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**Official Report
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Tuesday 22 October 2013

**Journal
des débats
(Hansard)**

Mardi 22 octobre 2013

**Standing Committee on
Estimates**

Committee business

Ministry of Tourism,
Culture and Sport

**Comité permanent des
budgets des dépenses**

Travaux de comité

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 22 October 2013

Mardi 22 octobre 2013

The committee met at 0900 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): I call the meeting to order. First of all, I should announce there is still one hour and 42 minutes left in these estimates. I thank the minister for coming back again.

On the last occasion, the floor was with the Conservatives. They had eight minutes left. On the last occasion, we adjourned because of a request for 20 minutes, and that was taking us past the hour of 6 o'clock. We now have an amendment and a motion to deal with, but I'm given to understand that it may be withdrawn.

Mr. Rob Leone: Is the motion that we previously debated in order still?

The Clerk of the Committee (Mr. Katch Koch): The main motion is not.

The Chair (Mr. Michael Prue): The main motion is not in order, so I'm going to have to—

Mr. Rob Leone: Yes.

The Chair (Mr. Michael Prue): If we get there, I'm going to have to rule it—

Mr. Rob Leone: All right. I would like to—

The Chair (Mr. Michael Prue): But the amendment is in order—

Interjection.

The Chair (Mr. Michael Prue): —but then it would be void because of the main motion.

Mr. Rob Leone: Right. Chair, I would like to withdraw that motion and introduce a new one.

The Chair (Mr. Michael Prue): Okay. The motion and the amendment: You're withdrawing them both?

Mr. Rob Leone: May I introduce?

The Chair (Mr. Michael Prue): No, I need to be clear: You are withdrawing your amendment and your main motion?

Mr. Rob Leone: Correct.

The Chair (Mr. Michael Prue): Okay. The amendment and the main motion are now withdrawn.

Mr. Rob Leone: I'm sorry.

The Chair (Mr. Michael Prue): It's your eight minutes.

Mr. Rob Leone: Chair, I'd like to introduce a new motion. I move that the Ministry of Tourism, Culture and Sport release all correspondence and notes, electronic or otherwise, delivered to the Ministry of Tourism, Culture

and Sport, the Minister of Tourism, Culture and Sport, and the Pan Am and Parapan secretariat, related to the 2015 Pan Am and Parapan Games, from January 1, 2010, to October 3, 2013, to the Standing Committee on Estimates on the day that falls exactly two weeks after this motion is passed.

The Chair (Mr. Michael Prue): Okay. We need copies; all of the members will require a copy. Have you brought some?

Mr. Rob Leone: I don't have enough.

The Chair (Mr. Michael Prue): We will take a five-minute recess, then, in order to allow the Clerk to make copies and distribute them to the members. We stand recessed for five minutes.

The committee recessed from 0902 to 0907.

The Chair (Mr. Michael Prue): We'll call the meeting back to order. Everyone now has a copy of the motion in front of them. Debate? Mr. Leone.

Mr. Rob Leone: Thank you, Chair. I just wanted to—not to, you know, take more time on this motion than necessary. We've been talking for a few weeks now about trying to extract some more documents with respect to the Pan Am/Parapan Games that are going to occur in the near future, in 2015. The motion that we previously passed had a date, and since the filibuster that was taking place across the way, we couldn't get that motion passed; therefore it wasn't in order. In keeping with the theme, we didn't want to put a specific date on this motion, so we just suggested that, exactly two weeks after this motion passes, we would like to see these documents tabled to the committee so that we can examine the contents of those documents and uncover some of the issues that we have with respect to the Pan Am/Parapan Games.

Chair, I've said this before and I'll say it again: We have offered this two-week timeline in keeping with what we have asked for previously from estimates. We certainly think that the timeline needs to be short. There might be debate on whether two weeks is enough or sufficient. I'm willing to entertain a debate on that, but we really want to ensure that we get the documents necessary to provide us with the details necessary to examine the estimates of the Ministry of Tourism, Culture and Sport.

Without taking any more time, Chair, that's the extent of my comments.

The Chair (Mr. Michael Prue): Further debate? Mr. Colle.

Mr. Mike Colle: I just wonder if it might expedite things if we could just refer this motion to both our staffs

and proceed to the questioning of the minister, so we can work out if there are any complications here for the ministry in terms of timelines etc., and then deal with that immediately after the morning or whatever. But just refer this motion to the staff of both sides and just proceed with the questioning at this time of the minister.

The Chair (Mr. Michael Prue): This would be a motion; it would be in order. But you have to give a timeline. Do you want it deferred until this afternoon? Is that—

Mr. Mike Colle: Yes.

The Chair (Mr. Michael Prue): All right.

Mr. Mike Colle: And meanwhile, for the rest of the morning, we would question the ministry.

The Chair (Mr. Michael Prue): We have a motion of deferral until this afternoon. We have to deal with that first. Any further debate on the motion of deferral? Mr. Leone.

Mr. Rob Leone: Mr. Chair, I would suggest that we have all, I think, talked about this extensively, this motion, in committee already. I don't think it was going to be a surprise that the previous motion, given that it had a specific date that happened to fall during our constituency week, that that motion would be out of order and that a new motion would be presented within a similar context today.

I would suggest that one way of detailing this is just outlining exactly what you want. If we can come to an agreement very quickly this morning, I think we could deal with it right now. I don't see why we would want to delay. That's just my opinion on that. I'm willing to hear what others have to say.

The Chair (Mr. Michael Prue): Any further debate? Mr. Colle.

Mr. Mike Colle: As I said, my preference was that we question the minister immediately, but given that you don't want to do that, perhaps one of the concerns I think that we've expressed in the past is the timeline. So one of the suggested considerations I would do if you want to work this out rather than going to staff is to go from two weeks to four weeks.

The Chair (Mr. Michael Prue): No, no. You're going on to the main motion here. This is only on deferral—

Mr. Mike Colle: Okay.

The Chair (Mr. Michael Prue): —on whether it should be put over till this afternoon. So anything else on deferral? Seeing no one else, we'll call the motion of deferral, the motion by Mr. Colle to put this over until this afternoon. All those in favour? Opposed? I have to cast a vote again. I am disinclined to vote for this because I don't think that this is appropriate to be put to staff, quite frankly. I think that the decision needs to be made by the committee itself. And so I'm going to cast a negative vote. The motion of deferral fails.

We're on to the main motion. Further discussion on the main motion? And if you want to move an amendment to make it four weeks, that's perfectly in order. Mr. Colle.

Mr. Mike Colle: Yes. Mr. Chair, I move that Mr. Leone's amendment be amended as follows: that the

wording "two weeks" be replaced by the wording "four weeks."

The Chair (Mr. Michael Prue): Do members need a copy of that motion? I mean, it's pretty—

Mr. Mike Colle: I have some copies. We're just changing "two" to "four."

The Chair (Mr. Michael Prue): It's just "two" to "four." Okay, everybody understands that; it's a very simple amendment. Discussion on the amendment by Mr. Colle? Mr. Leone.

Mr. Rob Leone: Perhaps just a friendly amendment, Mr. Chair: Can we also state in your amendment "noon"—by noon four weeks after? If that would be acceptable to you.

Mr. Mike Colle: Sure. No problem.

The Chair (Mr. Michael Prue): So I'm going to take the amendment now by Mr. Colle that it be delivered by noon four weeks after the motion passes, if it passes. Okay. Any further discussion on that? Ms. Damerla.

Ms. Dipika Damerla: Before it goes to a vote, I'd like a 20-minute recess.

The Chair (Mr. Michael Prue): All right. Is there any other discussion before we break for 20 minutes? Because that is in order. All right. No other discussion. We will recess for 20 minutes and then come back for the vote. We'll be on the amendment first and then the main motion to follow.

We stand recessed for 20 minutes. And, please, everybody be back here promptly. I still can't see that clock from here.

Interjection.

The Chair (Mr. Michael Prue): Quarter after—no, it is—

Interjections.

