry of Municipal Affairs and Housing. It's within the Ministry of Finance. I can tell you that any questions relating to that would be much better answered by him. But certainly we get a lot of inquiries about it and we try to deal with them.

I believe that MPAC has made some changes that will make the system more readily explainable to individuals. It's a concern to a lot of people, I agree.

**Mr Hudak:** Thank you, Minister. The minister followed up on his earlier commitment to ensure that the details of the land exchange, swap, are made public in the near future, as soon as the parcel related to Uxbridge has been completed.

Chair, I did want to follow up on some questions to Mr Kozman, if I could have Mr Kozman come forward again, please.

**Hon Mr Gerretsen:** Mr Kozman.

**Mr Hudak:** I apologize, Mr Kozman. Just call me Hudak, or much worse if you want. I've been called a lot worse. Mr Kozman, I do apologize. Thanks again for coming forward.

Just a while ago we spoke about how you came to the \$1-billion assessment of the potential costs of Dalton McGuinty's keeping the promise he had made. You gave us the undertaking of getting some of the information back to the committee so we all could understand where that came from. When did you prepare that particular document?

**Mr Kozman:** My recollection was the fall of last year; I think October, November or something like that.

**Mr Hudak:** But when?

**Mr Kozman:** I don't know specifically the date we would have done that. I'm guessing October something.

**Mr Hudak:** I think the process is pretty natural that when a new government comes, in the civil servants look at the expected costs of the government's commitments and then start making some central plans and advise the ministers once they're sworn in. So I think it's very reasonable just shortly after the election. When did you have a chance to make the presentation to the minister or the minister's staff on that costing?

**Mr Kozman:** I don't recall the specific date.

**Mr Hudak:** Around the same time?

**Mr Kozman:** I can't remember if it was part of a process that was being rolled up at the centre, if we would have provided it in that context. I wouldn't know the specific date as to when we would have briefed the minister or his staff on that.

**Mr Hudak:** Do you have that? Is that available in the schedule in terms of when the minister was briefed about the costs of the Oak Ridges moraine promise? I'm asking you a tough question. I know you won't have that at hand at this point in time, but can we get an undertaking—you do recall the meeting; it did occur—when that meeting actually took place?

**Mr Kozman:** There were a lot of meetings at the time. We would have been briefing them on a number of issues. I don't recall the specific date. I suppose we could go back and look at the schedules and see if it's possible to find it.

**Mr Hudak:** I know it's work and it's difficult to remember. I'm asking you a kind of unfair question on the spot, but if you have a chance to go back on your records and let us know when the minister was made aware of your costing on this particular promise—did you have a chance to brief the Premier or members of the Premier's office on this particular costing?

**Mr Kozman:** I did not directly brief the Premier; no.

**Mr Hudak:** And did the civil service or municipal affairs brief the Premier or the Premier's office staff on this particular—

**Mr Burke:** I'm not aware of this ministry doing it, but in my previous ministry I know we did not.

**Mr Hudak:** At MNR? Are you aware, did the Ministry of Municipal Affairs staff have the opportunity to brief the Premier or the Premier's office staff on this particular costing?

**Mr Burke:** No, I am not aware of that.

**Mr Hudak:** Mr Kozman, you're the contact on a couple of press releases that were made with respect to the exchange agreement dated back on September 23, 2004. In that, you have similar language to the minister in terms of when you're going to make the particulars around the deal public. When this release went out, had basically the parcels of land been agreed to between negotiators, the exact exchange of parcels in Seaton for the exact exchange of parcels in the Pickering area?

**Mr Kozman:** What was announced was that an agreement had been reached, and in fact the minister signed the agreement on that date, September 23. That agreement does provide for—there was a map, I believe, released which specifically shows in a broad sense the lands that would be going to the owners in Richmond Hill. I just want to point out that there were 1,275 acres of land out in Pickering that would be going to the Richmond Hill owners.

**Mr Hudak:** OK. So the developers, the six that we call the Richmond Hill landowners, knew generally what parcels of land they were going to be receiving in the Seaton area?

**Mr Kozman:** That's correct, and that's why there was a map put out that shows the lands that would be going to the Richmond Hill owners. I think it's important to point

out that there is still a class environmental assessment process that the Ontario Realty Corp is running that will actually bear out the specific lands that would go, but generally the lands that are identified in the map that was released on the 23rd would be going to the Richmond Hill owners.

**Mr Hudak:** There was one thing I didn't quite fully grasp from your press release. What is the role of the class EA in the land determination?

1700

**Mr Kozman:** Under the Environmental Assessment Act, if the province disposes of or acquires land—provincial land in this case, in Pickering—there is a requirement to comply with the Environmental Assessment Act. In this case, the Ontario Realty Corp is doing something called a category C class environmental assessment. The purpose of that is to look at social, economic and environmental issues associated with the undertaking. In this case, the undertaking is the acquisition of land in Richmond Hill and the disposition of provincial land out in Pickering.

**Mr Hudak:** Roughly, again—you probably won't have the exact date. Roughly, when did the Ministry of Municipal Affairs announce that they were going to make an attempt to stop the 6,600 houses? I should phrase that better. There is a formal release from the ministry that said they did not accept the current deal and they were going to negotiate a better deal.

**Mr Kozman:** I believe there were comments that the Premier made back in October. It came out of a speech that he was making. I think it was October 16, actually, that he made that comment.

**Mr Hudak:** So around the time of October 16 or so, what was the status of the negotiations between the landowners and the swap in Seaton? Had they already pretty much determined what parcels of land in Seaton were going to be exchanged for the Richmond Hill—

**Mr Kozman:** We were in the process of negotiating, in the lead-up to the election, the actual exchange of land that was going to be occurring with the Richmond Hill owners. We had not at that time come to an arrangement, either, with the Uxbridge owner.

