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

**Wednesday 7 October 2009**

## **Journal des débats (Hansard)**

**Mercredi 7 octobre 2009**

**Standing Committee on  
Estimates**

Ministry of Municipal Affairs  
and Housing

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires municipales  
et du Logement

Chair: Garfield Dunlop  
Clerk pro tem: William Short

Président : Garfield Dunlop  
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

## STANDING COMMITTEE ON ESTIMATES

## COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Wednesday 7 October 2009

Mercredi 7 octobre 2009

*The committee met at 1536 in room 151.*

### MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING

**The Vice-Chair (Mr. Robert Bailey):** We're starting with the official opposition. There are seven hours and 10 minutes left in the rotations. Ms. Savoline.

**Mrs. Joyce Savoline:** Thank you. Again, hello. How's your cold?

**Hon. Jim Watson:** A little better.

**Mrs. Joyce Savoline:** Good.

I want to go to the housing portfolio and talk about a series of three letters going back and forth between the region of Halton and the province. The first letter is probably the letter that you read some parts of, a response from Chair Carr thanking you for the initiative and the money; I think you did that a couple of days ago. You were talking about money that you were investing in Halton region for renovations and retrofits—a series of things. I think Chair Carr then responded to you and said that they were really pleased to be receiving all of these dollars. Your letter then said that further details would follow about the programs.

Then the next letter from the ministry was dated July 10, and you were saying that you were providing the service manager administration agreement, the Ontario affordable housing program extension and the social housing renovation and retrofit program information—that was fine—and said that everything had to be in by July 31. That was a very quick turnaround.

But then on September 10, it says that since you, the minister, last wrote to the chair on June 9 regarding the launch of the renovation and retrofit program, SHRRP etc.—“We are pleased to tell you that the participation to date has been outstanding. In the few short months of implementation, the ministry has received excellent response.” And then you say, “Since the regional municipality of Halton has not, as of July 31 deadline, submitted construction-ready affordable rental housing proposals to the ministry, there is a possibility that the program funds for year one may be allocated to other service manager areas with projects that are advanced and ready to go.”

You then say, “I would therefore encourage you to submit qualified proposals that you may have for AHP projects to access available funding for this year” so that

you can work together with the area on these housing projects.

I guess my concern is, having been in the municipal world, as you have, Minister, those timelines were almost criss-crossing each other and the letters were almost criss-crossing each other in the mail. Halton is a sophisticated municipality that could probably pull things together far more quickly than some smaller municipalities. How could these timelines be reasonable for working with municipalities on such critical issues and things that municipalities have been waiting for years to embark on?

**Hon. Jim Watson:** I'll ask the deputy for some further comments, but in fact, our staff at the Ministry of Municipal Affairs and Housing were in touch with the housing managers literally within a week or so after the budget was introduced in anticipation of it being passed. We couldn't prejudge that the budget would be passed, but we could send out our officials on an unofficial basis to say, “Should the budget receive Legislative Assembly approval, there's going to be a substantial amount of money. Start getting ready now for your potential programs, both in terms of renovation and retrofit and new build.”

So while that last letter you referred to I sent out to a number of regional chairs, DSSABs and wardens, for those we really hadn't heard back from, it was just to give them a gentle reminder that we would like their participation because we wanted everyone to benefit from the funding. I think, as I pointed out, under the SHRRP, the renovation and retrofit program, Halton has been allotted \$4.4 million this year and \$5.4 million next year.

Deputy, maybe you could offer a little bit more insight, but I know we have a very good working relationship with all of the service managers and our staffs have been, if not always in written communications, which has come mostly from me, they've certainly been prodding and pushing in a polite way through e-mail and through in-person meetings to make sure everyone benefits from the funds.

Deputy?

**Mr. Fared Amin:** Thank you, Minister. As you know, we are operating under some very, very tight timelines. In fact, we have to spend the money in this fiscal and next fiscal year. In addition to the formal correspondence we had with the municipalities, we actually met with them and had a number of telephone conversations.

In fact, I met with the regional CAOs, including the CAO for Halton region, very early in the process to talk a bit about how we can get ready to submit these proposals not only on the social housing infrastructure fund, but also on the broader infrastructure fund, because, as you know, some of the timelines also apply to some of those funds.

We don't deliver social housing so we rely exclusively on that relationship. In fact, the ADM of housing travelled across the province to meet with the service managers to have that conversation, to make sure they were ready so that when the letters had gone out from the minister, they could respond fairly quickly. We've had that ongoing dialog with them to ensure that they can respond fairly quickly to the correspondence.

The formal letters that you referred to were in addition to a number of telephone conversations and an in-person meeting that we had with the service managers and municipalities.

The other reason why we were insistent on getting municipalities to send us their proposals was because, as the minister said earlier, we didn't want to give any of this money back to either the federal or provincial treasuries because we wanted to make sure we spent all the money. We were urging service managers, "If you have a construction-ready project, you will get your 'notice of allocation.' If you don't, we're going to look for other municipalities that have construction-ready projects and see whether or not they can utilize some of that money."

**Mrs. Joyce Savoline:** Okay, which leads right into my next question, Deputy: Based on the timelines that were given, the exchange of letters and the comment about moving the money from the municipality that you were talking about in the letter to some other service manager area, how many service manager areas missed the opportunity for the funding? Do you have a list of those that would have liked to, but didn't make it?

**Mr. Fareed Amin:** We received submissions, if I'm not mistaken, from almost every service manager across the province. There were situations where they would approach us if they had extenuating circumstances and we were flexible in terms of giving them some leeway to submit their project. In fact, our staff was in contact almost daily with staff in the planning department or in the municipality to help them make their way through the planning process, if that's what they had to do.

I would say that we had proposals from almost all municipalities across the province, and the ones that need some extra time we actually try and accommodate as best we can, recognizing that we have fairly strict timelines.

The other point I'd like to make as well is that the year-over-year cash flow also has to follow a certain pattern. So we can't use the excess funds from this fiscal and use it for next fiscal. It has to flow this fiscal and the remaining money has to flow next fiscal. That's why we were, if you will, pushing our municipal partners to try and get their proposals in the door fairly quickly so as not to lose out on whatever funding we notionally allocated to them.

**Hon. Jim Watson:** And the reverse is true as well, that if we've had great success in one year, we can't borrow off of next year. We have to wait till the new fiscal year begins.

**Mrs. Joyce Savoline:** And another issue in all of that is that the fiscal years are different. There's a big gap, so to ask a municipality to be ready to go with the program mid-year is sometimes not realistic. Do you have municipalities that missed because they couldn't get themselves ready?

**Mr. Fareed Amin:** I don't think so. I don't think we did. The only addition I will make is that this does not require municipal contribution. So the fiscal year for them hasn't been an issue because this is provincial-federal. This is not like another infrastructure project. It's not one third, one third, one third.

**Mrs. Joyce Savoline:** No, not from a budget line item per se, but from a resource perspective within the municipality to compile the applications—everybody's down to bare bones with respect to staff, so it does become onerous within a municipality.

**Mr. Fareed Amin:** We also had our regional staff working with municipalities to help them with the application process. In fact, we did a blitz across the province where we asked our staff in the regional offices to actually have some dedicated time and resources to work with our municipal colleagues and service managers to get their application in on time. To be honest, I think we went way beyond the call of duty just to make sure that we got this money out to them as soon as we could, realizing there's a big need out there. As the minister said, this is perhaps the largest single investment in a fairly constricted time period in housing since the history of the federation.

**Mrs. Joyce Savoline:** Okay. Just for the record, I was not complaining about Halton. I was using Halton as the example because those were letters I received as an MPP in the Halton area.

I would like, then, to talk about the ODA. The question I'd like to ask is related to how municipalities are meeting the accessibility for Ontarians with Disabilities Act with respect to the construction standards. There are some—I'm going to call them "discrepancies;" I don't know what other word to use—between the AODA standards and the Ontario building code standards and also with some other pieces of legislation. So for example, municipalities will have to retrofit some—not some, but all of their buildings. But if it's a heritage building, the municipality will have to comply with the Ontario Heritage Act. Perhaps another example might be if a washroom needs to be expanded and the building must be expanded to accommodate that, it might require some zoning bylaw changes or that kind of thing. These are just a few examples.

**1550**

So my question, Minister, is whether these standards have come together in any way, and who's looking after making sure that the right hand knows what the left hand is doing, so to speak. And when all this comes together,

which legislation supersedes all the other pieces of legislation and regulations? How do municipalities work with this?

**Hon. Jim Watson:** Maybe I'll just offer an opening comment, Ms. Savoline, with respect to the built environment standard development committee, which released its proposed accessible built environment standard in July of this year. Obviously, the intent is to make buildings more accessible. The public feedback on that specific aspect of the act is going to ensure that we do meet Ontario's needs. The public review period ends on October 16, next week.

Once the committee assesses the comments and finalizes the standard, the government will take their recommendations into consideration for implementation as a regulation, and it will come back through the cabinet committee system.

The process builds on the enhanced barrier-free accessibility requirements of the 2006 building code. As you know, the building code goes through a metamorphosis every five years. We are tasked with the responsibility to make sure there are no conflicts between two different acts. The deputy, who is well versed in this, can give you a little bit more information.

**Mr. Fareed Amin:** Just to echo what the minister said, this is the responsibility of the Minister of Community and Social Services. She has responsibility for the AODA legislation. In terms of how this will all come together, the minister would be the one who would make some of those decisions, in consultation, of course, with her colleagues.

The Ministry of Municipal Affairs and Housing is participating in working groups, and the built environment is one that we're actively engaged in. We are bringing the municipal perspective to that table. A number of the recommendations coming of the working group are now being finalized, but I don't think government has actually responded to those recommendations as of yet. We're actively engaged. We're hoping to bring the municipal perspective on it. In fact, I had a chat this morning with the Ontario Municipal Administrators' Association on exactly the same question.

So we're hoping that we can reflect some of the views that you have expressed to us in terms of the Heritage Act and the Planning Act and which takes precedence and, hopefully, bring some of the concerns that municipalities have regarding accessibility to buildings to that table.

**Hon. Jim Watson:** I might also add, Ms. Savoline, that municipalities are in fact represented in all of the five different committees. This is an item that has come before the AMO MOU table in the past, so there is a dialogue going on between ourselves, AMO and the Ministry of Community and Social Services.

**Mrs. Joyce Savoline:** Okay, because I think it's a really important initiative and I fully support it. In fact, I chaired the accessibility committee at the region when I was there as chairman, and really took great pleasure in producing the master plan for how we moved forward, which brings me to a question. I guess I'm asking more

for rural municipalities or smaller municipalities that may need to do this retrofitting. The cost involved in some of this retrofitting may be prohibitive, given a lot of the other initiatives that small municipalities are faced with: a declining tax base and just costs in general.

I'm wondering if there's anything that the province is considering to help some of these municipalities that clearly can't fill the bill on some of these changes without some assistance.

**Mr. Fareed Amin:** I have the ADM here, Rob Taylor, who actually sits on the built environment working group. Rob, if you could provide some—

**Dr. Rob Taylor:** Maybe I'll just clarify a few points that may be of assistance at this time. As the deputy noted, this is an initiative that is being led by the Ministry of Community and Social Services. Just to give you a little bit of background, because I think it's important to understand and appreciate the various components, there are five separate groups that are working on separate standards. They each have a standards development committee. The one that the Ministry of Municipal Affairs and Housing is leading on behalf of the province is the built environment. I think that's the one you're referring to, but there are other ones dealing with transportation, employment etc. For the built environment, as the minister noted, it went out for public review in July and that closes October 16.

What this standard development committee has done is it has actually gone beyond what it originally was looking at. Originally, it was looking at the built environment to see what could be done on a go-forward basis. That's really how the building code works as well. It looks at new construction and major renovations. It was an opportunity to see, on a go-forward basis, what we could instill, in terms of standards, into the built environment. The committee also made some recommendations towards retrofit and single-family housing. Again, those were two elements that were not in the original terms of reference.