The Chair (Mr. Michael Prue): No, we need some kind of different clock here—or stop the light from shining on it. Okay, please be back here at 25 to 10.

The committee recessed from 0915 to 0930.

The Chair (Mr. Michael Prue): I call the meeting back to order. I have a motion before you, as amended. We're going to deal with the amendment first, the amendment by Mr. Colle to change the two-week period to one that says, "at noon four weeks after the motion is passed."

That's the amendment. All those in favour of Mr. Colle's amendment? Okay, carried; it was unanimous.

Okay, we now have a motion as amended. Is everybody clear on how that motion, as amended, will read? Okay. All those in favour of the motion, as amended?

Ms. Dipika Damerla: Chair, I want to amend the motion, and introduce another amendment.

The Chair (Mr. Michael Prue): No. You're in the middle of a vote. The motion was amended. You would have had to have made an amendment to the amendment.

Ms. Dipika Damerla: That's what I wanted to do.

The Chair (Mr. Michael Prue): But you asked for a 20-minute recess, and you are now estopped. We are in the vote.

Ms. Dipika Damerla: Let me just ask for clarification. Right after the vote, that was my first chance to ask for an amendment.

Mr. Steve Clark: I thought we were voting, Chair.

The Chair (Mr. Michael Prue): Wait a minute. I'm just trying to understand what your amendment would be.

Ms. Dipika Damerla: I would like to amend the original motion, or the amendment to the amendment—whichever way it is.

Mr. Rob Leone: Come on, Chair—

The Chair (Mr. Michael Prue): No, no. It may have been in order, but it was clear when we adjourned that we were adjourning for the purpose to come back to vote.

Ms. Dipika Damerla: Okay, so we just voted on extending it from two weeks to four weeks, and that was the vote, but what if we wanted to now make an amendment to the motion? Do we have to wait until we vote on the motion and then make an amendment, or—

The Chair (Mr. Michael Prue): No, the amendment would have to be made before. Tell me what the amendment is, just to be clear that it would be in order.

Ms. Dipika Damerla: The amendment would read—I'm going to read the whole of it.

I move that Mr. Leone's motion be amended as follows: that the words "related to the 2015 Pan Am and Parapan Games from January 1, 2010, to October 3, 2013," be removed and replaced with "from January 1, 2010, to October 3, 2013, related to the funding and costs of the 2015 Pan Am and Parapan Games."

Interjection: We're in a vote.

The Chair (Mr. Michael Prue): No, no. Just give me a second to think about this. This is almost identical to the wordings that we went through in—

Ms. Dipika Damerla: Actually, it's not, but we can debate that once I've had the chance—

The Chair (Mr. Michael Prue): No, but I'm trying to think. I don't have a copy in front of me, but it sounds to me very much like the motions that were made the last time we were in session.

Mr. Steve Clark: Chair, members make mistakes. We're in the middle of a vote, Chair.

The Chair (Mr. Michael Prue): I realize that. I'm trying to be fair, so please, let's see what's being proposed.

This is difficult, because this is fundamentally changing the motion that we are about to vote on, and I think that, because it was not timely, I'm going to have to put it to the committee to see if there is unanimous consent to allow this to proceed, this amendment.

Mr. Rob Leone: No.

The Chair (Mr. Michael Prue): I heard a no, so I think I have to say that it cannot be dealt with.

We are in the middle of a vote, and I think, with all respect, you were not quick enough to do this. You should have explained or said that you may have some others before we adjourned, because once the vote has started, I think I am duty-bound to carry it through.

Ms. Dipika Damerla: Chair, I respect that, but I could barely take a breath. We voted, and then you moved to

the next. I don't know when my opportunity would have been to say, "We are okay with extending two weeks to four weeks, but we do have another amendment." It just seems—

The Chair (Mr. Michael Prue): No, but I did explain that we would go from the amendment to the main motion when we came back. There was no hesitancy on anyone's part not to do that.

Mr. Rob Leone: Chair? I would like to add and state on the record that I think most members on the committee were in the middle of raising their hands. I know our hands were raised for a vote.

The Chair (Mr. Michael Prue): Yes, and that is exactly what happened when there was an interjection. As the Chair, I try my utmost to be totally fair and non-partial here.

Mr. Rob Leone: The interjection was too late.

The Chair (Mr. Michael Prue): And I've just ruled that: The interjection was too late.

We are now in the vote on the main motion, as amended by Mr. Colle. All those in favour of the main motion, as amended, please signify.

Mr. Rob Leone: Recorded vote, Chair.

Ayes

Campbell, Clark, Jackson, Leone.

The Chair (Mr. Michael Prue): The motion carries.

MINISTRY OF TOURISM, CULTURE AND SPORT

The Chair (Mr. Michael Prue): Mr. Leone, the floor is yours.

Mr. Rob Leone: To Mr. Jackson.

The Chair (Mr. Michael Prue): To Mr. Jackson.

Mr. Rod Jackson: I have some further questions for the minister today on the Pan Am/Parapan Am Games. Minister, a couple of weeks ago, you sat in front of this committee and claimed that your ministry was responsible for ensuring money allotted for the games was spent "wisely," then were asked a series of questions about questionable, unwise spending habits—by your own words—of the Pan Am executive. You claimed that accountability fell to the board of TO2015.

You went on to mention that you and your Premier only found out about these questionable expenses at that time three weeks ago, which would be four or five weeks ago now, and took immediate action to correct it with a phone call. When we received the documents we asked for, namely the audit—at the last minute, I might add—the Premier and you clearly misled this committee and the province—

The Chair (Mr. Michael Prue): Excuse me. You cannot say that in the House; you cannot say that in this committee. So please withdraw that.

Mr. Rod Jackson: Okay. Withdrawn, Chair.

The compliance audit of TO2015, conducted by the Ontario internal audit division and given to your deputy minister at the time, alluded to the fact that the expenses of bad faith were prevalent as early as October 2012, Minister, over one year ago. Furthermore, the documents your ministry provided to the committee also included a series of lined expenses that illuminated even more expenses of bad faith. A couple of examples:

- the expense of \$27,000 for house hunting and relocation fees filed by one member of the executive;
- a \$342 and a \$330 charge for laundry and cleaning services filed by two members of the executive;
- an expensed parking ticket for \$31.50;
- a \$980 charge for a membership to a personal development and networking organization;
- \$550.06 for incidentals accrued while on vacation, by a board member;
- \$1,000 for various magazine subscriptions;
- \$7 for a bottle of water;
- \$1,003.64 for accommodations at the Fairmont Acapulco Princess hotel; and
- \$744.56 for undisclosed medical expenses by the CEO of TO2015.

Finally, we received expense forms from 17 people on the TO2015 board; 13 of these people filed expense claims without receipts. They did not file receipts. I would submit that none of us sitting around this table can do that. This means that over three quarters of the board members, Minister, who filed receipts decided it wasn't necessary to file receipts and justify their expenses. I have a few questions for you that I hope you can answer surrounding this.

0940

Over a year ago, what was your ministry's course of action? Who is really in charge of the Pan Am Games and the TO2015 board? Are you ready to accept responsibility, call on the members of TO2015 to pay back those expenses or will you and the Premier continue to turn a blind eye, make sure that we continue to play this shell game as a government and leave taxpayers on the hook? Will you accept responsibility and make sure that TO2015 pays back the Ontario taxpayer for these frivolous expenses?

Hon. Michael Chan: It's a long time now, Chair. I think the last question I was asked was, "How are you?" We wasted a lot of time in the last couple of weeks and it is quite unfortunate.

The minister and also the staff behind me—there are a lot of people involved here and for some reason this is a gross abuse of time. When you talk about time, it's also money. I think, Chair, you also have—

Mr. Rod Jackson: Minister, if you could answer me. What is your course of action, who is in charge and are you going to pay back the Ontario taxpayer?

Hon. Michael Chan: —and also the public servants sitting here. Chair, I'd like to mention, over the last two weeks, the fact that a lot of time has been wasted by these motions and amendments to motions—

Mr. Rod Jackson: Minister, that's exactly what you're right doing now. You're wasting time.