**Mr Hudak:** How far along were you with respect to the Richmond Hill landowners?

**Mr Kozman:** Fairly well advanced.

**Mr Hudak:** The change, I guess, from October to the announcement of the land exchange agreement of September 23, 2004, was that an additional how many acres in Pickering would be saved?

**Mr Kozman:** What we did was basically look at the 47 additional acres up in Richmond Hill that were covered by the minister's announcement in November 2003. We wrapped that in, and the total amount of land up in Richmond Hill was 1,057 acres that you're exchanging for 1,275 acres out in Pickering.

**Mr Hudak:** If you go back to 2003, if you take out the additional 47 acres in the Richmond Hill area—so you would have 1,153 acres—what was the exchange of land, then, in the Seaton area? How many acres?



**Mr Kozman:** For the lands preceding the government's announcement?

**Mr Hudak:** Yes. If we go back to October 2003, before the government announced that they were scrapping that deal and wanted to take a second look at it, what was the amount of land that had been agreed to in the Seaton area?

**Mr Kozman:** I don't recall the specific amount of what that would have been. There would have been an amount that we had in the discussion in the negotiations, but I don't recall specifically what it was.

**Mr Hudak:** Is it documented?

**Mr Kozman:** There would be a progression and evolution of the negotiations, but again, one would imagine there would be some confidentiality issues there because we were operating in the context of a protocol between the parties that it was basically confidential information among the parties in the negotiations.

**Mr Hudak:** I know, and you don't want to release the details of the report until after the Uxbridge situation has been dealt with. But you said earlier that you were aware of the quantity of land that had been agreed to back in 2003. I'm not asking which landowner is getting which pieces or anything like that—I appreciate that you want to announce that later on—but I'd like to know the quantity.

**Mr Kozman:** And I'll have a discussion with our legal folks about the disclosure of that and how that would fit in the context of this confidentiality protocol that governed the negotiations.

**Mr Hudak:** Chair, I do think it's quite important for the committee. What is the price of the Premier's broken promise? The impact is that there's an additional 47 acres in the Richmond Hill area. How much did the Premier have to give up in Seaton as a result of it, how many additional acres of land? Again, I'm not asking for the specifics or the specific landowners at this time. I'd just like to know what the quantity was, and obviously, the government does know that. The ministry does know what quantity had been agreed to in 2003. I think, as part of our estimates committee, Chair, we should similarly have that number at our disposal.

How does your arbitration process work?

**Mr Kozman:** There's an act called the Arbitrations Act which sets out a legal framework within which parties that can't come to an agreement among themselves can choose an impartial, additional outside party to try to come to an agreement for them.

**Mr Hudak:** Has it been utilized yet as part of the Oak Ridges land swap?

**Mr Kozman:** No, we've not had to do it, and I think the government's announcement on the 23rd gives testimony that we didn't have to do it in the context of the Richmond Hill owners. As you've heard the minister refer to the remarks from the fairness commissioner, it may be a possibility with respect to the Uxbridge owner.

**Mr Hudak:** Do both parties have to trigger it, or can one party trigger it? Do they have to both agree to the arbitration?

**Mr Kozman:** One party can ask for it and invoke it.

**Mr Hudak:** We can get back to this, Chair, later on, but I just wonder how much time needs to pass, because this is the trigger. Before this is publicly released, evaluate the swap so taxpayers themselves can decide what was the cost of Dalton McGuinty's broken promise. Before they can figure this out, which may be up to \$1 billion, which was the original estimate, how much additional land was sacrificed for Dalton McGuinty's broken promise?

They're not going to know until—the minister's holding this back until the Uxbridge situation is decided. So I wonder if the government would contemplate triggering the arbitration to try to get to the end of this long, drawn-out process so that we can make public the details around this particular deal. Has there been advice given to the minister to trigger the arbitration process?

**Mr Kozman:** Yes.

**Mr Hudak:** And the decision was made by the minister not to trigger the arbitration?

**Mr Kozman:** No. The decision was made that, in the context of negotiations, if we could come to a mutually agreeable place with the Uxbridge owner, arbitration was certainly an option to pursue.

**Mr Hudak:** So aside from the EA, which will work around some of the edges—this is process—generally, the land in Seaton has been decided upon for the six Richmond Hill owners. We know the general thing. So no matter what the decision is for the Uxbridge landowner, it doesn't impact the Richmond Hill exchange for land in Seaton.

**Mr Kozman:** Because there is an agreement between the government and those owners at this point in time, but there's additional land. As the minister pointed out, I think, in his opening remarks yesterday, less than 25% of the land in Seaton is what's notionally going to the Richmond Hill owners as part of their agreement with the government.

**Mr Hudak:** No, I understand. I guess the point I would make is that the deal is done with respect to the Richmond Hill landowners and what they get in Seaton. The government saved 4,700 extra acres in Richmond Hill, and they've given up right now an unknown quantity in Seaton as a result of that.

I guess I don't understand. If the Uxbridge situation is unrelated to the Richmond Hill owners, it won't impact. Their land is pretty much decided, aside from the EA. Why is the minister hiding behind the Uxbridge agreement? Why don't you just put forward the deal with the six Richmond Hill landowners, since it's already been decided? Why are you delaying this until the spring? Why don't you come forward and let us know exactly what those details are?

1710

**Hon Mr Gerretsen:** We're not delaying anything. It was your protocol, sir, that you signed originally with the Uxbridge owners and with the Richmond Hill owners that basically stated that a lot of these negotiations would take place in private. It was your protocol that you—

**Mr Hudak:** Sure, and you've decided for the six.

**Hon Mr Gerretsen:** Just a minute now. Hold up now.

**Mr Hudak:** But you've decided for the six.

**Hon Mr Gerretsen:** You asked a question—

**Mr Hudak:** So why don't you bring those forward?

**The Chair:** Mr Hudak, he's answering the question.

**Hon Mr Gerretsen:** We're following your protocol, and as the fairness commissioner states on the final page of his letter, it would simply not be wise, from the taxpayers' viewpoint, to start making those documents available right now, because it may very well impact—

**Mr Hudak:** Where does the commissioner say that? I've got the page open, Minister. Where does the commissioner say that?