What was noted as that went out for public consultation was that the government did not want to play with the recommendations or the draft report of the standards development committee but recognized that both of those elements, retrofit and single-family housing, would be dealt with at a later date. They weren't being considered by government at this time. Okay? The whole business around heritage buildings, single-family homes or existing businesses and homes etc. is not being considered at this time.

**Mrs. Joyce Savoline:** I'm talking more about municipally owned buildings.

**The Chair (Mr. Garfield Dunlop):** Just a minute left.

**Mrs. Joyce Savoline:** Thanks.

**Dr. Rob Taylor:** The same would be true. What is being considered now is on a go-forward basis. Any new buildings or major renovations are really what we're looking at now.

The other thing to appreciate is that there are really two components here as well. The first one is dealing

with what would be considered in the built environment, and that's what the building code deals with. There are other elements that are being considered in terms of open spaces, streetscapes, walkways and things of that nature. There are recommendations in there for the built environment, but that—

**Mrs. Joyce Savoline:** But if the municipality finds that this is onerous, is there a program that the province is thinking of to move this initiative forward and help pay for these things? That was my question.

**Dr. Rob Taylor:** Okay, I was just trying to give you a background of where we're dealing with retrofit etc. Right now, none of that has been part of the package because it's just coming through. One of the other elements that has been part of the process is doing a costing analysis. Of course, that's sort of been done on a preliminary basis because you don't know what to cost until you've determined exactly what standard you want to move forward on. That will be part of the process, so we're not really sure of what all the costs will be, but certainly government has recognized that that's what it wants to do once it has been able to set the standard, move that forward, and then do a further cost analysis and appreciation of what, actually, all the costs will be.

We should appreciate that for many of the things we're talking about here, really, there's a nominal cost or no cost at all. It's what size the door is and things of that nature that can actually be incorporated into design. The preliminary cost analysis said that on average, it would be about 4.5% across the board, not including retrofit or those other things that weren't being considered.

**The Chair (Mr. Garfield Dunlop):** We'll now move over to the third party. Mr. Hampton, you have 20 minutes.

**Mr. Howard Hampton:** I have some general questions about housing. CMHC defines housing affordability as spending less than 30% of before-tax income on rent. I wonder if you can tell us, today in Ontario, what percentage of Ontario tenants pay more than 30% of their before-tax income on housing?

**Hon. Jim Watson:** We'll get that for you at a later date. We don't have it now.

**Mr. Howard Hampton:** Do you have statistics for last year, 2008?

**Hon. Jim Watson:** We would have those statistics. We don't have them with us.

1600

**Mr. Howard Hampton:** Because I'm told that in 2006, 44.6% of Ontarians paid more than 30% of their before-tax income on housing.

The second question: Could you tell me how Ontario ranks in terms of affordability of housing in comparison to other provinces?

**Hon. Jim Watson:** Deputy, do you have a—not to use an excuse, but our ADM of housing is on sick leave, and we'd be delighted to have Dana Richardson at the table, who is acting. We may not have the specific answer to that specific question. We will undertake to get it to you.

**Mr. Howard Hampton:** Okay. It's unlikely you would have the figures for this year because we're only two thirds of the way through the year, so the figures for 2008, because I note that in 2006, according to Statistics Canada, Ontario had the second-worst ranking in terms of affordability of housing in comparison to other provinces.

Next question: What proportion of Ontario tenants pay more than 50% of their income on rent?

**Hon. Jim Watson:** We'll attempt to get that answer for you.

**Mr. Howard Hampton:** The figures for 2008?

**Hon. Jim Watson:** If they're available, we'll get them for you.

**Mr. Howard Hampton:** Well, if not 2008, then the latest figures you have available, because in 2006, StatsCan said it was one in five in Ontario who paid more than 50% of their income on rent.

Next question: What percentage of Ontario homeowners pay more than 30% of their income on mortgages?

**Hon. Jim Watson:** Same strategy: We'll get back to you.

**Mr. Howard Hampton:** Okay, and again, the latest figures you have.

Next question—and this is a supplementary to the last one: How does Ontario rank amongst the provinces in that category? Because I note that in 2006, Ontario was second-worst.

Next question: How has this category changed over the last 10 years? Has it remained constant, has progress been made or are we sliding back?

**Hon. Jim Watson:** Well again, we'll get you the specific answer, but I can comment on what we have done as a government since taking office in 2003.

As you know, the previous government downloaded the responsibility for housing to the municipal sector. As a result, for many years, for close to eight years, we were not in the housing business at all. I was very pleased that in 2005, we signed an agreement with the former federal government that invested \$734 million in affordable housing, which was the largest investment in affordable housing to that point.

Subsequent to that, we've committed an addition \$100 million in 2008 for repair and rehabilitation of existing housing stock, plus we earmarked \$622 million in the last provincial budget, which was matched by the federal government to the tune of a total of \$1.2 billion. Of that \$1.2 billion, over the next two years—which, again, is a record amount of money spent on affordable housing in that set period of time—we hope to rehabilitate 50,000 social housing units and build 4,500 new units. The expectation is that that construction activity, because housing is very labour-intense, will create 23,000 jobs over the course of the program. Of that money, the vast majority—\$704 million—will be spent on housing repair and retrofit. The housing program extension will take up the additional \$540 million.

Of the AHP extension—as you may know, we weren't allowed to alter the original premise of the agreement because they wanted to get the money out the door for economic stimulus reasons, but that includes home-ownership dollars and a special emphasis on low-income seniors and persons with disabilities.

**Mr. Howard Hampton:** Maybe you could tell me this, then: How many Ontario households are on a social housing waiting list?

**Hon. Jim Watson:** There are approximately 126,000 in the province.

**Mr. Howard Hampton:** And that's as of when?

**Hon. Jim Watson:** I believe a couple of months ago was the last time I saw a figure.

**Mr. Howard Hampton:** One hundred and twenty-six thousand?

**Hon. Jim Watson:** Yes.

**Mr. Howard Hampton:** Can you tell me, is that number increasing or declining?

**Hon. Jim Watson:** I believe, correct me if I'm wrong, it is increasing.

**Mr. Howard Hampton:** In the figures we have it's an increase by 4.2% over January 2008.

**Hon. Jim Watson:** I don't know if Dana has a figure on that. Let me just see if I have—

**Ms. Dana Richardson:** We have that information from the ONPHA 2009 report, and that is the number that they have established.

**Mr. Howard Hampton:** Thank you. According to the Ontario Non-Profit Housing Association, 64% of housing agency service managers believe that long wait times discourage people from submitting applications. In other words, there are people out there who need housing, but when they see the wait time, they simply say, "What's the use?" In other words, they believe the figure that you've given actually understates the number of people waiting for assisted housing in Ontario. Do you agree that official waiting list numbers underestimate the total number of households waiting for affordable housing in Ontario?

**Hon. Jim Watson:** We don't have any information that would back that up. I suppose you may have some anecdotal information, but I think if someone wants to get affordable housing, regardless of the size of the wait-list, the wise thing to do would be to put their name on that list. It's one of the reasons why we recognize there's a need for a long-term affordable housing strategy, which we are in the midst of wrapping up the public consultation on, and our hope is, working with groups like ONPHA, Habitat for Humanity, the co-op federation of Ontario and others, that in fact we can work diligently to get that number down substantially over the course of the long-term strategy.

The other point to keep in mind is that I think various service managers have done a very good job at working to make sure there is not the kind of duplication that perhaps was seen more often in the lists. There's more computerization, so individuals are not going from one jurisdiction to another and putting their name on the list and inflating the size of the list by being on several

service managers' lists. I think they deserve a lot of credit, and ONPHA has been very helpful in making sure that that information and best practices are shared. I certainly heard that at their conference last year and I look forward to speaking with them again this year.

**Mr. Howard Hampton:** According to the Wellesley Institute, Ontario has the largest housing supply deficit of any province in Canada, where housing deficit is the gap between the need for new housing as measured against construction starts. Would you agree or disagree with that assessment?

**Hon. Jim Watson:** I'd have to go back and look at some statistics to verify whether that, in fact, is true, but we recognize there is a need for additional affordable housing, and that's why we signed the AHP agreement with the federal government several years ago. That's why Minister Duncan put \$622 million into affordable housing. I know one of your colleagues called that a pittance or crumbs; I don't. I think it's a significant amount of money. I know the sector was particularly pleased with the work that provincial and territorial ministers did to get the federal government back to the table with money so that we could start building more houses. Over the course of the next two years it's our goal, working with our service managers, municipalities and the not-for-profit and private sectors, to see us deliver 4,500 new affordable housing units in addition to repairing and rehabilitating 50,000 more, so it gives people a more pleasant, safe, affordable housing option to live in.

**Mr. Howard Hampton:** In line with that, the Wellesley Institute also says that Ontario has the largest number of households in core housing need who are also in housing that is grossly substandard. Do you agree or disagree with that assessment?

**Hon. Jim Watson:** I can't comment on the validity of whether we are the worst or second-worst. I can tell you that one person in Ontario living in substandard housing, whether it's at Toronto Community Housing or Ottawa housing or in a not-for-profit, is one too many. That's why Premier McGuinty did announce a year ago, with Deb Matthews and I, as a prelude to the poverty reduction strategy, a \$100-million investment to repair and rehabilitate housing.

**1610**

I think, Mr. Hampton, you probably saw the stories in the Toronto media of 50 uninhabitable units at TCHC, and probably another 200 that could be on that list, that were in such terrible and deplorable shape that people couldn't live in them, so they were in essence taken off the list, which meant that people waiting for housing would have to wait even longer.

So the \$100 million saw an investment in Toronto of a little over \$36 million in 2008, and in Ottawa, I believe the share was approximately between \$8 million and \$9 million. I know the vast majority of that money has probably already been spent by now. We look forward to getting more money into the field to fix up and repair close to 50,000 other units.

**Mr. Howard Hampton:** The Wellesley Institute also says that Ontario has the largest number of households in core housing need who are in overcrowded conditions. In all of Canada, Ontario has the largest number of households in core housing need who are in overcrowded housing conditions. Do you agree or disagree with that assessment?

**Hon. Jim Watson:** If you would be good enough to send me a copy of the report, we could have it analyzed. I can't give you a blanket statement because I don't know what the situation is in BC, Alberta, Nunavut or the Northwest Territories.

I do know that one of the challenges that we keep hearing during our long-term affordable housing strategy consultation is that we need to invest in larger units, particularly because a number of new Canadian families that arrive in Canada traditionally have a larger family size than the traditional Canadian family. There are lots of bachelor and one-bedroom and two-bedroom apartments but obviously not enough for those individuals who have a number of children.

**Mr. Howard Hampton:** I wonder if you could answer this question: How does Ontario rank, compared to the other provinces, in terms of provincial investment in housing?

**Hon. Jim Watson:** I don't know, Dana, if you—we'd have to go back and compare that to all the other provinces and do our best to get back to you.

I think you have to take into account that it's not an apples-to-apples comparison. Ottawa, and Toronto in particular, have the largest influx of immigrants and new Canadians who, more often than not, do require affordable housing options. So to compare us to any other province, it really is night and day.

So, maybe on a per capita basis, there may be some justification for those figures, but I think you also have to take a look at the sheer size of our province, the vast geography, the number of new Canadians who arrive here and the number of Canadians who travel here for economic opportunities, because we're traditionally viewed as a lower-unemployment jurisdiction than perhaps some of our other provinces and territories. Obviously the demand is greater.