Hon. Michael Chan: Your question being—Chair, do you have something to say?

The Chair (Mr. Michael Prue): Minister Chan, this is the estimates portion. The other portion involves the members of the committee and not your ministry. We acknowledge that certain amounts of time were not well used by the staff and yourself, but we are now into the estimates portion where the questions are asked by the committee members and answered by you and your staff. Questions have been posed. If you could deal with the questions that were posed, I'd appreciate it.

Hon. Michael Chan: Thank you, Chair. I just want to put the record straight that a lot of time has been wasted by the people who actually initiated the motion.

But, anyway, I think the question had been asked previously and there is a lot of rubbish in there. I'll tell you why. The member talked about a lot of things. Even on asking a question, he's making a long statement and asked about 10 questions. I remember he was talking about the athletes' village in estimates. He seems to be very much surprised at the cost of the village of \$700 million being mentioned. He looked like he just found out. But, in reality, when we check those records, it was mentioned in 2009 by a major newspaper in Toronto—

Mr. Rod Jackson: In fact, I issued press releases—

Hon. Michael Chan: —which, in 2009, the Toronto Star mentioned that—

The Chair (Mr. Michael Prue): Please, Mr. Jackson—

Mr. Rod Jackson: Chair, with due respect, he's not even close to answering the questions.

Interjections.

Mr. Rod Jackson: He's filibustering again. This is totally inappropriate. This is the government covering up a problem. Obviously they have a problem here, Chair, that they're not willing to discuss. This is actually not a government that is transparent and wants to let the public know exactly what's going on. This is a great example of a minister who is not taking responsibility. He's not answering the questions about expenses—

The Chair (Mr. Michael Prue): You have asked the questions, you've made your points. Now, please, Minister Chan, answer the questions to the best of your ability.

Hon. Michael Chan: Yes, thank you. Why is so much rubbish in here? Because a lot of information produced by the member is rubbish. I just want to make some examples here, to tell the estimates here why those statements are rubbish.

Mr. Rod Jackson: Minister, your answer is rubbish. Your own audit is—

The Chair (Mr. Michael Prue): Order, please. Order.

Mr. Chan, you have about a minute and a half left to answer this question. Please answer it.

Hon. Michael Chan: Okay. Thank you, Chair. Let me get back to the—

Interjections.

The Chair (Mr. Michael Prue): Mr. Jackson—

Mr. Rod Jackson: He hasn't even come close, Chair, to answering the questions.

The Chair (Mr. Michael Prue): He can't answer the question because you keep interfering. He has less than one minute left.

Interjections.

The Chair (Mr. Michael Prue): Mr. Jackson, we are in estimates committee. This is not a court of law. He has an opportunity to answer the question. You have to—

Mr. Rod Jackson: He's not, though, Chair.

The Chair (Mr. Michael Prue): Whether he is or not, he has only about a minute left. If you keep asking this, you're not going to get any answer at all.

Interjections.

Hon. Michael Chan: Your statement is about five minutes. You make a statement and you ask questions. The total is five minutes. Chair, he had the opportunity to do it for five minutes, and I don't have an opportunity to do it for half a minute.

Mr. Rod Jackson: Answer the question. Just answer it.

Mr. Mike Colle: Keep quiet for a minute.

Mr. Rod Jackson: Why don't you be quiet?

The Chair (Mr. Michael Prue): Order, please. Order. How much time is left, Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): Twenty seconds.

The Chair (Mr. Michael Prue): About 20 seconds, Mr. Chan. Say what you want for 20 seconds.

Mr. Rod Jackson: And preferably answer the question.

Hon. Michael Chan: Here you go.

Interjection.

Hon. Michael Chan: You finished?

Mr. Rod Jackson: I'm waiting for your answer.

Hon. Michael Chan: Is your excitement finished?

Mr. Rod Jackson: I'm waiting for your answer.

Hon. Michael Chan: Oh, you're finished. That's good.

Chair, when I try to say something, he's already interjecting.

The Chair (Mr. Michael Prue): All right. The time has now expired. We're on the rotation.

Ms. Campbell, you have 20 minutes.

Ms. Sarah Campbell: Thank you, Chair. Minister, I understand that you, Minister Chan, asked the organizing committee for an explanation regarding the retention bonuses when you first took over responsibility for the games and that you were given an explanation, but you said that you put these concerns aside. Can you share with the committee what this explanation was?

Hon. Michael Chan: Thank you very much for the question, which is a very nice question, by the way. You are not making a statement of any kind. You went straight for the question, and I'm going to answer your question in the best way that I can. Thank you for your question.

Early this year, when the Premier delegated me to be responsible for the file—and of course, I received a lot of briefings. One of the items that really caught my atten-

tion was the salary as well as the bonus of—the pay to the Toronto 2015 executives. Those numbers—I think they're a big number. It caught my attention, so I decided to look into why those bonuses are being paid or being created. I was led to understand that it's for three reasons. Number one is for the staff, the executives, to achieve an operational budget. That's one. Also, the second one is to achieve the capital budget, to make sure that it's on time and on budget. They would be paid a bonus off of that. The last one is the completion, to make sure the senior executives working there would complete—when the games are completed, they stay there. The reason for that is to learn from past experiences, because in past Pan Am Games or other games, there were occasions that the senior executives kind of, like, resigned and left the games perhaps one or two weeks before the games ended. It caused a lot of chaos. You can imagine: The games will be on two weeks from now, and the senior executives resign. So their completion bonus is to kind of try to induce the people to work after the games are over. The other two, basically, are to encourage them to work very hard and be able to deliver the games on time, on budget, or perhaps under budget. So these are the reasons that the so-called bonuses are being built into those contracts.

Ms. Sarah Campbell: Thank you for that, Minister.

Hon. Michael Chan: Okay.

Ms. Sarah Campbell: So did the fact that other large organizations and sports event organizing committees—does the fact that they typically do this factor into the explanation?

Hon. Michael Chan: Definitely. I can show you the one in Vancouver, which is the most recent one that occurred in Canada—the Vancouver Olympics, the winter one, in I think it was 2010. Those bonuses were about \$30 million. My records show that eventually \$17 million was paid out as the bonus. So, again, this is common for many of those games. I explained the reason. I think it happened in 1988 or 1990—as early as that, that senior executives, at the last minute, left. Before the games were on, they left, causing a lot of problems there.

0950

Ms. Sarah Campbell: Related to that, Minister, could you provide a list of organizations that have also issued similar bonuses?

Hon. Michael Chan: Yes, I can. I can do that. Maybe I'll pass it on to the deputy, who will comment on that.

Ms. Sarah Campbell: Thank you. And did you ever explore any other options to ensure that the executives would remain committed to the project and on budget?

Hon. Michael Chan: I'm going to back up a little bit, because you did not ask me the structure: who decided on the structure and who approved the structure of those compensations.

When the government landed, in 2009, the Pan Am Games, at that time the organization decided, "We don't really know how much to pay to hire those skilled people to run these games." At that time, actually, the organization had competitive procurement to procure a firm—a non-partisan, private human resource firm—to look into

how much to pay the executives and what kind of contract to create.

The recommendation was on salary payment plus those bonuses. So that was the recommendation. The 2015 board consists of three provincial reps, three federal reps, one local government rep and four from the COC, which is the Canadian Olympic Committee, and one from the Paralympic committee. So it's the total of those board members to approve that structure of the compensation, as well as the bonus. So that is what's in there.

Ms. Sarah Campbell: Sorry, Minister. Did you say that the government hired a firm to tell you that?

Hon. Michael Chan: In 2009—

Ms. Sarah Campbell: Okay. Which firm—

Hon. Michael Chan: When the whole thing began, because nobody knows how much—we had to hire the people to work for these games. The organizing committee decided—they hired an independent firm to give them recommendations. So this is really a recommendation given by this firm, and then the board, with the provincial, the federal, the local government, plus the sport community, to approve the structure, as well as the bonus.