**Hon Mr Gerretsen:** If I can't even finish a sentence, you know—

**The Chair:** One at a time.

**Hon Mr Gerretsen:** It may very well impact the negotiations with the Uxbridge people. But I can assure you that once that is over and done with, you'll be able to look at all the documents, including the protocols with respect to the negotiations that you signed when you were in government.

**Mr Hudak:** But, Minister, you just said that the fairness commissioner, on the last page of his document, talks about the impact on the taxpayers from bringing the reports forward separately. I don't see that. I've got page 6, which is the last page of the Houlden report, open in front of me. He says that he'll comment when the Uxbridge situation is completed. I don't see here the words that you tell me are written on the page with respect to the impact on taxpayers, nor is the fairness commissioner saying to hold off.

Maybe I'm misreading it, but could you quote for me where he talks about the impact on taxpayers, as you just said?

**Hon Mr Gerretsen:** Well, where he states, "It would be my recommendation that if a land exchange proceeds with that owner"—that's the Uxbridge owner—"consideration be given to application to that owner of the principles contained in the arrangement with the Richmond Hill owners."

**Mr Hudak:** Sure, it's the same deal that should take place for—

**Hon Mr Gerretsen:** Exactly. In fairness, for that process to take place, we want to not negotiate that particular arrangement in public.

**Mr Hudak:** But that's not what you said, Minister. You said that the fairness commissioner talked about the tax considerations of reporting on those things separately. It doesn't say that. It says the same principles should be applied. Fair enough. You treat one developer the same as you treat the other six. I'm not disagreeing. You just said there's an impact on the taxpayers from doing these separately. But where does the fairness commissioner state what you said he said? Because he doesn't.

**Hon Mr Gerretsen:** He said the same principles should apply, and one of the principles that—

**Mr Hudak:** You talked about the taxes—

**The Chair:** One at a time.

**Hon Mr Gerretsen:** I did not say anything about tax—

**Mr Hudak:** Look at the Hansard. That's what I heard.

**The Chair:** Final question.

**Mr Hudak:** Minister, I'll ask you, the fairness commissioner doesn't, as far as I can tell—I'm sure you'll correct me if I'm wrong—say anything about making sure that the Uxbridge deal and the Richmond Hill deal are reported on simultaneously. I understand from staff that you have no intention right now of triggering arbitration. This could drag on for some time.

I think people in this part of Ontario want to know, and I think taxpayers want to know and I certainly know that those who have been critical of this deal want to know, the details behind the land exchange swap. They want to know how much Dalton McGuinty's broken promise—to sweeten the pot, what is the cost of additional land in Seaton that has been given up as a result of Dalton McGuinty's broken promise? They want to know. You have no reason to keep that back. There's not an impact on taxpayers cautioned by the commissioner. He doesn't say to do them simultaneously. Why don't you just go ahead, release the report on the six Richmond Hill land swap in Seaton and do the Uxbridge one when it's completed?

**Hon Mr Gerretsen:** I've given you my answer on that.

**Mr Hudak:** You didn't give an answer.

**Hon Mr Gerretsen:** Yes, I did. I said that one of the principles is the fact that you want to negotiate in private.

**Mr Hudak:** But you can continue to negotiate the Uxbridge one in private—not telling you not to.

**Hon Mr Gerretsen:** Along the same principles that were negotiated with the other individual, and that was done in private, so the next should be done in private. You'll be able to get your documents in due course.

**The Chair:** I'd now like to recognize Mr Prue.

**Mr Prue:** I'm going to go to shelter allowances. I don't think you've talked about that yet. I'm just wondering what happened to them. I tried to write down all of the 10 things you set out in your initial statement, and I didn't hear shelter allowances.

The Liberal platform—I'll quote this and give it to Hansard later—said, "We will establish a housing allowance for low-income families, as recommended in the Golden report. It will provide direct, immediate housing relief for 35,000 families." What are the ministry's plans for this housing allowance? Is it a dead deal or are you proceeding with it?

**Hon Mr Gerretsen:** It's a platform commitment. We certainly intend to keep it within the terms of our mandate, and sooner rather than later, because certainly, as you and I know, the people at the bottom end of the economic scale need some financial help to meet their rent obligations. We all know the statistics, that a lot of people pay more than 50% of their monthly income on rent. That's certainly something I don't support and our party doesn't support, so we will deal with that.

We have provided some help through the rent bank, which has gone over extremely well with the municipal

housing service providers—\$10 million, which basically increased the amount of help tenfold for rent bank contributions across the province. I believe \$1 million was spent on rent bank help before. Now it's close to \$11 million. It's to help those people who are involved in an emergency situation and who need some help to tide them over so that they don't get evicted.

**Mr Prue:** I have questions about the rent bank. If you'll bear with me, I'll ask those later. Right now I'm asking about the shelter allowance. There was nothing contained in the budget. Are there plans that the whole concept of shelter allowances be introduced prior to or after the changes you're going to be bringing forward on the Tenant Protection Act?

**Hon Mr Gerretsen:** Are they part of the Tenant Protection Act? No, they're not, they're stand-alone.

**Mr Prue:** No, I don't think they're part of it. Are you bringing forward your shelter allowances prior to or after the Tenant Protection Act?

**Hon Mr Gerretsen:** That remains to be seen. We'll be making an announcement, hopefully in the near future, on both of those issues.

**Mr Prue:** The reason I'm asking that question is—I think I attended only one of your many meetings across the province and I'm not even sure it was called by you—the landlords repeatedly said that the freezing of the rents or putting caps on rent increases wasn't working and that the real need was shelter allowances. They said this over and over. I think every single person who stood up said that.