**Mr. Howard Hampton:** Statistics Canada says that Ontario ranks last in terms of provincial investment in housing.

**Hon. Jim Watson:** Then why did you ask the question?

**Mr. Howard Hampton:** You're the housing minister. I wanted to see if you knew.

**Hon. Jim Watson:** Well, we get the information, but if you have the information, you should provide it to us. We can't anticipate every single question you're going to ask us.

**Mr. Howard Hampton:** I wonder if you could tell us: How has the provincial government's per-capita investment in housing changed over the past 10 years?

**Hon. Jim Watson:** We'd be pleased to get that for you. Obviously, if you look prior to our government

taking office, it was relatively low because there was no money invested. We've signed the agreement with the federal government to the tune of over \$700 million and another \$622 million, so it's obviously gone up substantially over the term of our time in office.

**Mr. Howard Hampton:** In fact, StatsCan says that provincial housing investment in Ontario on a per capita basis is the worst of any province or territory in Canada. I wonder, how does Ontario compare, in terms of investment in housing, to the federal government.

**Hon. Jim Watson:** Well, I don't have the federal government's stats. You may have them, but I'm interested in Ontario's performance. I'm proud of the fact that this government has performed to secure two deals with the federal government. The previous government was not able to do that. We are seeing houses being built and we're seeing rent supplements being delivered. We're seeing home ownership programs that have brought great joy to hundreds of families in the province of Ontario. We have over 35,000 people with rent supplements, so I'm quite proud of our track record.

Could we do more? Of course. But these are solid numbers. When one of your colleagues calls \$100 million "crumbs," I think that's an insult to the service providers who are doing their best to provide affordable housing options for the people of this province. In my books, \$100 million is a lot of money.

**Mr. Howard Hampton:** In fact, Statistics Canada says that Ontario's investment in housing on a per capita basis is even worse than the federal government's per capita investment in housing.

But I wanted to ask you this: If you look at agencies like the Wellesley Institute, which deal with the question of the housing supply deficit—and they say it's the worst in Canada—and then if you look on the other hand at the investments, which are either the worst in Canada or the next-to-worst, as measured on a per capita basis, it would seem that Ontario has the biggest housing problem in Canada and yet has the worst investment record in the country.

**Hon. Jim Watson:** I think if you'd ever been to a federal-provincial-territorial housing ministers' meeting, you would see that the work that we've done compared to some of the other jurisdictions in this country is really quite enlightening. There is a housing crisis in every part of this country, including Alberta. I had a good chance to talk with the Alberta housing minister, with the territories, where obviously costs are quite prohibitive to build new housing, and we have worked hard as a province to lead the way to ensure that the federal government understands that housing is an important part of the national agenda. I would hope that you would join us and have your leader in Ottawa, Mr. Layton, put some effort and attention into creating a national housing strategy, just as we're in the process of developing a long-term affordable housing strategy. I know the other provinces and territories are seeking out our advice and asking how our process is going because they're interested in developing long-term affordable housing strategies, and I believe that

we have, so far, developed the best practice model in terms of consultation. We look forward to writing the report over the course of the next year.

**The Chair (Mr. Garfield Dunlop):** Something kind of quick there. There's about just less than a minute.

**Mr. Howard Hampton:** The other question I wanted to ask you is this: Overall, on the operating side, the Ministry of Municipal Affairs and Housing is estimating spending at \$738 million, a 5% cut from last year's estimates. Almost all of this cut is coming from the affordable housing program. Why, when Ontario is facing deep housing problems, with the recession generating growing joblessness and even more housing insecurity, is Ontario cutting back on its already low support for affordable housing?

**Hon. Jim Watson:** I'll ask the deputy to give you a more detailed answer, but one of the issues that we've dealt with is the ROOF program, which is rental opportunities for Ontario families, where we were not able to spend as much on the supplement program because we didn't have the applications, even though we went out twice—we worked with the Canada Revenue Agency to develop a mailing list of those individuals who met the criteria of ROOF. In fact, we fell short of applications.

You can't force people to apply, and that's one of the reasons why there was some underspending in the housing portfolio—

**The Chair (Mr. Garfield Dunlop):** Yes, Deputy, I think we'll let you start your answer at the beginning of the next round. We're already quite a bit over. We'll go now to the government members and Mr. Ramal.

1620

**Mr. Khalil Ramal:** Minister, welcome back to the committee. I have several questions.

As you know, Minister, many jurisdictions around the globe are concerned about global warming and climate change. Every nation, I guess, responds in different ways and puts different mechanisms in place to deal with this issue.

In Ontario, as part of our dealing with climate change, we're trying to preserve our nature and our climate by creating green space. Shortly after the election of 2003, we announced the greenbelt in the province of Ontario, which is considered by many as the biggest act of conservation in Canada and maybe around the world. To a certain degree, it's probably bigger than many different nations around the globe.

I still remember the debate around this issue. That debate took a long time, and many people came and presented and voiced their concerns. Some people supported this initiative and some others didn't support the initiative. Many municipalities complained and many municipalities welcomed this. Definitely, the environmental supporters and fans came and supported the government initiative in this regard. But there still remain a lot of technicalities to be solved in this issue.

Not a long time ago, I heard that you—your ministry, as a matter of fact—were trying to grow the greenbelt. In

your opinion and the opinion of the ministry, that greenbelt we have right now is not big enough, even though this greenbelt we have now in the province of Ontario is bigger than many different nations on the planet. Can you tell us why you want to grow it, and for what reason? Will that growth get the support of the communities and people in this province? Will it benefit us as a province and as people who believe strongly that we are the guardians of the land and think that it is our obligation and duty to preserve it for future generations as we got it from our ancestors, trying as much as possible to enhance it and provide a good future for the next generation?

**Hon. Jim Watson:** Thank you very much, Mr. Ramal. I'm pleased to talk about the greenbelt.

When I look back on my time as an MPP, the two pieces of legislation I'm most proud of—and I have some responsibility for both of them in an indirect way—are the Greenbelt Act and the Smoke-Free Ontario Act.

As we all look back on our own political careers, you think of those decisions you've made or those bills you've passed, sponsored or implemented, and you look back and you say, "These are the ones that I think will do an awful lot of good for future generations"—the Smoke-Free Ontario Act for obvious reasons. When people go into a restaurant today and they don't have to be asked, "Would you like the smoking section or the non-smoking section?" or you don't have to breathe in someone else's smoke in a bar or restaurant or banquet hall, that's a good thing.

The Greenbelt Act similarly: If we were to leave the planning to those people in the development industry, I suppose they'd keep some green space, but they would like to bulldoze as much as possible to create development opportunities, economic wealth and so on. I doubt very much that they would ever, in 100 years, protect 1.8 million acres of green space, basically in the greater Golden Horseshoe, roughly from Peterborough in the east all the way to the Niagara Peninsula.

When you look at that map, which I have in my office, you see things like the tender fruit lands of Niagara, which I know Mr. Craitor is very familiar with, and you see the Holland Marsh. Ironically, last night, the Speaker hosted a reception for those restaurants and facilities that use greenbelt produce, which was a wonderful opportunity to promote the greenbelt. This morning, a number of us were at a breakfast hosted by the Holland Marsh farmers. The Holland Marsh, of course, is an important part of the greenbelt. Protecting 1.8 million acres of land, which, as you know, is the size of Prince Edward Island, I think was a very visionary move on the part of the Premier and the government. That is land that is going to be protected in perpetuity for farming, for recreation and for the kinds of things that I think all of us would like to see future generations be able to enjoy.

In my hometown, we have a greenbelt as well, and we often refer to it as the emerald necklace of Ottawa because it surrounds Ottawa. Regrettably, Mr. Gréber, who was a French planner who helped plan the capital

with the assistance of the Right Honourable Mackenzie King, did not put in a growth plan at the same time. So, you have in Ottawa this unfortunate situation of this greenbelt but enormous leapfrog development taking place, whereas, in our greenbelt, it was put in place in tandem with a growth plan that brought some semblance of order to growth so that you don't have the kind of leapfrog development that you do have in Ottawa.

When you speak to outside experts—not ourselves; we're obviously biased in our appreciation and support for the greenbelt, but a group like the David Suzuki Foundation, they estimate that the ecological services and benefits provided by the greenbelt are valued at \$2.6 billion each year, and that's the approximate cost. The eight million residents in the greater Golden Horseshoe would have to be paying for clean water, scrubbing emissions going into the air and artificially pollinating crops. Friends of the Greenbelt Foundation president Burkhard Mausberg says that amounts to over \$10 billion in benefits since the greenbelt's inception.

I think the public is very much onside with us. There was a poll done by Environics conducted for the Friends of the Greenbelt Foundation, and they found that 93% of Ontarians support the greenbelt. I think any of us who have been to activities—I know there's the Tour de Greenbelt, which is a bicycle race, and there are other activities that are taking place in the greenbelt—recognize that this is something very special in the province of Ontario. Whether it's the Premier's initiative to protect a great swath of the boreal forest in the north or the work he has done with respect to implementing the Clean Water Act and legislation on the greenbelt, these are all parts of the puzzle to ensure that we pass on to the next generation an environment and an economy that's in better shape than we found it. I'm fond of quoting the founder of the modern-day Scout movement, Sir Baden Powell, whose simple philosophy on life was, "Always leave the campsite in better shape than you found it." When we look at the greenbelt, we are leaving the campsite, and in this case the province of Ontario, in better shape than we found it.

We undertook in 2003—we made a commitment in our campaign platform that we would create a greenbelt. We've done that. In 2007, we made a commitment that we'd bring in a process to expand the greenbelt, and in fact we've done that through regulation. We went about and consulted throughout the province. I took part in one of those consultation sessions, and we developed a series of criteria that were required in order to expand the greenbelt. We have said and I have said very clearly that under no circumstances are we going to shrink the greenbelt. If anything, it's going to grow.

The criteria must address six specific areas, and they are:

- (1) must come from a single or upper-tier government and is supported by a council resolution;
- (2) increases the greenbelt;
- (3) achieves the vision and meets at least one goal of the greenbelt plan;

(4) includes a natural heritage, agricultural or water resource system of a type consistent with and protected by the greenbelt plan;

(5) complements the growth plan for the greater Golden Horseshoe area; and

(6) complements other provincial policies, for example, clean water, GTA transportation and the like.

We also demonstrated our ongoing commitment to the greenbelt by dedicating an additional 1,500 acres of significant natural land to Rouge Park in February 2007. In the same month, we transferred 20 acres of environmentally sensitive land to the city of Burlington, which increased the size of Hidden Valley Park by 42%. In October 2006, we donated 180 acres of provincially significant land to the Hamilton Conservation Authority to create a new conservation area. We've done some very good work with the Greenbelt Foundation, which is tasked with promoting the greenbelt throughout the province of Ontario.

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I think, when you look back on the accomplishments of the greenbelt—and I want to thank the chair of the Greenbelt Council, who reports to me, Dr. Robert Elgie, a distinguished former member of the Ontario Legislature.

I just wanted to, if you'd give me a moment, list some of the awards that the greenbelt has benefited from. In 2005, the Greenbelt Task Force was awarded an urban leadership award from the Canadian Urban Institute to recognize the recommendations that formed the basis of the greenbelt plan. In April 2007, the Environmental Commissioner's office presented a special award to the Ministry of Municipal Affairs and Housing, nine other ministries and the Niagara Escarpment Commission for their contributions in establishing the greenbelt. In June 2007, the Canadian Institute of Planners, CIP, awarded the greenbelt plan the 2007 award for planning excellence in the category of environmental planning. I could actually go on for some time, but I won't take up your time—but it's to tell you how proud we are of the greenbelt. It's regrettable that not all members of the House supported the greenbelt, but it got a majority vote, and we're very proud of the greenbelt, the Greenbelt Council, the farmers who are farming the fields.