Ms. Sarah Campbell: Minister, do you have any evidence that a project of this nature is at risk of losing key executives close to the start date?

Hon. Michael Chan: Maybe, Deputy, you can—

Mr. Steven Davidson: Sure. In any time-limited endeavour such as this, which does require highly skilled leadership to deliver, there is always the risk that the currency of those individuals is going to be at a premium as it gets closer and closer to delivery time. There's also the risk that opportunities will arise unpredictably, and individuals will be—because there's no certainty at the end, of delivery of the games—in a difficult position of needing to make a choice. So it's specifically to mitigate that risk that time-limited endeavours such as international multi-sport games very typically have a completion bonus incorporated into their executive compensation package.

Ms. Sarah Campbell: Minister, the Premier said that Ontario had no choice but to offer this type of bonus structure because we had to remain competitive. Can you explain what she meant by this?

Hon. Michael Chan: Again, I think we kind of touched on the compensation, as well as the bonus structure and why we did that. Do you want me to repeat the whole thing basically—

Ms. Sarah Campbell: No.

Hon. Michael Chan: We explained already. Maybe the deputy—

Ms. Sarah Campbell: I'm just wondering precisely what the Premier had intended, if you have a good indication as to what exactly was meant when that statement was made.

Hon. Michael Chan: Go ahead.

Mr. Steven Davidson: I certainly can't presume to know what the Premier's mind was, but I would say that, as the minister has mentioned, the independent firm that

was contracted for by the organizing committee board did do other jurisdiction benchmarking to provide its advice to the board around the appropriate levels of compensation. These are positions and individuals who are highly mobile. There are games under way and planning for games in multiple jurisdictions at any point in time—right now, Glasgow, Rio—so there's a high level of competition for these individuals. So it was the advice of the third-party consulting firm, which did benchmark against other jurisdictions and the competitive recruitment field, that informed the board's decision in this case.

Ms. Sarah Campbell: Thank you. Chair, can you notify me when I've got two minutes left?

The Chair (Mr. Michael Prue): I can do that. Right now, you have about 10 minutes left.

Ms. Sarah Campbell: Okay. Very good, thank you.

Hon. Michael Chan: As a matter of fact, I want to—because I think you asked us to give you some examples of those contracts, definitely the one in the Vancouver Olympics had that kind of bonus structure in there. I think the upcoming Glasgow also had those, okay? I think the Olympics perhaps in London also had those.

So, again, my point is that it's not uncommon; it's very common—

Ms. Sarah Campbell: So—

Hon. Michael Chan: —those contracts, bonuses.

Ms. Sarah Campbell: So, Minister, in your opinion, is it reasonable and appropriate to pay out bonuses that are up to 200% of salaries just for doing a person's job?

Hon. Michael Chan: Again, we talk about the structure, and also the bonus amount is recommended by an independent firm, non-partisan. It was hired. These firms, they are for human resources, and they—

Ms. Sarah Campbell: Sure. It was recommended, but in your opinion, do you think that's reasonable?

Hon. Michael Chan: When they do the job, they look at past games, how much to pay to people, and also look at the environment in 2009-10, the skill of the people available, and then they recommend the salary structure as well as the bonus structure.

So, again, my point here is that it's not someone suddenly just—"Okay. You know what? Pay me so much or pay me the structure." It was done through a competitive process.

Ms. Sarah Campbell: So you're saying, then, that in your opinion it is reasonable to pay bonuses of up to 200%?

Hon. Michael Chan: Again, it's not my position to approve it. The board approved it. The board approved those salaries. The board, again, had three members from the federal government, three members from the provincial government, one from local government, and also four members from the COC and one from the Paralympic environment. So it's a collective approval of that structure that was created by an independent HR firm.

Ms. Sarah Campbell: Another question—

Hon. Michael Chan: I think the deputy wants to explain.

Mr. Steven Davidson: If I could just add one point about the bonuses. The completion bonus is only a por-

tion of the bonus. The others are performance-based. So, for example, if there is an operating deficit incurred by the organizing committee—

Ms. Sarah Campbell: Right, so a bonus essentially for doing a person's job, which—

Mr. Steven Davidson: Well, they would not be eligible for the bonus if they incurred an operating deficit.

Ms. Sarah Campbell: Right, but the point is that if they were doing their job as they should be, they're entitled to a bonus, which was part of my question.

My next question that I had, although the minister has pretty well just answered it, was, does the minister still defend this kind of bonus structure, or does he now realize that a mistake was made? But it sounds very clear from your answer previous that you do think that this is something that's perfectly acceptable.

Hon. Michael Chan: Well, I said it before. After explanation to me early this year, I think the reasons, the three reasons explained to me—I think it is acceptable. I'm supporting it, and I think, again, this is not something unusual. It has applied to many other games previously held, and also it is really something approved by the board, a contract to sign. Of course, due to privacy reasons—I don't think you have a contract either, Deputy.

So the contract being signed, approved by the board—the board had reps of all levels of government. The creation of the contract is by an independent third party and also based on the recommendations and based on the funding of many other games in the past and in the future.

Ms. Sarah Campbell: So, generally speaking, are there any limits that the government sets in terms of bonus payouts? Are there any policies that would apply across the board or in any particular situations?

Hon. Michael Chan: I think in terms of the salary, the bonus, it's really something in the jurisdiction of the 2015 board. Again, this is a non-profit organization. The relationship the provincial government has with this 2015 board and the operation is non-profit. They are a non-profit organization, so in terms of the protocol of chain of supervision, maybe, Deputy, you can further explain that in terms of the—

Ms. Sarah Campbell: Well, no, my question was simply, does the province have any guidelines or policies related to bonuses? It sounds like you're saying no. My next question would be, why not? Do you not think that that's something that is reasonable?

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Hon. Michael Chan: Again, in 2009, when the government landed the games in 2015, the board formally started operation, and they started to hire people. Really, it's up to the jurisdiction of the board to approve the creation of the salaries and also the bonuses. This is where the jurisdiction lies—not with us—to make up the salary structure, the bonus structure. It's really up to the board to approve.

Ms. Sarah Campbell: I've also got some questions related to the athletes' village. Was the government aware

of the fact that it would be a commonly held view that the total budget would be \$1.441 billion? If so, why did you not correct this misunderstanding?

Hon. Michael Chan: I mentioned previously a lot of rubbish is being mentioned—of course not directed to you—because that information is grossly not accurate. I have tons of papers here: the cost of the village, \$700 million, in newspapers like the Toronto Star, the Toronto Sun and others—

Mr. Rob Leone: Point of order, Chair.

Hon. Michael Chan: —in 2009 state very, very clearly that the \$700-million village is on top of the \$1.4 billion, which is to deliver the games and to stage the games. According to even—

The Chair (Mr. Michael Prue): Mr. Minister, I have to stop you. We have a point of order. Mr. Leone.

Mr. Rob Leone: Mr. Chair, the minister just responded to that last question by stating he has lots of paperwork here to demonstrate the costs associated with that. I wonder if he could share that paperwork with the committee.

The Chair (Mr. Michael Prue): The committee has passed a motion to get that paperwork, and we will get that paperwork within four weeks. But the questioning here is under the purview of Ms. Campbell. If she wants to ask for that documentation, she's totally entitled, I think, to ask for it. If the minister wants to reveal it, the minister may choose to do so. I can't allow your point of order. The floor belongs to her.

Hon. Michael Chan: Well, let me continue. Actually, I thought I mentioned two newspapers printed it in 2009. I have more. I have more facts in terms of the village.

I even have MPP Jackson talking about it. He seemed to be surprised two weeks ago in estimates that he only found out the \$700 million at that particular moment, but, in reality—

Ms. Sarah Campbell: Minister, I'm sorry to interrupt but—

Hon. Michael Chan: —his own website shows that he knew about that back in May. Also, when he talked to—

Ms. Sarah Campbell: I would just like to keep it to the question that I asked you.