What I'm trying to ascertain is, where are you, as the minister, going? Where is this government going? You have two very different promises. We expect to see how that pans out with the Tenant Protection Act. Are you going anywhere with the shelter allowance?

**Hon Mr Gerretsen:** Yes.

**Mr Prue:** OK, that's the plan. How much is that going to cost?

**Hon Mr Gerretsen:** I believe we estimated at the time in our platform commitment that we wanted to help 35,000 high-need working families. I've forgotten exactly how many—

**Mr Prue:** It was 35,000 families.

**Hon Mr Gerretsen:** Yes. We were talking about \$50 million per year for that program.

**Mr Prue:** The civil service most recently, and I can ask the civil servants to verify this, projected that it would cost about \$100 million of ongoing funding to provide these allowances as per the Golden report. Is that \$100 million more accurate?

**Hon Mr Gerretsen:** You'd have to ask them. Does anybody want to answer that? We've allocated \$50 million for the program.

**Mr Burke:** I believe the \$100 million you're referring to really is the requirement under the 20,000 units of affordable housing.

**Mr Prue:** Shelter allowance.

**Mr Burke:** Yes, housing allowance.

**Mr Prue:** What about the 35,000 families? How much is that going to cost?

**Mr Burke:** That's the one the minister referred to as about \$50 million.

**Mr Prue:** All right. That \$50 million: Has there been any activity to try to get funding for this year, or can we expect that the funding would not be made available, at a minimum, until next year's budget?

**Hon Mr Gerretsen:** We're working on it on a daily basis, because we feel government has a responsibility to the people at the bottom end of the economic totem pole. Certainly people who are paying more than 50% of their rent toward housing need assistance.

**Mr Prue:** I understand the civil service also projected that the initiation would require a three-year phase-in where you could get up to 35,000. Is that correct?

**Mr Barnes:** The government has not made any go-forward decisions in terms of how they want to deal with the issue of the housing allowance. As a result, I can't really answer your question.

**Mr Prue:** So you've received no instructions from the government as to how they want to do this?

**Mr Barnes:** That's a decision the government will make in due course, I'm sure.

**Mr Prue:** Have you made recommendations as to whether it should be phased or not phased?

**Mr Barnes:** I don't think that advice to the government or to the minister is something I can discuss at this time.

**Mr Prue:** All right. That's fair enough.

Let's switch this a little. You started to talk, Minister, about the provincial rent bank program. You used the figures of \$10 million and \$11 million. Is that how much is budgeted for this year?

**Hon Mr Gerretsen:** It's \$10 million. I believe that at the time the existing rent banks, province-wide, amounted to \$1 million. Some service providers had no rent bank program at all. It's my understanding that with the addition of the \$10 million that was made available to the 47 service providers in Ontario, all of them—I stand to be corrected on this—have signed up for the rent bank program now.

**Mr Barnes:** I believe we have a few outstanding, but all will be signed up before the end of October.

1720

**Hon Mr Gerretsen:** The money has been allocated on the basis of using a particular formula so that the different rent banks, depending on the number of people in particular areas, have different amounts of money.

**Mr Prue:** The civil service—my understanding, and again, I hope my lowly staff is correct—my limited staff, not lowly; they're exalted—has estimated the cost of implementing a successful rent bank program would require a \$30-million initial investment and ongoing of \$7 million a year to replenish the fund in the bank. Is that correct? Is that what the civil service says is going to be needed for these 47 constituencies?

**Mr Barnes:** As far as I know, in our housing division the answer is no.

**Mr Prue:** As far as you know, that's not what you say is needed? How much is needed?

**Mr Barnes:** We came forward with a program in terms of what the government had committed to, and that is the program that we have.

**Mr Prue:** All right. So is this a limited program?

**Mr Barnes:** We endowed municipal service managers with a \$10-million program. In terms of how they are distributing or will distribute the money, we have yet to see what we need, or at what stage that will be depleted and will need to be replenished. So in that sense, we have set up a tracking system as part of the conditions on the rent bank. Municipalities will report to us on an annual basis as to the take-up, if they are using it as a loan program, how much they've recovered and what the net position is of their individual rent banks. At that stage we'll be in a far better position to evaluate and determine what kind of replenishment might be required.

**Mr Prue:** What percentage are you looking at in terms of default? How many applications that are made or given out will be defaulted?

**Mr Barnes:** We've built into the program a lot of flexibility for service managers. Some service managers like York region do not do it as a loan program; it's a grant program. So in that sense you can claim it's all in default. We know that the recovery rate in Toronto is in excess of 50% right now in terms of their existing rent bank, and we will see how that proceeds.

**Mr Prue:** My understanding, and again, this is a little bit of research done, that the Waterloo region, to give an example, has been funding a rent bank since 2002. In that period they provided 244 loans, of which 21 have been repaid in full, two have been written off and 69% of payments are made monthly and appear to be ongoing. But the default rate is around 31%. Would that be what the civil service anticipates? I think that's the best documented. You've said Toronto is at 50%.

**Mr Barnes:** That's right.

**Mr Prue:** And Waterloo region is at 31%?

**Mr Barnes:** I believe that is the number for Waterloo.

**Mr Prue:** What are the other municipalities? What's the default rate? Because if it's \$10 million and you're losing \$5 million off of that, that has to be replenished year after year. I just need to get a handle on how many people are taking opportunity of it and how many are defaulting.

**Mr Barnes:** First of all, the level of clientele which is actually being served by the existing rent banks—we're establishing new rent banks—is, in a given year, not one which will use all of the \$10 million. So the take-up is not there. The service managers—or they've contracted it to agencies like the Salvation Army to run them and so on—have a different approach in all communities in terms of how they want to go about the actual evaluation of clients. They want to make sure that this is something that is going to help the client as opposed to the client needing a more permanent fix, whether the individual needs broader income supports or should be in social housing. So there's a variety of issues that the service managers themselves have to deal with in terms of

evaluating whether the individual will receive funding from the rent bank.