In conclusion, I've noticed in my own hometown the amazing number of new farmers' markets that have sprouted up over just the last two years or so. There are now markets at Lansdowne Park. There's a market in Cumberland. There's a market in Vanier now—of course, the Byward Market, the Parkdale Market. There are also markets in Old Ottawa East on Main Street in Stittsville. The farmers' markets in North Gower and Metcalfe and Carp have been around for a while. I'm sure I've missed some of them. But they're excellent examples of entrepreneurship by farmers and the community rallying together because people want fresh produce. You can't have fresh produce when it's on a truck coming from California, but you can get fresh produce if it's grown locally, and it's grown locally only because you have

protected and preserved prime farmlands. That's what the greenbelt is all about.

**Mr. Khalil Ramal:** Thank you, Minister. How is your plan to grow the greenbelt going to affect many different municipalities and communities? How do you see the working relationship between your ministry and other municipalities who have the right, by law, to do planning for their towns and communities?

**Hon. Jim Watson:** As I indicated, in order for the greenbelt to expand into any jurisdiction, we must receive a resolution, passed by either a single-tier municipality if it's a single-tier government or the upper-tier government, namely the regional government or the county government, that has the support of the majority on that particular council.

We have had some inquiries by municipalities. For instance, I met with the mayor of Oakville. He is quite enthusiastic about wanting to grow the greenbelt within his jurisdiction. In his case, I believe he would have to have the regional government's support as well, which is in Halton.

This is not being forced upon any municipality, but it's very much in a spirit of co-operation; that if a municipality does want to grow their greenbelt, they have to follow the six criteria that we laid out. We think it's a fair, reasonable approach to expanding this important ecological part of our province.

**Mr. Khalil Ramal:** Thank you, Minister.

How much time do I have left?

**The Chair (Mr. Garfield Dunlop):** You've got about six minutes left.

**Mr. Khalil Ramal:** Good.

Minister, I have important questions. As you know, the building codes in the province of Ontario and many different municipalities are very old. Many people talk about changing the building code. I know that Mr. Prue, at one time, introduced a bill about the fire code, which would have banned wooden—

**Mr. Michael Prue:** Fire escapes.

**Mr. Khalil Ramal:** Yes. Also, my colleague Linda Jeffrey introduced a bill about sprinklers. I know this creates a lot of debates, whether it's your bill, Mr. Prue, or Mrs. Jeffrey's bill. It's still being debated in many communities. Some people support the bill and some people don't. I had a chance to meet with the builders' association. I guess, Minister, they came and talked to you many different times about their objections to this initiative. I know many of us support it and fire departments support it for many different reasons. Of course, everyone has logical and scientific reasons for whether to support it or not support it.

I know you are going to do some kind of changes in this regard. Can you explain to the committee what you're trying to do, how you're going to implement such a bill or such rules to make sure all the building codes are being taken care of and the residents and the people who live in those homes or dwellings are safe, and, especially if a fire happened, there is a system in place to deal with it?

**Hon. Jim Watson:** Thank you for the question, Mr. Ramal. I certainly know Mr. Prue has an interest in this through his private member's bill and I also want to commend our colleague Linda Jeffrey, who has been very persistent in pushing the issue of fire sprinklers in homes.

We have brought forward an amendment that comes into effect on April 1, 2010, with respect to fire sprinklers now being required in new multi-unit residential buildings over three storeys in height. In addition, the amendment generally replaces some building code requirements that acted as alternatives to sprinkling.

The new requirements apply to construction under building permits applied for on or after April 1, 2010. We certainly received kudos from various fire officials and fire chiefs and so on. While some in the building industry were not supportive, they now have to comply with the new building code as of April 1, 2010. Requiring larger multi-residential buildings to be sprinklered will make safe buildings even safer and will bring Ontario's requirements generally in line with the model National Building Code of Canada and the codes in force in other Canadian jurisdictions. So in many ways, we were playing a little bit of catch-up.

This is dealing with buildings that are over three storeys in height, intended for apartment buildings, in essence; you can have a small apartment building but it's not intended for a stacked townhouse, for instance.

From our perspective, we think this is good public policy and we give enough time—people would say, "Why didn't you implement it sooner?" but we want to give enough time so that those people who are building condos or apartments or four-storey apartment buildings have enough time to change or alter their plans before they're finalized and before they apply for their building permits on or after April 1, 2010.

**Mr. Khalil Ramal:** I know the building code—

**The Chair (Mr. Garfield Dunlop):** Less than two minutes now.

**Mr. Khalil Ramal:** Okay—is not unified across the province of Ontario. Different municipalities have different codes, different requirements. I'm not sure, when you were a minister, when you got elected, if you tried to unify the rules and requirements across the province of Ontario.

Can you tell us how best, in your opinion as a minister, to bring in such a building code that can unify the whole province and can be governed by one rule?

**Hon. Jim Watson:** Sorry, can you repeat the question?

**Mr. Khalil Ramal:** We're talking about building codes. Different cities have different requirements. You are about to bring change to the building code in order to create a system for the whole province.

**Hon. Jim Watson:** This is a provincial mandate. Rob Taylor can answer more specifically, but the building code is the responsibility of the Minister of Municipal Affairs and Housing and the municipalities have the responsibility for adhering to the building code and inspections on the ground. Then there is also a national

building code and I believe, if I'm not mistaken, Mr. ADM, that this now brings Ontario to the same level as every other jurisdiction that requires sprinklers in buildings over three storeys.

**Dr. Rob Taylor:** Yes. It would be consistent with the national building code as well, for that particular standard.

**Mr. Khalil Ramal:** So it would be unified with other provinces. It would be the same law that applies in Ontario applies everywhere in the whole country.

**Dr. Rob Taylor:** Yes.

**Hon. Jim Watson:** That's right, for buildings over three storeys. That's correct.

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**The Chair (Mr. Garfield Dunlop):** Thank you very much, Mr. Ramal. We'll now go to Ms. Savoline for the official opposition.

**Mrs. Joyce Savoline:** Thank you, Mr. Dunlop.

**The Chair (Mr. Garfield Dunlop):** Thank you.

*Interjection.*

**Mrs. Joyce Savoline:** You had to be here yesterday.

I want to talk about volunteer firefighters, something that I know in Burlington we value extremely, not just for the risks that they take and the heroism that they perform, but also, quite frankly, because they do it for a pittance and they're volunteers. It really helps communities in their bottom line when volunteer firefighters are either the whole firefighting service or it's a composite.

In May 2007, the House unanimously passed the presumptive legislation, and I believe it was first talked about in the House by the New Democratic leader now, Andrea Horwath. The government pursued that initiative and brought forward the presumptive legislation. A great thing: no argument with it at all. In fact, I fully support it. Full-time firefighters are provided this extra coverage for up to eight kinds of cancer, and also if they suffer a heart attack within 24 hours of fighting a blaze.

At the time, the government committed to include volunteer firefighters in the presumptive legislation, but to date nothing's happened. Your government hasn't acted on that to provide that same kind of protection to the men and women who are doing the same kind of job as full-time firefighters. Is it something that you and your government are considering in the near future? This would be of huge importance, especially to small and rural municipalities, where volunteer firefighters are predominantly the service that fights fires. Given the precedent set by the presumptive legislation, the municipalities may find themselves on the financial hook for anybody who uses the full-time firefighter presumptive legislation as a precedent. Are you any time soon going to be providing this same protection to the volunteers as you do to the full-time firefighters?

**Hon. Jim Watson:** Thank you, Ms. Savoline. As you know, that particular piece of legislation was introduced by the Minister of Labour. The other minister who has responsibility for the relationship with the firefighters, both volunteers and full-time, is the minister of public safety. So I can tell you, from the municipal affairs and

housing point of view, that the issue you've raised is going to be discussed tomorrow at our monthly MOU meeting; it's on the agenda. I can't prejudge what AMO is going to say and so on, but if there are other specific questions with respect to possible government action, it would fall under the Minister of Labour or Minister Bartolucci.

**Mrs. Joyce Savoline:** And I understand that, Minister. However, as the voice for municipalities within cabinet—I know that this is of great concern to the small and rural municipalities—it would behoove you to speak on their behalf to make sure that they're not left on the hook for the huge financial exposure that may—and probably will—come their way as a result of the labour minister not extending the same protection to the volunteer firefighters as there is for the full-time firefighters.

**Hon. Jim Watson:** That's one of the reasons why we're pleased that the item's on the MOU table tomorrow.

**Mrs. Joyce Savoline:** Yes. Okay.

Investing in Ontario: When this was first brought out, in the first year, there was a split of money, and I think we talked about this on one of the first days of questioning, consistent with the provisions that were required when the province transferred the payment to the municipalities, whatever those amounts are.

The province also created criteria that said that you had the right to recover funds if the monies were not used for capital purposes. It included a requirement for a report on the use of funds and the planned communications, I guess, whereby municipalities would include the fact that the province had given them the money to do a certain project. Could you advise me, Minister, if any funds have been recovered by your ministry from a municipality that didn't use it or didn't use it properly, and which municipalities those may have been?

**Hon. Jim Watson:** I will refer that question to the Minister of Finance, because it's the Minister of Finance who administers the investing in Ontario program.

I know it was very well received by the municipal sector. In your case, your community of Burlington received \$7.3 million, which I'm sure they've put to good use and spent it all. I think they are like us with the federal government: They don't want to send any of the money back, I suspect.

On the report-backs that were required by the Ministry of Finance, we can certainly determine if any of the funds have been received, so we will pass that inquiry on to the Minister of Finance.

**Mrs. Joyce Savoline:** Thank you. The Ontario disaster relief assistance fund: There's a public component and a private component to that fund. In the 2008-09 year, \$4.5 million in disaster assistance went to about nine northeastern and northwestern communities in Ontario. Most of that, I think, was to recover from the summer storms that we've been experiencing of late. It doesn't appear in public accounts, so it's unclear how much is allocated to the program each year. In 2008-09, \$4.5 million was provided to these nine communities.

Could you please list for me which nine communities and what were the natural disasters that affected them?

**Hon. Jim Watson:** Sure. The figure that we include in the budget is a placeholder figure, I believe, of \$1,000 because you never know how many you're going to have to fund. The requirement is that we go to Treasury Board when I've declared an area a disaster area for the purposes of ODRAP.

I can go back to 2008-09, if you'd like, and list those for you, with the amounts. These are all for flooding, this first group in 2008-09: the municipality of Neebing, \$455,000; the municipality of Oliver Paipoonge, \$126,214; township of Connee, \$162,890; township of Dorion, \$55,442; township of Gillies, \$214,199; township of O'Connor, \$728,499; and the township of Shuniah, \$51,546. For that particular incident, it was \$1.793 million. The next one, flooding in townships of Bonfield and East Ferris, was \$2.47 million; that was as a result of an event on August 5, 2008.

The government also provided \$300,000 to Haldimand county and \$100,000 to Chatham-Kent towards private ODRAP assistance, and fundraising is currently under way with those municipalities. In June 2008—sorry, that's the one I just referenced.

**1650**

Those are the ones that have been approved, and then there are a number of others that are pending. I can tell you, for instance, we have agreed with the Town of the Blue Mountains, the municipality of West Grey and the municipality of Grey Highlands, as a result of a severe storm and tornadoes, that we will provide funding, but we don't have a figure yet because they've just started their fundraising. It's the same with the township of McNab/Braeside for flooding from July 24. That was the same situation. They're in the midst of their fundraising, so we won't know the final count until they submit it.

**Mrs. Joyce Savoline:** Of all the municipalities that applied, were some denied? How many and who are they?

**Hon. Jim Watson:** Yes. Hamilton and Sudbury were the most recent that were denied from their incidents on July 26 in Sudbury and July 26 in Hamilton.

**Mrs. Joyce Savoline:** Going to the private sector, over the past two years how many small businesses and working-farm farmers applied for assistance under ODRAP? How many applicants actually received the funding? What was the amount and how many were denied?