Hon. Michael Chan: —the media, the radio, he mentioned that he knew about that two years ago. It's very conflicting that an MPP in estimates would contradict himself and pretend to be surprised that it came out, and then he turned around and contradicted himself—

Ms. Sarah Campbell: Minister, with all due respect, if there are some issues that you'd like to raise with—

Hon. Michael Chan: But I'm going to give you all that information to prove that—

Ms. Sarah Campbell: Okay, would you be willing to share that information with me that you have with you today?

Hon. Michael Chan: Definitely. Definitely, I will share the information, including the public quotes in newspapers of Mr. Jackson's remarks.

Ms. Sarah Campbell: In a January 2012 back-grounder from Waterfront Toronto, they state, “The value of the contract with Dundee Kilmer is \$514 million. The province will recover approximately \$65 million in development costs from future facility operators, for a total net provincial outlay of approximately \$449 million.” Can the minister clarify: Is the total cost \$449 million or \$709 million?

Hon. Michael Chan: In terms of the technical details, I’m going to ask the deputy to respond to you. Before that, I want to say something here. The village is not included in the \$1.4 billion; it’s very public—four or five years ago.

Let’s look at that. The village, basically, will also revitalize an area that has been quite deteriorated in the downtown area, the West Don Lands, so this is a good thing, using Pan Am and the village. Eventually it will develop a vibrant—

Ms. Sarah Campbell: Minister, I appreciate that. I’m just wondering what the total cost is.

Hon. Michael Chan: I’m going to do that—

Ms. Sarah Campbell: Yes, just a simple total cost, just a simple figure would be more than sufficient.

Hon. Michael Chan: —but I just want you to know that there are some good things in there that we are doing, like creating 505,000 jobs and creating a vibrant community—

Ms. Sarah Campbell: Minister, can you please answer the question?

Hon. Michael Chan: I will do that.

The Chair (Mr. Michael Prue): Ms. Campbell, I’m sorry; I couldn’t get in. There’s less than a minute left.

Ms. Sarah Campbell: Oh. Okay. Very briefly, I just—

Hon. Michael Chan: I’m going to get back to you on the details about your question by the deadline.

Ms. Sarah Campbell: Could you please answer the question, very briefly?

Hon. Michael Chan: Go ahead, very quickly.

Mr. Steven Davidson: The cost of the village includes \$514 million, which is the flat-rate contract to the construction firm, Dundee Kilmer. On top of that, bringing it up to \$709 million, are the site preparation fees or costs, as well as the fees for Infrastructure Ontario. So, the total cost of the construction of the village is \$709 million. That may be mitigated in the future through the sale of portions to affordable housing unit operators, George Brown College for their residence and so on.

The Chair (Mr. Michael Prue): The time has expired. I’m sorry; we just got too heated in there to get the two-minute warning.

Now 20 minutes to Ms. Damerla.

Ms. Dipika Damerla: Minister, we have been hearing the opposition and the media talk about this concept of having two budgets for the games. From what you have said, I think I understand there’s a provincial investment in the games as the host jurisdiction that is separate from the funds that TO2015 require to deliver the games.

The opposition have stated that they were shocked to learn that the investment in the athletes’ village is not part

of the TO2015 \$1.4-billion budget. Perhaps the opposition can explain how it is that we have with us a press release that MPP Rod Jackson issued: “The cost of the Pan Am Games will be \$1.4 billion not including the athletes’ village.” So perhaps we really need—

The Chair (Mr. Michael Prue): One moment. You appear to be directing the question at the Conservatives. Please direct the question to the minister.

Ms. Dipika Damerla: I was just making a rhetorical point, Chair. “The cost of the Pan Am Games—”

Interjection.

Ms. Dipika Damerla: I’m going to quote again what MPP Rod Jackson has in his press release: “The cost of the Pan Am Games will be \$1.4 billion not including the athletes’ village.” So the shock seems a little feigned.

Minister, you have been clear in stating that the athletes’ village is part of the province’s host jurisdiction responsibilities. In fact, since 2009, it has been publicly stated that this is an investment separate from the \$500 million the province is contributing to TO2015’s overall budget of \$1.4 billion. In the 2013 Ontario budget, the athletes’ village project, as a part of the West Don Lands revitalization, is again highlighted as a separate investment in the legacy of the games.

Minister, our colleagues are at best clearly confused, so I want to give you a chance to clear up the confusion around this issue.

Mr. Rob Leone: Point of order, Chair.

Ms. Dipika Damerla: Can you explain to us why the costs of the athletes’ village are not included in TO2015’s budget?

The Chair (Mr. Michael Prue): Now, before you answer, a point of order from Mr. Leone.

Mr. Rob Leone: Yes. Under standing order 23, Chair, I would say that the member opposite was impugning motive by suggesting that we were confused. I think we’re actually quite clear in our position, so I’d ask the member to withdraw that comment.

The Chair (Mr. Michael Prue): I don’t think that there was anything that overstepped the bounds, so I’m not going to ask her to withdraw that question. I am going to ask, though, that the minister respond to the question.

Hon. Michael Chan: I thank you very much for your question. You used the word “confused”; I talked about that when I was talking to MPP Sarah Campbell regarding these village costs related to the \$1.4 billion, and perhaps it is good to make it clear one more time what is being said on being surprised. Two weeks ago, the member here, Mr. Rod Jackson, seemed to be surprised that the village cost is not included in the \$1.4 billion that 2015 has to deliver and stage the games. But then back in—I think it was May—according to his own website, actually, he did mention that the village cost was over and above the \$1.4 billion.

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Also, I discovered—he talked a lot publicly, and I think in one exchange with a radio station he actually conflicted that fact by mentioning that he knew that for two years. So it’s quite confusing. He really confused the

members in estimates. It's unfortunate that something happened this way.

Right now, it's clear. The village, which, back in 2009—it was mentioned publicly by, of course, newspapers, that this was outside the \$1.4 billion for 2015 to deliver the games.

You mentioned the host jurisdiction responsibilities. Allow me to make it clear what Ontario's responsibility is, being the host, in terms of funding the games. Ontario will put \$500 million into 2015. At the same time, the federal government will put in \$500 million, again into TO2015. At the same time, local government plus donors will add about \$400 million, again, to put into 2015. That will give you a total of \$1.4 billion for 2015 to stage and deliver the games.

But Ontario, as the host, has other responsibilities. On top of the \$500 million that Ontario put into 2015, the other responsibility is that we have to look after public transportation, security, and also enhancement of the games. Back in August of this year, we announced \$42 million for what we call PCL, which is promotion, celebration and legacy enhancement of the games. Subsequently, we announced \$3.5 million to help build the Trans Canada Trail. Those are the enhancements of the games.

Again, the host jurisdiction—let me do it one more time; I want to make sure that people understand this. Ontario will put \$500 million into 2015 and leverage a total of \$900 million from the feds and from the local government, adding up to \$1.4 billion. At the same time, being the host jurisdiction, we will look after the transportation as well as the security. Again, this is very common. It happened the same way for Vancouver, for the London games, for the Glasgow games, which are coming up, and the past Pan Am Games as well.

I'll give you an example here: Vancouver had VANOC, which was delegated to deliver and host the games, but the government of British Columbia enhanced the games by putting about \$150 million on the PCL; \$150 million on the promotion, celebration and legacy of the games. Again, my point here is that it was very common in past games that the host jurisdiction enhanced the games. At the same time, the host jurisdiction has to look after the transportation of the public as well as the security, to make sure that the games are welcoming as well as secure, that people feel safe to come to Toronto and the Golden Horseshoe area to watch the games. So there's a lot of work to be done in the next one year and 10 months.

There's one point here too—you probably may ask, "Look, what happened to the transportation? What happened to the security?" I look at the Vancouver games, too. They talked about the security and, because it's complex, it involved a lot of moving parts and a lot of planning and possible mid-term changes. I remember the Vancouver games, the number for transportation able to land a number about 12 months to the games.