My understanding is that in Toronto last year—so they would be the largest rent bank—they provided successful bailout assistance to about 1,700 families.

**Mr Prue:** The 47—are they municipalities that you're talking—

**Mr Barnes:** They're service managers, so the responsibility—in cases like Toronto, it is the city of Toronto. In cases where we have a county, it's the county government and, in northern Ontario, it's the social services administration board. So geographically the province is divided up into 47.

**Mr Prue:** Into 47 units, so that every single place is covered?

**Mr Barnes:** Yes.

**Mr Prue:** OK. That's good.

Let's go on to rent control. I didn't know whether to bring this up, but you brought it up twice, Mr Minister. I realize that a bill is coming forward, perhaps as early as next week, perhaps as early as next month. At some stage down the pike, before Christmas, we expect to see it. Is that fair?

**Hon Mr Gerretsen:** That's fair.

**Mr Prue:** Yes, and it's also pretty fair, I guess, that you cannot be too specific because you can't divulge what's in that bill, and you're not about to anyway at this committee.

**Hon Mr Gerretsen:** That's fair.

**Mr Prue:** That's fair too. Maybe you can answer or maybe you can't, but I'm going to try anyway. You were elected on a platform of bringing back real rent control. We all saw Mr Urquhart's article in the Star about a week ago—

**Hon Mr Gerretsen:** Monday, just this past Monday.

**Mr Prue:** —Monday—in which he talked about the dichotomy you face, and I think, quite frankly, he's right; you face a huge dichotomy. I'm going to be very interested in seeing exactly how the government proceeds, because I don't think you can satisfy the two diametrically opposed spheres, being the tenants on one side and the owners on the other. But leaving that aside, whatever you do is going to cost some additional monies to your ministry in terms of implementation. I think the civil service estimated it was going to cost somewhere between \$20 million and \$40 million to implement a new Tenant Protection Act. I don't have any other name to call it until I actually see it, so I'm going to call it that. No, I shouldn't call it that; it didn't protect tenants.

**Hon Mr Gerretsen:** Well, you should call it that.

**Mr Prue:** No, a new landlord protection act then.

**Hon Mr Gerretsen:** No, you shouldn't call it that. It's going to be a Tenant Protection Act.

**Mr Prue:** Well, the old one wasn't a Tenant Protection Act. If ever there was a misnomer, that was it. It protected everyone except the poor tenant.

But is that a fair estimate, that it's going to cost some \$20 million to \$40 million to implement?

**Hon Mr Gerretsen:** I guess it will depend on what the legislation will say.

**Mr Prue:** Well, have you set aside any money to implement this new act?

**Hon Mr Gerretsen:** We set aside some money for the extensive consultation that took place, in which we listened to thousands of individuals, landlords and tenants throughout the province. Brad Duguid, my parliamentary assistant, did an excellent job in travelling around the province.

**Mr Prue:** Yes, but all that money's spent. Is there money set aside to implement a new act and, if so, how much?

**Hon Mr Gerretsen:** Well, if a new act is passed—first of all, if it's introduced and if it's passed, once it goes through the legislative process—then obviously, when it's implemented, there may be some costs involved with that and those costs will have to be borne by the government. As to when exactly that will happen, we'll only know once the act's been passed.

**The Chair:** Minister, is there an item in these estimates, in these line items, to which your staff have put aside funds to accommodate, and if that—

**Hon Mr Gerretsen:** There was money set—

**The Chair:** First of all, your answer is absolutely appropriate, because if you don't have legislation you really can't be showing a line item for it. However, if your staff has identified a line where the funds will come from or if you've put aside funds, I think that would satisfy Mr Prue's question.

**Mr Prue:** Yes, that's where I was going, Mr Chair. Perhaps I was not articulate enough.

**Hon Mr Gerretsen:** There is money in there for the development of the legislation, which would include the consultations that took place and the costs that are involved with that ongoing process.

**Mr Prue:** And how much money was put aside and how much is still left?

1730

**The Chair:** The page and the line would be helpful, since we're dealing with line items. If anyone could be helpful to point that out for Mr Prue, that would be good.

**Hon Mr Gerretsen:** It's so unusual to get a question on the actual estimates that we have to look around for it. There's an amount of \$27,887,700 on page 111, which has everything to do with residential tenancy, so it would also include, obviously, the cost of the individuals who work for the tribunal. There are a fair number of those individuals who work both within the ministry and of course the officers who work throughout the province.

**Mr Prue:** Can anyone give me even a round figure of how much is left to introduce on its own merit and what has been budgeted? If and when a new Tenant Protection Act is introduced—and you've said it will be introduced in a week or definitely by the end of the session, and I'm taking you at your word—how much is left?

**Hon Mr Gerretsen:** I didn't say a week. I said it would be within this legislative session—but sooner rather than later.

**Mr Prue:** Yes, sooner rather than later. I think you were referring to the swearing-in—

**Hon Mr Gerretsen:** But we wouldn't want you to pin me down to a specific date because our House leader wouldn't like that kind of thing.

**Mr Prue:** No, you were very clear that it would definitely be by the end of the session and you hoped by the first anniversary of the swearing-in, which is about a week or 10 days or something from now.

**Hon Mr Gerretsen:** If you go to page 120, there is a whole series of numbers that starts off with \$402,000 for "Increased funding to support residential tenancy reform, and affordable housing initiatives." So part of the \$402,000 would be for the residential tenancy reform aspect. And then there is another \$272,300 within explanatory note 4, which is also "Increased funding to support residential tenancy reform and affordable housing initiatives." So part of it would be for that. Also, within item number 2 is an amount of \$37,100.