They're basically the same questions as the previous question, but now for small businesses and working farms.

**Dr. Rob Taylor:** Maybe I'll just explain a little bit. The ODRAP program, disaster relief assistance program, is managed through the municipality. What we do is we work directly with that municipality, and they will, along with ourselves, go out and assess private damage that is uninsured. So we don't cover insurance coverage. In those instances, they will go out in each situation, they will set up a disaster relief committee, and then we will

provide funding up to 2 to 1 to whatever they raise to cover up to 90% of the costs that are uninsured.

Each situation is a little bit different. It will be the municipality that will have a lot of the details of who they've been engaged with, and people have to apply through that local municipality.

**Mrs. Joyce Savoline:** Okay, so you wouldn't have any of that information?

**Dr. Rob Taylor:** We can endeavour to get the individual information, if it's on specific events.

**Mrs. Joyce Savoline:** Okay. I want to move on, then, to the business continuity planning. I guess we're embarking on our flu season now. In the event of a disaster or a pandemic, it will be essential for all our local municipalities to continue to provide the essential services. We all know what those are: They're water, sewer, police, certainly fire, and in a lot of cases, probably the social service staff who are seeing people in crisis. Crisis doesn't wait for a pandemic to be over; it's immediate. These municipalities have to have a complete disaster recovery or business continuity plan.

Some of these plans can be expensive to put in place, and again, I'm talking a little less about the more sophisticated municipalities, a little bit more about the smaller and more rural municipalities. Given that they would be more stressed in a situation, will your ministry begin to fund the completion of these plans so that all municipalities are ready in the event of a disaster or a pandemic?

**Hon. Jim Watson:** It's not our intention, through our ministry, to fund that work at the municipal level, but the prime responsibility for the planning obviously falls to the Minister of Community Safety. I can certainly relay your question to him, but we don't have a provision in our budget to provide that help. We obviously have regional offices that are more than willing to work as liaisons with the Ministry of Community Safety to help smaller communities, but by and large, that lead ministry is the minister of public safety.

**Mrs. Joyce Savoline:** Again, municipalities look to you for the help, and that's why I asked you the question.

Is there consideration for, or perhaps is there a template for putting such a plan together that municipalities can work from?

**Hon. Jim Watson:** Deputy, are you aware of a template? I know that I sit on the emergency management committee of cabinet and we have been having, obviously, a series of meetings dealing with the potential of a pandemic, but since we're not the lead on it, I'm not sure if we're the ones who are putting together those templates for municipalities. Deputy?

**Mr. Fareed Amin:** Thanks, Minister. We're working very closely with our colleagues at the Ministry of Community Safety and Correctional Services to ensure that the municipal component gets addressed. We're also working closely with Emergency Management Ontario. We are doing our best to make sure that we reflect some of the issues and concerns expressed by our municipal colleagues into that. The Ministry of Community Safety

has a lot of expertise in this area, and they're also trying to transfer some of that knowledge to the municipal sector.

**Mrs. Joyce Savoline:** I'd like to turn now—how much time do I have left?

**The Chair (Mr. Garfield Dunlop):** About five minutes left.

**Mrs. Joyce Savoline:** Then this will probably finish it for me for this round. With respect to ongoing, stable funding, predictable stable funding: Last year, in response to a lot of requests from municipalities for that predictable funding, not the one-off's that we'd been used to over the last few years from both the provincial and federal governments, the federal government got it, and they announced that in their 2008 budget the gas tax fund would be extended at \$2 billion a year beyond 2013-14 and become a somewhat permanent fixture. That way, it enables municipalities to actually plan their projects and their programs. It's especially important, again, to smaller municipalities. So this permanent \$2-billion gas tax fund will also help deliver on the infrastructure which will help create jobs, and so the cycle continues.

We don't have that kind of long-term, stable, predictable funding relationship that will advance municipalities in the way they can plan their projects and plan for their municipalities. Is it something you're considering so that they can plan ahead to the future and they know that the money's going to be there and how they can make their plans?

**Hon. Jim Watson:** Thank you very much, Ms. Savoline. In fact, I would argue that we have a very positive, ongoing relationship with the municipal sector in terms of providing predictable and stable financial help. The gas tax, which was an initiative our government brought to bear at the provincial level in 2004, I believe, has seen approximately \$1.6 billion in gas tax money delivered to the municipal transit systems by 2010. This past year, \$321 million went to the municipal transit systems. So that is a permanent, steady, reliable, predictable amount of money that goes to municipalities who run transit systems.

The Ontario municipal partnership fund is also a reliable, stable fund. When you take out the years that we have provided top-up money or mitigation money, it has been a significant stream of revenue for 405 of 444 municipalities. In 2009, for instance, OMPF funding that flowed from this government to the municipal sector was \$949 million. In addition, as a result of the Provincial-Municipal Fiscal and Service Delivery Review, one of whose purposes was to lay out that long-term road map, as you talked about, it does provide benchmarks. I would encourage anyone to review the chart on page 15 of the review. It shows that when we took office in 2003, the actual total operating dollars to the municipal sector were just \$1.07 billion. By the time the entire agreement is implemented in 2018, that figure will jump significantly to \$3.8 billion. That is a \$2.7 billion, or 250%, increase in operating money between 2003 and 2018. Once that

benchmark is met each year, that money is locked in, and it's net dollars to the municipality through the savings of uploading of ODSP, Ontario Works, court security and prisoner transportation.

**1700**

The most stability and the most reliability I think that municipalities have ever seen was when they put their signature on this document with us back in October of last year. That was one of the overriding concerns that the municipal sector asked of us. While they appreciated one-time money, you can't plan very well or very long term.

The Investing in Ontario Act was another example of how we were trying to develop a more long-term strategy, but it was pending a surplus. We did well with that first year of Investing in Ontario, when I think a little over \$1 billion flowed to the municipal sector on a per capita basis.

**Mrs. Joyce Savoline:** Can you guarantee there won't be any clawbacks?

**The Chair (Mr. Garfield Dunlop):** Sorry, that's the end. We'll maybe get to that in the very last round.

**Mrs. Joyce Savoline:** You can think about it for 40 minutes.

**The Chair (Mr. Garfield Dunlop):** Okay. Mr. Miller, you were asking questions on behalf of the third party?

**Mr. Paul Miller:** Just a couple of questions. I did a kind of drop-in here, but there's one particular item that I'd like to get on the record that has frustrated me. The minister did reply in good time and, of course, the people of Hamilton were not happy with his answer. In reference to the disaster relief fund, I believe one of the deputies mentioned that there's a procedure that is in place that the municipality will match the Ontario government dollar for dollar, or—I don't know what the ratio is. But what has happened here is that my municipality and my mayor actually applied—did the due diligence, applied, asked for disaster relief. He made it quite clear that it was for uninsured people. What the ministry's not taking into consideration is the fact that because there have been so many floods in that area in the last 10 years, some of the insurance companies won't even insure people in our municipality. We're in the neighbourhood of probably \$20 million to \$30 million of uninsured damage. The city has done the best they can with their resources. They've stood up with quite a bit of money to the municipality, but it falls way short of the coverage required.

The letter I got from the minister was to the fact that they felt the resources in Hamilton were good, which they're not. We have terrible infrastructure deficits in that community. Yes, there has been an influx of some money federally and provincially, but it nowhere meets their requirements. Also, the fact that the letter also said that the minister had decided that we didn't qualify for the assistance—I have a real problem with that.

This has been a major problem in the Hamilton area for years. Yes, we are red-flagging the parts of the system that are weak and trying to rectify the situation, but what I'm trying to say is that this disaster relief fund is actually

what it says it is: It's to help people or municipalities that are uninsured for whatever reason to get through—this was classified as a 100 years' storm, I believe.

In Hamilton, we try to take care of ourselves and we don't call on the government very often for assistance in these types of things. I feel that this is a bad decision and the people in my community feel that it's a bad decision, and we think that you should reconsider your decision to help Hamilton, because we did put money forward. We're not asking for the full amount. If you could at least match the municipality dollar for dollar, I believe, but I could be wrong, that we're in the neighbourhood of \$10 million to \$12 million that the municipality will be paying out. Don't quote me on that, but it's close to that.

I'm thinking that's what that relief fund's for, and it would be the right thing to do for the government to step up, dollar for dollar, to assist us and the people in my community. As you know, we've been hard-hit economically—I know it's kind of off topic—by job losses. My area was the one that was hit the most. Hamilton East–Stoney Creek had a 116-millimetre downpour in a matter of two hours. It was like a funnel that went right down east end Stoney Creek.

Obviously, I've been fielding a lot of calls and a lot of pressure from my area. It doesn't matter who represents them. It doesn't matter if it's Liberal, Conservative or NDP. This is not what it's about. It's non-partisan. It's people in need. I think the government should step up to the plate and help these people, help the municipality, match them at least dollar for dollar so that we can rectify some of the damage.

Twenty per cent of the people in my community, Minister, are living below the poverty level. I don't know if anybody can relate to that in this room, but the bottom line is, when you can't even pay your hydro bill, and you've got a rec room that's been there for maybe 20 years or 15 years and has been hit five or six times, the minimal damage to repair a finished rec room would be \$20,000 or \$15,000, even if it wasn't a really fancy one. These people just don't have the money. Not only will you get the damage, you get the rot and mould and health problems that are setting in now in my community. Now it's going to cost the province a lot more money in the health system for some of these people who could have a long-term disability or a long-term effect from the mould and the things in this basement.

I really feel it's a shame that this ministry is not stepping up to the plate for the people of Hamilton in this area. They need the help and I'm not quite sure—it wasn't defined to me, the criteria—why they were turned down. I talked some with the minister, and he enlightened me a little bit, but, with all due respect, I feel that that fell short of a decent answer to our problem. I'm hoping that you'll reconsider and do something because the people in my area are in rough shape.

**Hon. Jim Watson:** I'll ask Dr. Taylor to bring you through the criteria that have to be met in order to be eligible for the program.

Before I do that, let me just offer a couple of comments. First of all, as I said in the House to you and your constituents, I'm very sympathetic to the challenges they're facing. I know there was similar flooding in Sudbury, Kanata and west Carleton. In the case of Ottawa, they didn't pass a council resolution so there was no formal request to my ministry, but Mayor Eisenberger and the council of Hamilton did, in fact, follow the rules that were required for us to give consideration to the application.

As you can imagine, with any government program there are certain thresholds that have to be met and certain rules. We can't simply open it up if someone feels that they should get some compensation and say, "We'll just give it to you," because we obviously have to live within the financial reality that every government has to live with. This is a program that's been in place for decades. The same threshold and rules, I believe, have been followed. Sometimes a community does qualify, and sometimes it does not qualify.

While I have appreciation for the challenges the residents are facing, I do want to commend the city of Hamilton because it's one of the few cities that actually does provide a grant to every homeowner that was affected. It started as \$1,000 and, I believe, it went upwards of \$3,000. I congratulate and commend the city of Hamilton for that.

We don't want to leave the impression that the government has turned its back on Hamilton. The city of Hamilton has been very well treated in terms of financial grants and contributions over the years. In 2008 we provided \$53 million in unconditional grants that, by their very nature, could be used on whatever the community felt was a priority, and \$217 million in conditional grants to assist with infrastructure challenges. That is just the tip of the iceberg in terms of funding that we have provided that has freed up the municipality to do the kind of work that I believe would be helpful to prevent these kinds of basement floods in future.

I want to quote Mayor Eisenberger, who wrote to me in November and said:

"I wish to express our sincere thanks to the McGuinty government for providing an additional capital grant of \$48 million to the city of Hamilton under the Investing in Ontario Act. I applaud your willingness to continue working together with our city and other municipalities, as well as your prudent decision to continue investing in our communities.

"I also wish to acknowledge that the provincial government has been extremely responsive to the unique needs of the city of Hamilton, recognizing that our community still faces some exceptional concerns."