So this is, again, quite common. It happened in many past games. Deputy, maybe you can add on about the structure and the protocol.

Mr. Steven Davidson: Sure. Maybe it would be helpful if I put this in the context of the ministry's estimates specifically in terms of where this money all resides. As the minister mentioned, the organizing committee, TO2015, has a \$1.4-billion budget. The province's contribution to that is \$500 million. That transfer payment for that is to be found in the secretariat's estimates. Within the secretariat's estimates, you would find the annual transfer to TO2015: the 2013-14 portion of the \$500 million that's flowing this year.

In addition, the capital investment in the construction of the athletes' village is also accounted for in the secretariat's estimates. Previously, we've mentioned the budget for the secretariat itself. That's, obviously, included in the estimates. Then, the \$42-million investment in promotion, celebration and legacy initiatives that the minister has just spoken about is also within the secretariat's estimates.

It's important to keep in mind that, as the minister has said, the government has a range of responsibilities and is making a variety of investments. Those are substantially reflected in the P/PAGS estimates. The \$1.4-billion budget of TO2015 sits with TO2015, and, as we've said, our contribution to that is \$500 million.

I would only add, with respect to transportation planning and security planning, that another responsibility of the secretariat is to lead, in coordination with our partner ministries, negotiations with municipalities for municipal service delivery. There will be negotiations to be undertaken in terms of level of service and funding obligations amongst all the partners. That planning continues to be under way.

As the minister noted, in other games, it's quite typical that final numbers against transportation plans and security plans are not finalized until closer to the games. But at this juncture, two years out, planning is well under way amongst the partners, and we're confident that those costs will be more firmly defined in the months ahead.

Ms. Dipika Damerla: Thank you, Minister, and thank you, Deputy Minister, for that very, very comprehensive and clear answer. I trust that members of the opposition now are quite clear on this issue and will stop expressing outrage and shock, even though it stretched credibility in the first place, given that their own press releases said they knew that there were two different budgets. Regardless, we hope that it has all been clarified.

As a follow-up, Minister, it is fair to say that planning, funding and accounting for the expenses of these games is a shared responsibility. I note that the board consists of representatives from sporting communities, city hall and the Conservative government in Ottawa. Can you explain the shared role that each of these groups play in ensuring the committee is responsible with public dollars, and any response or initiatives undertaken by these groups to strengthen the function of the board and the Pan Am 2015 Games?

Hon. Michael Chan: I think my past answer to the opposition members is quite clear. The TO2015 board—they have a total of three reps from the federal govern-

ment; three provincial; the COC, the sport community, has four members there; and one from the Paralympics environment. So this is a shared responsibility between the federal government, the provincial government and also the local governments.

I'm going to pass it on to the deputy in terms of the technical about these shared responsibilities. He can clearly explain it to the estimates members.

Go ahead.

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Mr. Steven Davidson: Certainly. The minister has already described the composition of the board, so I won't repeat that. But I will say, because I'm not sure this point has been made, that the chair of the board is appointed from amongst the three provincial representatives, so there is an accountability lever for the province with respect to the appointment of the chair.

In addition to that, in terms of the province's oversight to ensure accountable expenditure of the \$500 million of provincial investment in the \$1.4 billion, there are a variety of mechanisms that have been deployed. The first, which has existed from the beginning, is the transfer payment agreement between the government of Ontario and the organizing committee. The federal government has a similar transfer payment agreement to govern the terms for use of its \$500-million contribution. This is the fundamental agreement in terms of articulating the province's expectation with respect to the board's conduct and expenditure of the provincial funds.

We've talked about how that has been supplemented. First, chronologically, was the inclusion of TO2015 as a separate institution under the Freedom of Information and Protection of Privacy Act, to bring greater transparency to its conduct. That is not a typical measure taken with respect to non-agency transfer payment recipients, so that's a further accountability tool that the government put in place with respect to its relationship to the board.

In addition to that, there are a number of directives that apply to broader public sector entities that receive more than \$10 million. We've discussed already, I believe, that 2011 was the first year when TO2015's annual allocation was at or above \$10 million. So on April 1 of the following year, it came under those directives. So in terms of accountable use of public funds, the broader public sector expenses directive and the broader public sector procurement directive apply to them.

The government also introduced Infrastructure Ontario, to play a leadership role in TO2015's delivery of major construction projects. The greater confidence and assurance that the government has through the alternative procurement model that Infrastructure Ontario adopts ensures that risk is transferred out, and risk to government and TO2015 is minimized. That was another lever that the government had and chose to exercise.

So, in terms of the relationship between the government and the organizing committee, there are a variety of tools.

Fundamental to it all is the authority and responsibility of the provincial government and the federal government

to approve the organizing committee's business plan. There was an initial version of the business plan that was approved by both levels of government. TO2015 is now actively engaged, as they move from strategic planning into much more on-the-ground, detailed operational planning, in the process of securing approval of a revised business plan. That's an additional authority that both the province and the federal government have.

Ms. Dipika Damerla: Chair, how much time do I have?

The Chair (Mr. Michael Prue): About a minute.

Ms. Dipika Damerla: Okay. I just want to thank you very, very much again for a very comprehensive answer, Minister and Deputy Minister.

Just a point of clarification: How many people does the federal government appoint to this board?

Hon. Michael Chan: Three.

Ms. Dipika Damerla: Three. So that would be the same as the provincial government?

Hon. Michael Chan: That's right, yes. The same as—

Ms. Dipika Damerla: And I heard you say, Deputy, that the federal government is involved in approving the business plan for the games. Would that include the expenses?

Hon. Michael Chan: Definitely, yes. They also—

Interjection.

Hon. Michael Chan: Yes, the federal government does have those responsibilities in terms of approving the expenses, including the structure of the salary and bonuses as well.

Ms. Dipika Damerla: You were going to say?

Mr. Steven Davidson: But I should clarify that the specific expenses would not be approved by either level of government. It's the policy—

Ms. Dipika Damerla: No, I'm talking about the guidelines.

Mr. Steven Davidson: —and the guidelines. So the responsibility of the province is to ensure, under the broader public sector accountability directive, that a policy is in place. When the minister—as he has had—has concerns about that policy, his lever is to engage with the board to direct them to review their policy and tighten it up more.

Ms. Dipika Damerla: So what I am getting from you is—

The Chair (Mr. Michael Prue): I'm going to have to stop you. The time is up.

We are going to recess now until 3:45 this afternoon, approximately. At the end of routine proceedings, everyone please be here. When we come back, there are 54 minutes remaining, which will allow an 18-minute rotation for each party, starting with the Conservatives. Also, because there is a possibility, if not too many motions or other things get in the way, that we will finish with this ministry this afternoon, we have invited the Minister of Health to be available.

We are recessed till this afternoon.

The committee recessed from 1025 to 1600.

The Chair (Mr. Michael Prue): We'll call the meeting to order. Two things first before we get into the last round of questioning. The first is that all members should have a copy of a letter dated today from Minister Chan giving the documents he promised to get this morning. That's very fast service. Thank you.

Hon. Michael Chan: Thank you, Michael.

The Chair (Mr. Michael Prue): Okay. Secondly, there is a total of 54 minutes which will be divided equally, which means 18 minutes per caucus, starting with the Conservatives. This is the last round. It's yours. Which one wants to go first?

Mr. Rod Jackson: Eighteen minutes, did you say?

The Chair (Mr. Michael Prue): Eighteen minutes. Mr. Jackson?

Mr. Rod Jackson: Yes, thank you.

Minister, earlier today, you mentioned that, with respect to your relationship with the partnership of TO2015, you have the opportunity to be able to make suggestions and recommendations to the board. Is that correct? Did I understand that correctly?

Hon. Michael Chan: Of course. Definitely.

Mr. Rod Jackson: Now, you are also on the record, you and the Premier, as saying that you believe some of those unpaid expenses—pardon me, expenses that were unreceipted. I think we can all agree around this table, and hopefully you will too, Minister, that it's appropriate to provide receipts for expenses to be repaid. Would you agree that that's reasonable?