**Mr Prue:** Trying to do the fast math, that's not a lot of money left. If there's—

**Hon Mr Gerretsen:** But you've got to remember that most of the implementation of a new act will take place in the next fiscal year, which will start on April 1 of next year. Even if a new act is passed by the Legislature by the end of December and proclaimed, you wouldn't start to get it operational until, I don't know, sometime in the winter.

**Mr Prue:** That was where I was going with all of this. Even if a new act is passed, more quickly rather than more slowly in this particular session of the Legislature, it is not likely, given the amounts of money available, that it would be implemented until the next fiscal year.

**Hon Mr Gerretsen:** No. If a new act gets passed and gets proclaimed and funding is required to make the new act operate, money the ministry doesn't have right now, we would have to approach Management Board for additional funding, which is done on a weekly basis by different ministries for different purposes.

**Mr Prue:** Thank you. Do I still have time, Mr Chair?

**The Chair:** You have one minute and a half.

**Mr Prue:** OK. Let's try to explore this one. This is a complex issue but maybe it's fairly simple. In your opening statement, you talked about giving municipalities additional power, particularly the city of Toronto, to be involved in the whole question of immigration. That is something which is a mutual jurisdiction between the provinces and the federal government and involves cities. Is it just the city of Toronto that you're giving this authority to or are you extending this to other municipalities and, if so, which ones?

**Hon Mr Gerretsen:** What has currently happened, as you probably know, is that the Minister of Citizenship and Immigration brought the city of Toronto to the table when new agreements were negotiated with the federal government. I think the city of Toronto officials were appreciative of being included in that because immigration is a large issue in Toronto.

As a result of the new memorandum of understanding that has been signed with AMO, we are prepared to discuss immigration or any other issue with AMO, with any individual municipality and with the city of Toronto. Obviously, the only municipalities that would have an extensive interest in it would be those municipalities that are affected by a large increase of immigrants to their municipalities. Some municipalities may be affected to a much greater extent than others.

I think the Minister of Citizenship and Immigration is really the person to talk about this, but as a government, we feel that it's very important to bring municipalities onside, particularly with respect to programs, whether they're federal or provincial programs, that affect those municipalities. That's the whole tenor of the new relationship that both the province and the federal government, as I understand it, are talking about in making municipalities greater partners in all of these endeavours that mainly play themselves out within municipalities.

**The Chair:** I'd like to recognize Mrs Cansfield.

**Mrs Cansfield:** I have a couple of questions about the Oak Ridges moraine, but if you'll bear with me, sometimes it's helpful to have some history in order to understand the present circumstances and, because I'm new, I wouldn't mind if I could have a little bit of that history.

It indicates in here that the corporation was reactivated in early 2002 and a new board was appointed. Was there a mandate given, and why was it reactivated?

**Hon Mr Gerretsen:** I can't answer that, but if one of the officials here wants to answer that—it's my understanding that the North Pickering corporation has been around for years and years, probably going back 30 or 40 years.

**Mrs Cansfield:** It indicates that here, and that actually it has been inactive between 1998 and 2001, and then suddenly it was reactivated early in 2002 and a new board was appointed. I was curious as to why it was reactivated.

**Hon Mr Gerretsen:** Perhaps Mr Kozman can answer that.

**Mr Kozman:** The answer to that is relatively simple and straightforward. Following Mr Crombie's announcement in November 2001 that a deal had been reached between the government and certain owners on the moraine, the decision was made to reactive the corporation because there would need to be work, led by our team, to negotiate the details of that. At the time, the broad skeleton of a deal had been announced by Mr Crombie, but there still needed to be a significant amount of detail and negotiation in terms of what lands in Pickering would be given up and other—it's a relatively complex real estate transaction.

**Mrs Cansfield:** Who did Mr Crombie work for?

**Mr Kozman:** Mr Crombie would have reported to the previous government.

**Mrs Cansfield:** So Mr Crombie was appointed by the previous government to negotiate or instigate a develop-

ment between the government and some developers. Is that correct?

**Mr Kozman:** That flows out of some relatively high-profile OMB hearings that were going on that commenced in 1999 and bled into the previous government's introduction of legislation in 2001 to protect the moraine. The first legislation, which was in May 2001, was to essentially call a time out with respect to development applications that were ongoing. Subsequently, later in the year, legislation was put in place, along with what was known as the Oak Ridges moraine conservation plan.

1740

**Mrs Cansfield:** Those developers purchased the land and they had become part of this, or was there a process in place?

**Mr Kozman:** As I indicated, there were some fairly contentious and high-profile hearings before the Ontario Municipal Board. There had been development applications launched by the developers on key lands up in Richmond Hill. The province, the region and the town of Richmond Hill were involved; very acrimonious, high-profile, it attracted a lot of media attention. The government of the day decided to try and bring Mr Crombie in, while the legislation was being moved through the process, to try to negotiate an arrangement whereby the parties to that OMB hearing would extract themselves from it and try to come up with an arrangement which would protect a significant amount of land on the moraine.

**Mrs Cansfield:** Were those details made public?

**Mr Kozman:** There was an announcement back in 2001 that Mr Crombie had been able to broker a deal. The specific details, I don't believe—no, they weren't released.

**Mrs Cansfield:** So the details weren't made public. How much of a budget was given to the enterprise? Since it's an operational enterprise agency, what was the budget given to it in 2000?

**Mr Kozman:** I think in response to Mr Hudak's question, I mentioned that it was \$4.9 million over a three-year period.

**Mrs Cansfield:** OK. I had the wrong year down. So it was—

**Mr Kozman:** It was \$4.9 million over three years.

**Mrs Cansfield:** Was all the budget spent?

**Mr Kozman:** No. We're still in the final year and, as I indicated to Mr Hudak, it's unlikely that we're going to be spending all of that \$4.9 million by the end of the fiscal year, which is March 31, 2005.