**1710**

I could go down at some length—the \$110 million in transit, \$156 million in highway infrastructure; roads and bridges, \$136 million—

**Mr. Paul Miller:** Can I interject one minute?

**Hon. Jim Watson:** —the MIII, \$14 million, and—

**Mr. Paul Miller:** Minister, actually, with all due respect, you could go through a whole list, I'm sure—

**Hon. Jim Watson:** That was it. I was just going to hand it over to Mr. Taylor to give you the correct—

**Mr. Paul Miller:** I listened to what you said and the bottom line here is the mayor is doing what a mayor does. The mayor is not going to hit a gift horse in the mouth. He's going to thank you for anything. The bottom line, that's the way it is.

I know it sounds like a lot of money, but our Woodward plant alone, the waterworks, requires \$460 million to bring it up to where it should be to handle the volume that we've got now with the building that's been going on in the suburbs. That falls quite short. Even all the money you put together on that list would not qualify to fix the Woodward plant. We've gone after the feds too for money. I'm not putting it all on your shoulders.

But with all due respect, your grants to the city that you're talking about do not help the individual homeowners. The city will decide where they put the funding. I'm sure, in most cases, it doesn't go into people's basements. You thought that the city was very generous with their \$3,000. All we had, actually, to give them was \$3,000, up to \$3,000.

With all due respect, some of these people have been gouged by these cleaning companies that have gone in to do their basements. The average basement cleanup—this is just cleanup, removing the stuff that's there, the damaged stuff, and doing the proper cleaning—is between \$4,500 and \$6,000, just to clean it. That's not counting all the damaged furniture and all the other things that they have to replace. So if you're on a fixed income of less than \$25,000 a year, and you've got \$20,000 damage in your basement, that basement is not going to have much furniture for a long, long time.

So, yes, you give—I'm sure a lot of money goes to Ottawa too. You give a lot of money to a lot of communities; there's no doubt about it. You do what you can within your budget. But when it comes to an emergency and disaster relief, all these other trappings do not help the individual homeowner. This is what you've got to look at, and that's why they call it a disaster relief fund.

Now, I'm not sure what you're doing about the tornado. I mean, maybe we should have applied before—we tried to handle it ourselves but we couldn't. Then the tornado hit. I don't know if you've had any applications for funding for that and what you're going to do about it. This is a 100-year storm, Minister. You've got damage here that was way beyond the norm. One storm was half of that, and I had maybe 1,200 homes—we're talking 6,000 homes. This is big stuff. This is a major hit.

You can say what you did, and that's fine, and you did give out that kind of financial assistance in other areas, or whatever the municipality decided to do. We're so starved for money in Hamilton. We used to be 70% industrial for our tax base and 30% residential; right? That's reversed. We're now 70% residential and 30% industrial, for whatever reasons: the economy and com-

panies leaving. So this burden is passed on to the individual residential tax-bearer.

I want to clarify and make this perfectly clear: Hamilton is not the norm for wages. Hamilton and the east end of Hamilton are not the norm in Ontario for wages. We pay the second-highest residential taxes in all of Ontario, next to Oakville. So when you're living below \$25,000 a year in a modest wartime house—you quote all these numbers that you're giving to the community. We appreciate anything we can get, but this is a situation in which the people in my community in particular have been hit exceptionally hard. This is a one-time—hopefully we don't get hit like this again, with 116 millimetres in two hours. I don't think that it should happen again, unless a tsunami hits us or something.

What I'm saying is, you can't deflect this to the city. It has to be the individual people, the taxpayers of my community, who pay their taxes, work very hard—for very little money, in some cases—and they're asking for your help, your government's help. I feel, with all due respect to you, that you have turned your back on the people—not necessarily the municipality and what you give them for grants for projects. There are announcements done occasionally when the government comes into town; that's true. But this is not looking at it from an individual perspective. You're looking at the big picture, and I do believe we qualified. To this point, with all due respect to your deputy and to you, you haven't shown me why they failed the criteria. It's just that they didn't meet it. I don't have any individual reasons why they didn't meet it and I'm sure that I could poke holes in the reasons why you didn't give it to them. I'd like to know exactly what happened, why they don't get it and why they don't qualify. With all due respect to Mayor Eisenberger, he's doing what he's supposed to do as a mayor: thank anybody who helps our city. But surely, Minister, it falls far short of what the people in my community are asking your government to help them with.

**Hon. Jim Watson:** Thank you, Mr. Miller. I was about to hand it over to Dr. Taylor, who would bring you through the criteria, because while I appreciate your passion, there has to be some system in place that municipalities apply to. We have this system in place. It was in place when the NDP were in power. They didn't change the rules on a case-by-case basis. They followed the same criteria that were set out; otherwise, this would be a bottomless pit of money that we just cannot afford.

You may think the figures that I've listed are insignificant; I think they're very significant. I challenge you to go back over the last eight years of the previous government to find out how much money Hamilton got. When Hamilton gets money, that takes the burden of pressure off municipal property taxpayers and it also allows the municipality to free up funds, to fix old sewers, water treatment plants and the like so that we can put more money into preventive maintenance so these individuals who have suffered greatly won't have to suffer again in the event of another severe storm as you

saw on July 25. An ADM will now answer the question, because I think—

**The Chair (Mr. Garfield Dunlop):** There's five minutes left—

**Hon. Jim Watson:** If Mr. Miller wants an answer, he's going to hear it right now; otherwise, I'm not interested in a debate. If he wants an answer, he'll get it now, or we'll move on.

**Mr. Paul Miller:** It's not a matter of debate. I just want to—

**Hon. Jim Watson:** I'm sorry; I've given you ample opportunity. You asked me a question. That's how estimates works—

**Mr. Paul Miller:** With all due respect, I wanted to ask you to—

**Hon. Jim Watson:** Let him answer the question first, please.

**Mr. Paul Miller:** I want the word “disaster” defined by you. A hundred and sixteen millimetres in two hours is a disaster, Minister.

**Hon. Jim Watson:** Mr. Miller, you've asked twice and you've interrupted twice. If you're interested in an answer, my assistant deputy minister will go through the program.

**Mr. Paul Miller:** I'll be waiting with bated breath.

**Hon. Jim Watson:** And I'm sure you'll have criticism after the answer.

**The Chair (Mr. Garfield Dunlop):** Let's hear the answer from the assistant deputy minister, okay?

**Dr. Rob Taylor:** What I'll do, in consideration of the time element here, is go through a couple of tidbits just for clarification, then I'll go through the criteria and a little bit of insight in terms of some of the assessment that we undertook as well.

Just to go back a little bit, the Ontario disaster relief assistance program is not a substitute for private insurance coverage. Our focus is on the uninsured, as mentioned, and it also, just so you appreciate, is not a full cost recovery when we do consider the program. It looks only at essential property. So there are certain elements, whether it's landscaping or other components—for example, in a rec room or something like that—that would not be considered. Again, we look at sudden, unexpected natural disasters. In this case, there was actually a one-in-200-year flood event that was assessed by the city's engineering department. It was compounded by the fact that the sewer backups were not able to maintain, and so you had backup because of the inadequacy of the sewer system. That's another consideration in terms of, we're focusing predominantly on natural disasters and then when it gets compounded by other things, we have to take that into consideration. So that's one of the criteria.

The other thing that we look at is the financial capacity of the affected municipality to be able to respond, withstand and manage that on their own basis. So we will look at the financial stats of the municipality, and that is something we do on a regular basis. We look at that information to make a determination of whether or

not there is a capacity to manage the situation on their own. Those are the criteria that we take into consideration.

**1720**

In this particular case, again, there has been reference to a wide variety of damages on the private side in the magnitude or order of \$20 million to \$50 million, and then \$12 million for the public. That's overall impact. We sent a team in, which included members of our ministry, members of other ministries—this is a provincial disaster assessment team. They go in, and this is what we do on a regular basis after an event happens. They also include an independent insurance adjuster. The assessment that came back was that the damages on the private side were \$6.5 million, and on the public side, \$2 million to \$3 million. That's the uninsured component. That's substantially lower than the overall cost. When we take that into consideration, based upon the financial capacity of the municipality, that's where our assessment is that we believe that there was sufficient capacity locally to be able to manage, given reserves, the debt ratio and other matters of the financial capacity of the municipality.

**The Chair (Mr. Garfield Dunlop):** We're down to just a minute left. If you've got a quick question, Mr. Miller, or response to that.

**Mr. Paul Miller:** No, I just have a closing comment. I like what you told me, but frankly the assessment guy that you used from the government falls way short from what we've been getting. I don't know what private sector guy you used for your assessments, but I know for a fact, in my community alone, it far exceeds his estimates. I don't know who he's working for, but he must have had a bag on his head, because we're a lot more than this. Trust me, there have been claims put into the city, and a lot of them were not exaggerated; they're considered on an individual business, and they sent inspectors out to see if this guy was trying to get extra money out of the city for repairs that aren't necessary. Even the backflow regulators that they want to put into the system are going to cost more than the money that—the city has offered a little bit for that too.

I'm mind-boggled by the amount that you guys have come up with, because it sure falls short of the \$20 or \$30 million that I've been told, by the city, for private damage. Some of that would be covered by private insurance. But I'm trying to explain to you, after four or five times, what has happened is that the Ministry of the Environment has allowed too many systems to go in there. The volume has exceeded the ability of the Woodward plant to take in during a major storm, because now we've got lots of surveys going above Hamilton on the mountain. You've got smaller pipes taking the volume down in the city, and that's where you get your backup, because they haven't—that's another story; you're not the Ministry of the Environment.

**The Chair (Mr. Garfield Dunlop):** Okay. We're over time anyway. So thank you for that. We'll now go over to the government members for questions. Mr. McNeely.

**Mr. Phil McNeely:** Thank you, again, Minister, for being here. One of the issues that I just want to talk about is conservation. I think it relates to the last question where the major storms are happening more frequently. We had two of our own in Orléans, and they were both deemed to be over one-in-100-year storms. There was significant damage. Again, we looked at it and the city was large enough to capture it. The criterion that we just heard seems to be the one that works.

The Green Energy Act now has come up. One of the things in the Green Energy Act has been that they're going to add energy conservation as a purpose of the Ontario building code. I believe we're rolling out the feed-in tariff regulations, the guidelines for wind farms etc., and the next stage that we'll see with the Green Energy Act will be rolling out the regulations that have to do with conservation, and that was my own private member's bill, the energy audits on homes etc.

I had mentioned before that I think \$900 million is being put into conservation investments by the province. I'm not sure over how many years; I think it's three years, but it's significant. Approximately 20% of the province's requirements for energy can be achieved through conservation over the next 20 years. It's something like 6,200 megawatts, if I'm correct, out of a total of maybe 25,000 megawatts, but something in that neighbourhood. Conservation is probably the most economical way we can provide sufficient energy in this province, and it's moving forward.

As the regulations roll out—I'm just thinking that in my own home, I'm putting a 10-year roof on it. I'm replacing 10-year shingles. I bought it new 10 years ago, and right on the button, I have to replace the shingles after 10 years. I just wish that I'd paid the extra \$1,000 then and had 30-year shingles, which I'm putting on now. At my age, maybe that's not a wise decision, but we'll have to see.

**Mr. Paul Miller:** You won't need any disaster relief on that house.

**Mr. Phil McNeely:** But the issue is fairly large. Housing represents a big part. I know the province is moving ahead with higher energy standards for their own buildings. A lot more is going to roll out over the next few months. I was speaking with Minister Smitherman on that today.

I'm just wondering—I worked with the city of Ottawa on the Better Buildings program with Chuck Wilson back in 2001-02. We were trying to improve the energy standards of new homes, because it's fine to have homes that were built when we didn't know any better in the 1970s, 1980s and 1990s, but as we get into the new reality of energy costs and greenhouse gases, then it's important that we cut those costs. So we see energy conservation as a purpose of the Ontario building code.