Hon. Michael Chan: Okay. We talked about that the last time and also we talked about it publicly, including we talked about that in the House. Okay. In terms of those receipts, definitely we had items that you had concerns. Definitely I had concerns as well. At TO2015, they did have a policy in place last year, in April, and the policy—

Mr. Rod Jackson: They violated their own policy.

Hon. Michael Chan: —was in place there. After that, they put in expenses, and a subsequent audit—you mentioned this morning about an audit. After the audit, then we discovered there are items of concern. That's why it resulted in, at TO2015, the policy being strengthened.

I want to get back to you—when you get to those expenses. As long as those expenses are out of line of that policy in place, which is April 2012—any item that is out of line, and I said that before, we want those monies back. I hope I'm clear on this one for you this time.

Mr. Rod Jackson: Okay. So, Minister, just to be clear, you're saying that any expenses that were outside of their policy—and the audit did find that, since 2010, there's been a number of items that have been outside of their own policy—you're going to ask for that to be repaid.

Minister, a good example of this are the items that were claimed on expenses but no receipts were provided. So for an item like that, are you saying that since 2010 you're going to ask for the board members who got paid for expenses that were unreceipted—you're going to ask them to pay that money back?

Hon. Michael Chan: Again, you talk about those receipts, and what I tried to state here is that the policy in place back in April 2012—any expenses that are out of line of that policy, we are going to ask for the money back. Okay? I was very clear. Again, the ministry is right here. We're still working on it. I think at TO2015 they have said—allow me to recollect. I think they have said that there are no items where they feel that there are expenses out of line of that particular policy back in April. So we are checking on it. Again, if there is outside that, we want those expenses to be paid back.

The Premier has said that the expenses are unacceptable. I have said that those are irritant factors. I don't like it. I don't enjoy it. So in terms of anything that we can recover under the rule, we're going to do it.

Mr. Rod Jackson: Okay. Just to clarify, your answer is yes? You will ask for that money to be repaid? There was an audit done over a year ago that had inappropriate expenses that were not within—the audit says: the expenses approval and reimbursement process for the expenses of TO2015 does not comply with the BPS expense directive. In other words, they were not in compliance with their own rules. The expenses that were not in compliance with the rules, with the BPS expense directive: You are going to ask for all those to be paid back from 2010 to present, yes or no?

Hon. Michael Chan: I think I've answered that a few times, Mr. Jackson.

Mr. Rod Jackson: Just a simple yes or no. I'm having a hard time finding my way around your answer.

Hon. Michael Chan: April 2012—there's a policy in there. The policy governs, and for any items that are out of line with that particular policy, we'll ask for the money back. Maybe you can further explain if that is a requirement; I've been trying to tell him about the policy and the timing and the expenses.

Mr. Rod Jackson: What I'm really looking for here, Minister, is a commitment from you to provide a letter to TO2015, asking them to repay all expenses that were inappropriate and outside of the BPS expense directive from the beginning of the institution of TO2015 to present. Will you do that?

Hon. Michael Chan: You're asking me to write a letter to the board?

Mr. Rod Jackson: I'm asking you to—

Hon. Michael Chan: Let me rephrase that so I make sure I understand you correctly; allow me to do that, please. Are you asking me to write a letter to the TO2015 board asking them to refund the money to us for any item that was not in compliance—that was out of line—with the policy that was implemented in April 2012; that's when they implemented the policy. Are you asking me to write that letter?

Mr. Rod Jackson: I'd like you to write a letter, not from 2012, but from the beginning of the institution—

Hon. Michael Chan: Oh, 2012 is the time the policy was implemented. Do you want me to write a letter for all expenses from 2010 up to October 31?

Mr. Rod Jackson: Let's be clear about what I'm asking here, Minister.

Hon. Michael Chan: Okay.

Mr. Rod Jackson: In 2012, there was an audit completed.

Hon. Michael Chan: Right, completed in July.

Mr. Rod Jackson: Just a little over a year ago—October 2012, I believe—there was an audit completed that found that TO2015 expenses were not within the BPS expense directive. We know that. You knew that over a year ago. And if you didn't, Minister, you should have. What that audit is telling us is that before 2012—as far back as 2010—there have been inappropriate expenses claimed by members of TO2015. I can only assume—and I believe you would assume and agree as well—that there are also inappropriate expenses to current, so from 2012 to present.

What I would like you to do, as the minister responsible—hopefully responsible—for the Pan Am Games, is ask them to pay back all inappropriate expenses outside of the BPS expense directive. There's an audit out there that outlines in detail what the violations were. Will you ask them, in a letter from your office, on your letterhead, to pay back those expenses?

Hon. Michael Chan: Basically, you're asking me about those items from 2010 to April 2012.

Mr. Rod Jackson: To present.

Hon. Michael Chan: That's a time before the policy was implemented, right?

Mr. Rod Jackson: But we also understand—

Hon. Michael Chan: They implemented the policy in 2012. You're asking me to retroactively look at those expenses.

Mr. Rod Jackson: Yes, I am. But, Minister, be clear: This audit was done and was completed in 2012. They didn't audit the future. They audited 2010, 2011 and up to 2012, correct? What I would like—I'm actually kind of stunned that this is a difficult request; in fact, I'm surprised your answer isn't just yes, because that's the easy way out of this, Minister. Why don't you just hold them accountable and ask them to repay the inappropriate expenses that were found in the audit from 2012 and any other inappropriate expenses that have been found since? Will you do it? Yes or no? If no, why not?

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Hon. Michael Chan: Okay. I think this is a bit of a correction of what you just said. The policy implemented in April 2012—after three months, those expenses came in, and then in July, there was an audit done on those three-month items. After that particular audit, of which you have a copy, there were items of concern.

I think the feedback and the board engaged, so the resulting conversation resulted in the policy being strengthened in May 2013, which is this year. Those items being audited are really the three months. Correct me if I'm wrong on that.

Mr. Rod Jackson: Yes—

Hon. Michael Chan: But to make sure that you understand: Those items on the audit that you're holding

are from April to July. Those are the expensed items that were related to the audit that we supplied you with last week.

Mr. Rod Jackson: But presumably, Minister, you know more of the expenses. It's actually mentioned in the audit that the secretariat is responsible for the provincial portion of TO2015's budget, for financial oversight. You, Minister, are responsible for the secretariat, so what I would like to know is, are all inappropriate expenses from 2010—or whenever the actual institution of TO2015 was started—to the present going to be paid back? That's what I would like to know.

You, whether you know it or not, Minister, are responsible for the financial accountability of the secretariat, who are responsible for the financial accountability and oversight of the provincial portion of TO2015. What I would like to know is, will you exercise your responsibility and authority to ask the TO2015 board to repay expenses that were inappropriate, from that audit and from any other piece of information that we've received since then? Yes or no? I'm frankly stunned that you wouldn't agree to do this. I thought this would actually be quite a short period of questioning on this issue.

Hon. Michael Chan: I'm surprised that you keep asking the same thing, because—

Mr. Rod Jackson: Well, because I'm not getting an answer, Minister.

Hon. Michael Chan: When there's a policy implemented—

Mr. Rod Jackson: Are you responsible for the Pan Am Games? Let's go back to the very beginning. Are you responsible for the Pan Am secretariat?

Hon. Michael Chan: Definitely. I'm responsible for the Pan Am Games. Definitely.

Mr. Rod Jackson: Yes?

Hon. Michael Chan: Definitely.

Mr. Rod Jackson: Okay. The Pan Am secretariat is responsible for TO2015 financial oversight. That's a fact. I'm not even asking you that question; I'm telling you. If you don't know, Minister, you just learned that today.

Mr. Rick Bartolucci: Mr. Chair?

The Chair (Mr. Michael Prue): Yes?

Mr. Rick Bartolucci: Listen—

Mr. Rod Jackson: I have the floor. Do I?