**Mrs Cansfield:** You're not over budget. You're within the amount that was allocated to deal with the issue.

**Mr Kozman:** Yes.

**Mrs Cansfield:** The other question I had is, it said a new board of directors was appointed. What was the old board like?

**Mr Kozman:** I believe the board has always been comprised of senior civil servants from the government. What I think it refers to in there is that it was just different people who made up the board. But it has always

been, as far as my understanding is, senior civil servants from our ministry. In this case, we also have a senior civil servant from the Management Board Secretariat as well.

**Mrs Cansfield:** Were there any other land deals that were negotiated, other than this?

**Mr Kozman:** No. The only other land exchange that was discussed, as I referred to earlier, was with an Uxbridge owner.

**Mrs Cansfield:** Just the two. You wouldn't know, I guess, in the previous years, what was exchanged or what was negotiated?

**Mr Kozman:** In which previous years?

**Mrs Cansfield:** It's been around, as the minister said, since 1975.

**Mr Kozman:** But recall, the corporation was set up—the lands in Pickering, and actually in Markham and Toronto, were expropriated back in the 1970s to create a community of 250,000 people to support what was anticipated to be an international airport. Different parts of those lands have been disposed of in different ways. You have lands in Markham that have become the community of Cornell; you have lands in Toronto that have become part of Rouge Park; you have some lands in the Pickering portion of the Duffins Rouge agricultural preserve that have been part of a tenant-purchase program. Seaton is the lands that have been looked at and were identified as the lands that would be part of the exchange with the Richmond Hill and Uxbridge owners. The corporation's responsibility goes back to 1975, when an act was created to deal with that big chunk of land.

**Mrs Cansfield:** So a lot of the land that's there that the government owns is a result of the expropriation for the Pickering airport?

**Mr Kozman:** The federal government expropriated lands for an international airport. The province expropriated lands to the south, and I suppose also to the west, to create a community that would be complementary to what was anticipated to be a future airport.

**Mrs Cansfield:** I see. So they were going to create the communities around the airport.

**Mr Kozman:** That was the expectation. The lands the province had expropriated would become that community of—at the time it was expected to be 250,000 people. Obviously, that's been scaled back considerably.

**Mrs Cansfield:** I see. Have any of the people been able to get their land back?

**Mr Kozman:** As I indicated, there was a tenant-purchase program commenced, I believe, back in the late 1990s and it's still ongoing with respect to the Pickering portion of the Duffins Rouge agricultural preserve. Some of the original owners of those lands continued to be tenants of those lands and lands were sold back to them.

**Mrs Cansfield:** From the federal government or from the provincial government?

**Mr Kozman:** I'm talking specifically about the provincial land holdings.

**Mrs Cansfield:** So that all of the provincial land holdings, there's still this ongoing tenant program that

they can purchase back their land if they're an original tenant?

**Mr Kozman:** Only in respect of the Pickering portion of the Duffins Rouge agricultural preserve. The province is still the landowner for the Seaton lands, which comprises about 7,800 acres of land.

**Mrs Cansfield:** So how much land is left?

**Mr Kozman:** In Seaton, it's approximately 7,800 acres—let's say 8,000. I believe there's some land on the Markham portion of the Duffins Rouge agricultural preserve that the province still owns as well. I don't know the exact amount.

**Mrs Cansfield:** What do we do with the land? Does it sit fallow? Do we farm it? Do we lease it out?

**Hon Mr Gerretsen:** I suppose as far as the land that can be developed—and at least half of it shouldn't be developed, because it's environmentally sensitive or agricultural, the way I understand it, and that it has been identified through the process that it should be developed at some point in time for residential and employment purposes. I suppose there are people around the table who know a lot more about this than I do. But I suppose it's fair to say that the fact that the land exchange has taken place between the people that owned land in Richmond Hill and now here, something is more likely to happen this time around rather than what the history has been over the last 25 or 30 years.

**Mrs Cansfield:** That's excellent. So you're actually looking at a far more integrated strategic plan around that land than was previous. Is that what you're saying?

**Hon Mr Gerretsen:** That is the ODP, which we want to develop jointly with the city of Pickering and the region of Durham.

**Mrs Cansfield:** This is what you referred to earlier when you were saying it would be the responsibility of the municipalities to sit down and work with?

**Hon Mr Gerretsen:** They are going to be left with whoever's going to be in charge in those days, and councils do change. They're going to be left with whatever development is finally left, and so, obviously, you want them involved in the process.

**Mrs Cansfield:** I don't disagree with you. I think what you're saying is that at the end of the day, you've got a plan in place where you're going to protect the sensitive land, you're going to look at redevelopment, including the municipalities and that kind of a development and that it's going to be more strategic than it has been maybe previously.

**Hon Mr Gerretsen:** In fairness, different people may have different opinions as to exactly how it should be developed.

**Mrs Cansfield:** Obviously. The comment, though, is that it would still be a fair, open and competitive process in terms of that development.

**Hon Mr Gerretsen:** As far as the balance of the land is concerned.

**Mrs Cansfield:** The 3,600 or 3,800 acres, whatever it is.

**Hon Mr Gerretsen:** Right.

**Mrs Cansfield:** What would you do? How do you go about doing that sort of thing?

**Hon Mr Gerretsen:** Let's deal with this issue first, and that's somewhere down the road. That's so far down the road, that—

**Mrs Cansfield:** Is it?

**Hon Mr Gerretsen:** Well, I don't know. How far is far?

**Mrs Cansfield:** I was just curious, because obviously there was a process in the past of how the developers were selected, or not selected, and I know what the process was, and I was just presuming that there would be a far more open and transparent process in this since it's been such an extraordinarily contentious issue.