I'd just like to hear, possibly from the minister or from the deputy minister, what does that mean to you? Because I haven't heard what it's meant. We haven't rolled out those regulations, but what do you see as the

changes coming with the Green Energy Act and what impacts will it have on housing and the building code?

**Hon. Jim Watson:** Thank you very much, Mr. McNeely. I think you, more than most of us in this room, are well aware that the government is committed to building a stronger, greener economy, protecting our environment, combatting climate change and creating a healthier future for future generations.

The Green Energy and Green Economy Act, 2009, which you're very familiar with, will facilitate the development of renewable energy and promote a culture of conservation, making Ontario the North American green energy leader.

Our ministry does have a key role to play, and that is through the building code, which we have responsibility for. The Green Energy and Green Economy Act makes several amendments to the building code, which we obviously concur with. They include clarifying that the existing conservation purpose of the code includes energy conservation and water conservation; adding a requirement that the energy conservation provisions of the building code be reviewed within six months and every five years thereafter; and establishing a building code energy advisory council. We are currently seeking members for that council, so I'd encourage all members to ask individuals who they think would be helpful to sit on that particular building code energy advisory council to submit their names and resumés to my office.

The work of that particular council and the review of the energy efficiency provisions of the code will support the development of the next edition of the building code, which is anticipated to be released at the end of 2011. Enhanced energy efficiency requirements for houses and larger buildings and the promotion of green technologies are anticipated to be key aspects of that next edition of the building code, coming out in a couple of years.

I want to just quote a couple of people who understand the connection between the building code and green energy. Stephen Dupuis, who some of you may know—he writes a column every so often in the Toronto Star and he's the president of BILD, which is the Toronto Home Builders' Association—says "Leith Moore," who is the chair of BILD, "acknowledges that if the code is to be 'king,' it has to continually evolve, which is why he welcomes the Green Energy Act. 'We as an industry have to be open to regular review of the Ontario building code to capture new innovations and best green practices.'" Then Jane Story in the Northern Ontario Business publication on June 20, 2009, said, "In the new Green Energy Act, the provincial government is setting the stage for the comeback of community power with profitable prices for renewable energy, changes to existing legislation that allows for the establishment of energy co-ops and provisions that will encourage municipalities to produce clean, sustainable power."

**1730**

We're very much in step with Minister Smitherman in the work that you and he at MEI are doing, Mr. McNeely. I also want to commend you for the work that you do,

particularly with schools in your riding and the challenges, contests and awards programs that you bring for climate change in your private member's bill.

I also want to talk a little bit about municipal capital facilities. As part of the green energy initiative, the government is amending regulations under the Municipal Act, 2001, and the City of Toronto Act, 2006, so municipalities may partner more easily with other municipalities and the private and not-for-profit sectors to invest in sustainable green energy infrastructure. This is something that the municipal sector has been after for some time. We are adhering to their request. It's an approach that's familiar to municipalities as this has been used for delivery of other municipal facilities, such as affordable housing and recreation centres. These amendments speak to the government's commitment to support community power through municipal investment and community renewable energy projects under 10 megawatts. It's one of the ways the province is encouraging municipalities to lead the way in creating more renewable energy sources and develop sustainable communities for the future.

We believe that the work we're doing with the building code, and the creation of the Building Code Energy Advisory Council that will give us good objective, outside advice, will go a long way to not only helping the environment, which is of paramount importance, but also saving the municipal sector and individuals in communities a substantial amount of money.

If you look at a house that was built 40 years ago compared to a house today, with the type of insulation and the types of windows and appliances, it really is night and day. We've come a long way. But at the same time, if you look at a house 40 years ago and the amount of energy consumed today, we didn't have microwave ovens, we didn't have DVD players, we didn't have VHS or CD-ROM players, we didn't have BlackBerrys that recharged at our homes overnight. It would be interesting to draw a picture of a house from 40 years ago and today and the number of outlets, plugs and so on you need today for all of the gadgets that we have. Look at kids today: Even their exercise equipment is a Wii that requires electricity. While we're all sitting at the kitchen table on BlackBerrys, they're playing their Game Boys and Xboxes. They all require an enormous amount of electricity and power.

We're never going to be as successful in hydro-electricity as they are in Quebec or Manitoba because of the topography of those two provinces versus Ontario. In Mr. Craiton's part of the world, we're doing our best to squeeze as much energy out of hydro as we can, but those resources are limited, so we have to do a better job of energy efficiency in the building code, in our homes, in our offices and in our public facilities, as well as in energy conservation. Those have been some of the pillars of the McGuinty government's effort to not only take advantage of the technology and the knowledge that we have in the 21st century, but to actually take advantage of the job opportunities and the economic growth. We want to be able to create more wind power and more solar

power. We'd like to be able to see some of those windmills, turbines and parts manufactured in Hamilton, in Toronto, in Ottawa, in Sudbury—throughout the province—so that those good jobs can remain here.

I always cringe when I see one of those great lathes from a windmill coming down the highway, and we know full well that it was not made in the province of Ontario. Anything we can do to entice those companies to invest here—it's good for the environment, it's good for the economy and it's certainly good for job creation.

**Mr. Phil McNeely:** Thank you for that, and I'm glad to see that part is going to be an important part of your ministry and that changes are coming down.

We all know that our greenhouse gas production—we signed that agreement sometime in the 2000s—has grown 27% since 1990.

Ontario is a leader in reduction of greenhouse gases. By 2014, we're looking to be 6% below the 1990 levels, which is real progress in Ontario. Thirty out of 170 megatonnes per year of CO<sub>2</sub> equivalent will be due to closing coal units. That's the significant part of achieving it. Also, the good work that the ministry that looks after our own buildings has done has shown that we can get good reductions.

Colleges Ontario has achieved something like a 15% reduction in energy in three years. They've got a system of sharing all that good information that they develop. It's really important that we're taking good advantage of the \$900 million that is going into the MUSH sector and making sure that we are getting the reductions. Most of Colleges Ontario is driven strictly by dollar-saving, and that's why I like what they're doing. It's a non-profit group within the colleges. I think the 18 or 20 colleges are all signed into it. They have expertise which they share, and it's really, really something.

I know that the municipalities come under your ministry's purview as well. They've been doing a lot through AMO. Much like the colleges have done, they've built up an expertise within AMO to share with all the municipalities. I think you have 450-plus municipalities or something like that.

**Hon. Jim Watson:** It's 444.

**Mr. Phil McNeely:** It's 444. So there are a lot of municipalities, and if they get in through AMO, if they're doing that sharing and stuff, that's stuff that we can support.

When you're talking about jobs with the Green Energy Act—I was up in Almonte at an announcement the other day. They're doubling their forests. They're putting a lot of investment in. They make the turbines. They've been working in the US—in Pennsylvania and California—and they've been working in Czechoslovakia. They haven't had that much work in, but now, with the Green Energy Act, those jobs are going to occur in Ontario. He's going to be getting work for Ontario. He sees eight or 10 projects that his expertise, which has been a family business for two or three generations—is going to profit with job creation. So there's job creation throughout the whole energy sector.

We'll be rolling out the energy audits. They're not quite mandatory under the legislation. We'll see how that comes out. I'd just like to know how that is perceived by the housing industry, if you have some insight there about your own industry. We are going to try to measure the energy efficiency of homes. There are good programs, both federal and provincial, to support those investments. Most of them give the owners a payback in five or six years. What's your opinion on the energy audit part of this bill? Have there been negotiations now to get that in place?

**The Chair (Mr. Garfield Dunlop):** You've got a little over four minutes left, Minister.

**Hon. Jim Watson:** Okay. That's a lot of questions there, Mr. McNeely. I know you're very passionate about the energy audit initiative, through your private member's bill and then a variation of that being included in Minister Smitherman's legislation.

I think the energy audit will be as commonplace as the home inspection in the next decade. One of the first things you do when you buy a home, myself included, is you hire a legitimate home inspector to make sure that you're not buying a lemon. Today it would be very wise—and the work that you're going to do, and MEI, with respect to encouraging people to get energy audits—it's a good investment. When you look at how much you're spending on the hydro bill and the gas bill that come in every month, it's a substantial portion of your operating costs on an annual basis. So if you can reduce those costs, all the better.

With respect to work at the municipal level—this goes back to my days when I sat on the environment committee at regional government when it was in existence in Ottawa, and the work that I was able to do as a city councillor and as mayor—I was very proud to be one of the few mayors, in one year, to receive the Earth Day flag for the city of Ottawa because of all the progressive measures that we had taken on things like a cycling strategy to get more people in safe cycling environments throughout the city of Ottawa, the work that we did to expand public transit, both locally and now as a provincial government that's back in the transit business. I was very pleased when Premier McGuinty made the announcement at Lincoln Fields transit station in the west end. We were all there, I think, in 2003, where we committed to two cents a litre of gasoline going to transit systems in the province of Ontario.

1740

Just a few months ago, I was back in Ottawa with funding to allow OC Transpo for the first time to purchase a substantial number of hybrid buses, because one of the complaints I received from my constituents was that while it's nice to have buses, the diesel fumes coming out of the back seem to be working at odds with the whole notion of public transit being good for the environment. So these hybrid buses are starting to come online; we see them, certainly, all over Toronto and the TTC—I think they're farther ahead of us than we are in

Ottawa, but we were able to provide some funding for that.

It's the community that's rallied behind the environment. This wonderful program called Project Porchlight saw LED bulbs being distributed by volunteers throughout neighbourhoods. I was out in one of my neighbourhoods in my community, going door to door, dropping off these porchlights.

A new initiative started by the same group is providing free tire gauges to individuals so you can measure what your car tires should be filled up to, because we know that if they're not filled to the proper level, it is a waster of gasoline as well and the car is not that efficient. Yet people needed that simple tool to figure out, is the tire firm enough, is it too firm? These kinds of things are supported by various governments, ours included.

The final point I'll mention is the \$70 million that we have allocated out of the housing portfolio to put into specific energy-efficient projects when we're building social housing, because individuals who are living in social housing are low- and modest-income individuals, and if we can reduce the costs to them and, ultimately, to their housing provider from an operating side, that's good news for them, that they can provide additional resources and support on operating initiatives or start building greater reserve funds to do the kind of repairs they need or to build new housing stock.

**The Chair (Mr. Garfield Dunlop):** Thank you very much, Minister. That's the end of the rotation for today. Mrs. Savoline.

**Mrs. Joyce Savoline:** We'll just pick up with that last question. With all the initiatives that are happening in your ministry, and other ministries too, my concern is that stable, ongoing, predictable funding for municipalities. When you answered me, you said that you thought you had achieved that. Can you undertake to guarantee for me today that there will be no clawbacks with those initiatives in some other form, like extra administrative costs or something happening within the municipality that takes away money after you upload or through some other initiative help them financially?

**Hon. Jim Watson:** Obviously, I can't predict if another government takes office and rips up our agreements or changes legislation, but we're very much—

**Mrs. Joyce Savoline:** I'm talking about your government and you.

**Hon. Jim Watson:** I'm very committed to fulfilling the obligations that we've made in the Provincial-Municipal Fiscal and Service Delivery Review, and I'm very pleased to report that to date we have met or exceeded every single benchmark we've set for ourselves, starting with the gas tax money that we flowed a year earlier, the full two cents. The ODP is fully uploaded now—100% of that—100% of the ODSP administrative costs have been uploaded, and we're on target to upload 50% of the benefits of ODSP in the next fiscal year, plus the first 3% of Ontario Works, and then 50% of Ontario disability support benefits the following year, plus an additional upload of Ontario Works, plus the first phase, I

believe 14%, of court security and prisoner transportation costs.