**Hon Mr Gerretsen:** Yes, I will agree that it's been a contentious issue.

**Mrs Cansfield:** I think it's been an extraordinarily contentious issue. Thank you very much, Minister.

**Ms Kathleen O. Wynne (Don Valley West):** I have two questions: On page 116 of this document that I'm looking at, under the 2004-05 priorities for, I think it's under the social housing branch, there's a bullet point there: "Undertake consultations with stakeholders on policy initiatives such as review of regulations under the SHRA." My understanding is that there are some concerns from the community about the Social Housing Reform Act and how it's been implemented. When we came into office, it actually hadn't been implemented. It's been implemented now. Can you talk a little bit about what that review is? I know we haven't talked a lot about it.

**Hon Mr Gerretsen:** Let me put it this way: We've certainly met with interested service providers, dealing with different aspects of the SHRA. If I can sort of lump it all together, there is a concern that perhaps, in certain areas, the process as set up within the current act and regulations is too strict. They would like greater latitude.

**Ms Wynne:** Would you say punitive?

1750

**Hon Mr Gerretsen:** Well, some of them have said that, but I would say most of the people we've met with haven't put it that drastically.

There are also some good parts to it. I think some organizations look at, for example, some of the joint services that are provided as a result of there being—and one entity to deal with has made it easier for them to extract some savings with respect to programs that would have cost a lot more, such as insurance and things like that.

It's on our agenda to look into this. However, with a lot of the things that we've had going on within the ministry, we haven't been able to get at it as quickly as we wanted to.

One of the things we have done is we've provided the different service providers with not just benchmarks, but we want their views on whether or not the benchmarks—we sent out near the end of June some proposed benchmarks that we wanted them to comment on. This hasn't been done in the past. In the past, I understand, the

benchmarks have simply been set by the government, and each service organization or each non-profit housing provider simply had to live with them, but we wanted their comments before we actually set them.

**Ms Wynne:** So you set realistic benchmarks?

**Hon Mr Gerretsen:** We set realistic comments. I think that consultation period is almost over, and we're going to put some recommendations together as to—and also, I would like to see a program that provides a certain amount of latitude within the benchmarking. But you've got to remember that, under the current scheme, a lot of the obligations fall upon the municipal governments, which wasn't the case in the past. We can't be as authoritarian as perhaps this program has been in the past, since the act was first put into force.

**Ms Wynne:** So will these be mostly changes to the regulations, as opposed to new legislation? Do you know that yet?

**Hon Mr Gerretsen:** Well, we don't know that yet, but I would imagine so, and Doug Barnes can speak further on that.

**Mr Barnes:** Thank you, Minister.

The part that I guess we were working on—and this part is what the minister has referred to already. We haven't taken the step forward in terms of a review of the legislation, but mostly around regulations, there's been a fairly significant level of ongoing dialogue. Most of the provider groups and the municipal service managers have made their comments known to us. Most of what they've talked about today are regulatory amendments that they would like to see. The biggest part of it, as the minister has said, deals with social housing benchmarks.

**Ms Wynne:** Great. Thank you. I'm really glad that's happening, because I have heard a lot of concerns about it.

My second question, just briefly: The issue of the OMB and the changes that might be coming forward—can you talk about what you're doing? We had talked in our campaign, and our commitment was that we would make the OMB a more responsive board to communities. Can you talk about how we're doing that?

**Hon Mr Gerretsen:** We sent out that consultation document at the same time that we sent out the proposed PPS—provincial policy statement—and the Planning Act reforms as well. We've had comments back on it. I think that the time period for that process ended on either September 30 or October 15—I'm not quite sure—but we're right within the current time factor.

We've heard a lot of interesting comments, whether board hearings should be de novo hearings or strictly appeal hearings. Should they apply to minor variances to the same extent? Should the board, in effect, deal with minor variances to the same extent as they do with major developments?

We've heard a lot about the qualifications of the individuals on the OMB, their length of tenure. Some people feel that the three-year term is simply too short to try to get the best possible people. Should the members of the OMB be subject to some sort of an annual or



biannual performance evaluation? Are the OMB hearings user-friendly enough? Has it become totally a legalistic framework—realizing full well that you have to safeguard the legal rights of the individuals who appear in front of it as applicants or respondents, or simply as interested parties.

We hope, again, to bring in some reforms to the Ontario Municipal Board—I don't think it'll be this fall; it'll probably be next spring some time, to be realistic about it—to make it more user friendly. I know there are some people who want to get rid of the OMB completely, and some provinces have done that in the past, or some provinces have never had anything like the Ontario Municipal Board. But I think it's fair to say that there will always be some sort of appeal mechanism for at least the major planning decisions that are being made there.

**Ms Wynne:** Are all those changes under your purview or are some of them with the Attorney General?

**Hon Mr Gerretsen:** The Ontario Municipal Board itself operates under the auspices of the Attorney Gen-

eral, but the legislation itself falls within the domain of the Ministry of Municipal Affairs and Housing. So we were asked, in effect, to do the Municipal Act review, although an argument could be made that it should have been the Attorney General.

**Ms Wynne:** But you will be dealing with those changes?

**Hon Mr Gerretsen:** Yes. Over the years the Ontario Municipal Board has, at various times, been housed within the Ministry of Municipal Affairs and Housing and at other times within the Attorney General. That's changed a couple of times.

**Ms Wynne:** Thank you.

**The Chair:** You have four minutes left, if there are any other questions. Seeing none, I want to thank the minister and his staff.

This committee stands adjourned until 3:30 or immediately following routine proceedings on Tuesday, October, 19.

*The committee adjourned at 1756.*





## CONTENTS

Wednesday 13 October 2004

<b>Ministry of Municipal Affairs and Housing</b> .....	E-209
Hon John Gerretsen, Minister of Municipal Affairs and Housing	
Mr John Burke, deputy minister	
Mr Doug Barnes, assistant deputy minister, housing division	
Mr Bryan Kozman, project director, north Pickering land exchange team, planning and development division	

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