**Mrs. Joyce Savoline:** Again, can you guarantee that there will be no clawbacks?

**Hon. Jim Watson:** Certainly, my commitment is to ensure that the document is adhered to. As you know, budgets are introduced every year. I can't predict what's going to be in the budget, but this is certainly part of a fiscal framework that the Minister of Finance and I signed off on, so I have great confidence that we will live up to our obligation to the municipal sector. But, obviously, I can't prejudge what's going to be in the budget; no minister can do that.

**Mrs. Joyce Savoline:** Okay. I want to move on—

**Hon. Jim Watson:** I think, given our track record, most in the municipal sector were pleased with the approach we brought to it. That was reflected in one leader receiving a standing ovation at the AMO conference, and that was Mr. McGuinty.

**Mrs. Joyce Savoline:** Okay, then I will tip you off that during our delegation process, there was a large concern that there are clawbacks in the offing, just so that you know. Municipalities are concerned about clawbacks happening.

**Hon. Jim Watson:** On the main basis of the fiscal review or on the mitigation funding?

**Mrs. Joyce Savoline:** Overall. It really doesn't matter because it's their bottom line, right? It doesn't matter who does it, which ministry does it, how they do it—whatever. But the relief that they get, if it's clawed back in some other way, it doesn't matter.

**Hon. Jim Watson:** It was Mayor Hazel McCallion who asked for this, and we've agreed to it, when appropriate. At every MOU table, they keep a tally sheet of decisions that have been made that may affect the financial bottom line of the municipal sector. To date, I don't believe anything has been added on to that list, certainly, in the last year or so, and that's the purpose of the MOU table. We meet again tomorrow, so I could be updated on that, but that was the purpose of setting up that table: so that we would, in fact, be able to ensure that if you're benefiting on the one hand and you're one step forward, we're not doing something else that's going to put you two steps back.

**Mrs. Joyce Savoline:** I know. I was part of that table for many years.

I want to go on to the municipal elections and your review of the Municipal Elections Act. What is the status of that review?

**Hon. Jim Watson:** It's ongoing. As I indicated to Mr. Prue yesterday, if we were to introduce any changes, they would certainly be in effect prior to the November 2010 municipal election.

**Mrs. Joyce Savoline:** Prior to, to be incorporated?

**Hon. Jim Watson:** For that election, correct.

**Mrs. Joyce Savoline:** I know that you have allowed interested parties to submit comments to that review and identify whatever issues they may have.

**Hon. Jim Watson:** We didn't get a lot of feedback. I think it's certainly under 50 or so, if I'm not mistaken.

**Mrs. Joyce Savoline:** That was going to be my question: How many comments have you received and how much longer is the opportunity for submissions?

**Hon. Jim Watson:** The submission period closed a couple of months ago. It was up on our website for about two and a half months, I believe. We received, I think, roughly 50 to 60 comments. I had some delegations that wanted to meet with me as well.

We met with groups like AMO and AMCTO, the Association of Municipal Managers, Clerks and Treasurers of Ontario, which generally run the elections. I met with some councillors from Toronto. There were community associations groups. FUN submitted a briefing. The school board trustees association I believe submitted a briefing. Individual taxpayers also wrote in on the website.

It wasn't overwhelming. Even though it's an important aspect of our democratic system, it tends to be a bit inside baseball for people and we encourage people—in any speech I gave at a municipal conference and so on I asked them to come forward. I know the Maytree Foundation also submitted, and I met with them as well. It wasn't overwhelming, the number of people who submitted, but as I said, it was 50 or so.

**Mrs. Joyce Savoline:** Okay. Based on your submissions and your review process internally, can you tell us today whether you anticipate any changes?

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**Hon. Jim Watson:** There were a number of very good suggestions, some more broad-reaching and some technical in nature, and if I'm going to be bringing forward any changes, I suspect it would be done within the next month.

**Mrs. Joyce Savoline:** We'll look forward to those.

I want to move now to the MPAC enumeration process, because that affects the election. In 2006, the enumeration process included a new code, and it was the letter "U," to determine the citizenship status. It created some concern in municipalities because many voters were classified with that "U," which represented unconfirmed citizenship. This meant that those voters had to then fill out an amendment form so that their citizenship would be known and proof would be given and all that kind of stuff, which is very important. You can imagine the real problem at the polls when something like that occurs. There were huge line-ups in some municipalities. MPAC has indicated that they are working on this and they hope to improve the accuracy of this enumeration process. Could you provide some insight into the status of this and whether municipalities can look forward to a less cumbersome process for the 2010 municipal election?

**Hon. Jim Watson:** It's a very good point, Ms. Savoline, and we certainly hear from time to time from clerk-treasurers, elections officials, municipal leaders about their, at times, dissatisfaction with the voters' list—the timeliness of it, the accuracy of it. We have had a

number of discussions over the last several months with MPAC, which is an agency that falls under the jurisdiction of the Minister of Finance, and the issue did come up in the bear-pit session by my own city councillor, Alex Cullen—

**Mrs. Joyce Savoline:** I was there.

**Hon. Jim Watson:** —a great supporter of Michael Prue's leadership. He raised it with us, and we undertook, both Minister Duncan and I, that if we were to make changes to the Municipal Elections Act, that would obviously be one of the areas we would have to address. There are some issues that also touch on the privacy commissioner, in terms of the kind of information that can be shared with municipalities, but we think these things are not insurmountable. We understand. Even the timing of getting the voters' list and the number of voters has an impact on the election process, because if you don't get the number of voters until very late on in the process, it's very difficult to budget for your campaign because it's based on the number of voters—and I don't know what it is now, I think 70 cents a voter. So we've got to deal with some of these issues.

MPAC, to their defence, actually has improved over the years. I remember it had a lot of rough spots when it first began. The whole system of providing the lists has changed. I remember the old days when you could go up to the telephone pole and you'd see everyone's name and their address and so on; it was usually a good way to figure out your next door neighbour's name that you'd forgotten and were too embarrassed to ask. There are obviously concerns with privacy in that kind of openness. We're working closely with MPAC to see what changes, if any, could be brought forward to make the system fairer, less confusing and more simple to understand, so that you encourage more people to get out and vote. If you're not on the voters' list, you tend to feel, "What's the point of going out and voting? It'll be a big headache at the polling station and I don't want to do that," and you see the voter turnout at municipal elections is not very good. So if we can do something to encourage more people to vote by making sure that the municipalities have a more accurate voters' list, then that's a good thing for democracy.

**Mrs. Joyce Savoline:** We look forward to that then. Do you think that will be in place for the 2010 municipal election?

**Hon. Jim Watson:** If we were to bring forward any change to that effect, that would be my objective, yes.

**The Chair (Mr. Garfield Dunlop):** Seven minutes left, Ms. Savoline.

**Mrs. Joyce Savoline:** Thank you.

The City of Toronto Act was a little controversial when it was being discussed and came into effect, but it did come into effect a couple of years ago, in January 2007. Along with it, there's a provision for a review. I know that your ministry has undertaken that review and there has been a public process for submissions from stakeholders and the public. Could you tell me how many

submissions your ministry received regarding this review?

**Mr. Fareed Amin:** I don't know the number offhand, but I can endeavour to get that number to you. We did not receive a lot of comments back.

**Mrs. Joyce Savoline:** Given that it was a public submission, is it possible to receive copies of these submissions?

**Mr. Fareed Amin:** Since some of this information was submitted by private individuals, if I were to agree to that request, I'd have to comply with the freedom of information and protection of personal privacy legislation as well. We can provide you with a summary of the kinds of comments we received.

**Mrs. Joyce Savoline:** I would like that.

**Mr. Fareed Amin:** Okay.

**Mrs. Joyce Savoline:** Thank you.

**Hon. Jim Watson:** As you may know, Ms. Savoline, in the legislation, there was a requirement to do a review in a two-year period and then a five-year period. We're in the process of wrapping up the two-year review. The two-year review really was put in place—Minister Gerretsen confirmed this with me—to catch those technical glitches that we didn't think of at the time or that needed cleaning up from a housekeeping point of view. A more substantive review of the overall act was intended at the five-year mark, beyond the two years, so we're just wrapping up the two-year mark.

I recall seeing a synopsis of the numbers. Again, I think the numbers were relatively small; it was done through the website of the ministry. There was a special link on the homepage of the Ministry of Municipal Affairs and Housing. We'll get you the exact number, but it certainly was less than 100.

**Mrs. Joyce Savoline:** The review process was a prudent one, in my opinion, because this was significant legislative reform and it afforded the city very broad powers. So I think it was wise to do that.

When do you expect this review to be done?

**Hon. Jim Watson:** I would say within the next two months we would have something to report on, at the latest.

**Mrs. Joyce Savoline:** Do you anticipate any changes to the act as a result of this review, based on the preliminary comments and discussions within your ministry?

**Hon. Jim Watson:** Yes.

**Mrs. Joyce Savoline:** I want to talk a little bit about transit. How much time do I have?

**The Chair (Mr. Garfield Dunlop):** You've got about three and a half minutes.

**Mrs. Joyce Savoline:** Okay. You have a model for funding transit—I know, the Ministry of Transportation, but transit is a municipal issue. That's why I'm asking you this question. I know there's a funding model and I'm wondering if you and your ministry know how many provincial dollars are allocated to the transit programs.

**Hon. Jim Watson:** I don't have that information personally. That information would reside with the

Minister of Transportation, and I don't know if he's appearing before estimates committee or not.

**The Chair (Mr. Garfield Dunlop):** Not in this round, no.

**Hon. Jim Watson:** We can certainly send your inquiry over to Minister Bradley or you can correspond with him directly, but even though it is a municipal transit system, that budget allocation is with Minister Bradley. I know there are different programs and different funding formulas throughout the province for extenuating circumstances. I know, for instance—I hear this all the time in Ottawa—that Toronto seems to get more money. Well, they do get more money because they have a subway system, which is more expensive to operate, they're a larger city and so on, but what we try to do is be as fair and equitable as possible in the distribution of those government resources. We will undertake to relay your inquiry over to Minister Bradley.

**Mrs. Joyce Savoline:** And given that you're the Minister of Municipal Affairs and have an interest in the health of municipalities—municipalities that have transit; that certainly is a large part of a healthy municipality—how much participation do you and your ministry staff have in the decisions on transit funding, and are you, as minister, able to influence any of these?

**Hon. Jim Watson:** In a direct sense, obviously, as a member of cabinet, I have ongoing discussions with the Minister of Transportation on requests that I'm receiving from the municipal sector and passing along any concerns, compliments or questions that the municipal leaders might have. Minister Bradley has been very good

in his attendance at AMO functions, whether it's the MOU table or the AGM, and he takes delegations, as does his parliamentary assistant.

I think I gave you this figure earlier, but the gas tax money, which is on a fixed-funding formula, has seen in the last year \$321 million go to transit systems across the province. The MoveOntario 2020 plan, which is a very exciting plan, will be delivering \$11.5 billion in transit projects to the greater Toronto and Hamilton area.

Recently announced include the Sheppard East light rail transit, York Viva rapidways, dedicated bus lanes in York region, Eglinton rapid transit, Finch West LRT and Scarborough rapid transit. In my own hometown of Ottawa, we have a \$200-million contribution on the table for their light rail program, and that will obviously continue to go up because the program is greater than what was originally anticipated—

**The Chair (Mr. Garfield Dunlop):** That just about cleans up our time for today, Minister. I know you like to read those lists.

**Hon. Jim Watson:** I could go on, as you know I could.

**The Chair (Mr. Garfield Dunlop):** You like reading those lists out.

Just so we all know, we have four hours and 45 minutes remaining with the Ministry of Municipal Affairs and Housing. We will adjourn today and we will reconvene on Tuesday, October 20, at 9 a.m. This meeting is adjourned.

*The committee adjourned at 1801.*

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