The Chair (Mr. Michael Prue): No, you have the floor, but I think this is a point of order—

Mr. Rick Bartolucci: It's a point of order.

The Chair (Mr. Michael Prue):—and I think you are straying, Mr. Jackson, a little bit too far.

Mr. Rick Bartolucci: This is estimates. Is this within the realm of estimates or not?

The Chair (Mr. Michael Prue): It is within the realm of estimates to ask questions of the minister and ministry on the line items. We do grant some latitude, but I would ask Mr. Jackson, if at all possible, to try to be civil. I know you're frustrated getting the answers you want, but Mr. Chan, the minister, is answering the questions, I hope, to the best of his ability. He's not—

Hon. Michael Chan: We are answering the questions. I keep telling him that, look, there is a policy in place.

After the policy is in place, they have to comply to the policy. If an item is outside of policy, money back.

Mr. Rod Jackson: Minister, I'm not asking you about your policy. What I am asking you for is, will you agree to ask them to pay the money back that was inappropriately expensed, that was found in the audit, that we received from your office at the eleventh hour of that week that we asked for it? Will you agree to accept oversight and responsibility and act on it? Will you do it?

Mr. Rick Bartolucci: Mr. Chair, is this within the realm of estimates? I don't know how—

Mr. Rod Jackson: Minister, will you or will you not—

The Chair (Mr. Michael Prue): Mr. Jackson—

Mr. Rod Jackson: I have the floor, don't I?

The Chair (Mr. Michael Prue): No, no. A point of order is being made.

Mr. Rod Jackson: I didn't hear him say, "point of order."

The Chair (Mr. Michael Prue): This is a point of order, I take it.

Mr. Rick Bartolucci: It is a point of order, yes.

The Chair (Mr. Michael Prue): All right.

Mr. Rick Bartolucci: I guess I need a ruling. Is this within the realm of estimates?

Mr. Rob Leone: Can we stop the clock?

The Chair (Mr. Michael Prue): If Mr. Jackson can show that it's related to a line item, yes, it is.

Mr. Rod Jackson: It's related to the audit.

Mr. Mike Colle: What line item?

Mr. Rob Leone: I can refer you to the page. Page 21 of 149 of the results-based plan briefing book. It's in here.

The Chair (Mr. Michael Prue): Then I accept that it's within the line item. He is entitled to ask any question, provided it's a line item in the results-based plan briefing book.

Back to Mr. Jackson.

Mr. Rod Jackson: So, Minister, honestly, I'm not trying to be as difficult as it seems. I am a little bit frustrated, though, Minister. I have to say if the shoes were on my feet I would clearly be asking the board to pay that money back. I know you're not happy about it. You've said so and the Premier has said so. Will you hold them accountable? Will you stand with us today and ask them to pay back the money that they have inappropriately expensed to the people of Ontario? You're the guard at the gate. You're the guy that's supposed to be taking care of this. Will you, yes or no?

Hon. Michael Chan: You could understand that, too. The policy in place is the policy implemented in place in April, so for any item moving forward over the line, we're going to ask for the money back. Now, before that, there was also a different policy in place internally. Well, if they broke that internal policy, then we ask for the money back. We've got to be fair to the people. I mean, if there is a policy implemented—

Mr. Rod Jackson: We've got to be fair to the people of Ontario. We've got to be fair to the taxpayer—

Hon. Michael Chan: It was a policy implemented in April I'll tell them to follow. Moving forward, they have to follow. Any item that's out of the line of that particular policy, then I'm asking them for the money back. I think that's really fair—

Mr. Rod Jackson: Okay, Minister, when you make expense claims, do you provide receipts for your expense claims? Do you provide receipts for your expense claims?

Hon. Michael Chan: But before that, also, there was also an internal policy and if they broke that—

Mr. Rod Jackson: I'm not asking you about your policy, Minister. I'm asking you, will you actually answer the question?

The Chair (Mr. Michael Prue): Please, one at a time, Mr. Jackson. Mr. Jackson, you have two minutes left. Please be specific and hopefully you can get your answer.

Mr. Rod Jackson: I can't be more specific than, will you ask them to pay back inappropriate expenses? I'm not asking about your policy. I expect that you provide receipts for your expenses, and I expect them to provide receipts for their expenses. Will you ask them to pay back the money that they have expenses for without providing receipts, yes or no?

Hon. Michael Chan: Mr. Jackson, you've got to understand that different policies come at different times—

Mr. Rod Jackson: I'm not interested in the policy. If there's a policy out there, Minister, that says that you don't have to provide receipts, then there's a bigger problem here.

Hon. Michael Chan: I'll give you an example here. We strengthened the policy. Imminently we'll be strengthening the policy. According to what you're asking, you're telling me that after strengthening the policy, we're going to go back and tell them, "You know what? They strengthened the policy and it applies retroactively. I want the money back." Look, we have to act responsibly as well. So I'm telling you it's April—there's a point of order over there.

Mr. Mike Colle: On a point of order, Mr. Chair—

Mr. Rob Leone: Can we stop the clock?

The Chair (Mr. Michael Prue): There is only 15 seconds left. I cannot stop the clock. What is your point of order?

Mr. Mike Colle: My point of order is, can we just agree that with any inappropriate expenses that violated policies, that they pay the money back. We're in favour of that. I think that's what we're trying to get.

Mr. Rod Jackson: That's the answer I was looking for. If that's his answer—

Mr. Mike Colle: Yes, and whether the policies were then or after—

The Chair (Mr. Michael Prue): Alright, well, unfortunately that is the end of the time. I thank you for your intervention and for your questioning.

Mr. Miller, your 18 minutes.

Mr. Paul Miller: That was the good cop; now the bad cop.

Hon. Michael Chan: You changed professions?

Mr. Paul Miller: That's right. Minister, good afternoon.

Hon. Michael Chan: Good afternoon to you.

Mr. Paul Miller: Okay. My first question: The July 2013 audit report noted that any procurement above \$750,000, within budget, is to be only approved by TO2015's chief executive officer and he's not required to present it to the board. Why has a more appropriate threshold not been established, and does one man have that much power for \$750,000 and over?

Hon. Michael Chan: You finished your question?

Mr. Paul Miller: That's my question.

Hon. Michael Chan: Okay, Paul, you're talking about a very technical situation here. I'm going to defer that to the—

Mr. Paul Miller: Technical?

Hon. Michael Chan: Well, it's technical when you go into that.

Mr. Paul Miller: It's right in your report.

Hon. Michael Chan: The deputy will answer you on that.

Mr. Paul Miller: All right, I'll take the technical guy.

Mr. Steven Davidson: I will, if you'll allow, ask Nancy Mudrinic, the ADM responsible for financial and risk management oversight with 2015, to answer more fully. But I would just say that the procurement audit was an audit of TO2015's compliance with the procurement directive that they came under on April 1, 2012.

Mr. Paul Miller: And who issued that?

Mr. Steven Davidson: So that is—

Mr. Paul Miller: Did that come from the ministry?

Mr. Steven Davidson: No—well, from the provincial government.

Mr. Paul Miller: Thank you.

Mr. Steven Davidson: That's under the Broader Public Sector Accountability—

Mr. Paul Miller: It still came from the ministry. Thank you.

Mr. Steven Davidson: So the audit was intended, in the early days of implementation, to assess their compliance with an audit.

Nancy, maybe you can talk more specifically to the threshold question?

The Chair (Mr. Michael Prue): Ms. Mudrinic, could you please state your name before you start speaking so Hansard and the recording get it correct?

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Ms. Nancy Mudrinic: Nancy Mudrinic. I'm the ADM of risk management and financial oversight. Toronto 2015 is under the Broader Public Sector Accountability Act for procurement, and they follow the rules according to that, and develop guidelines and policies for their procurement.

Mr. Paul Miller: Question?

Ms. Nancy Mudrinic: Yes.

Mr. Paul Miller: The guidelines were established by the board. The fox was guarding the henhouse. They set up their own system; is that not correct?

Ms. Nancy Mudrinic: As a part of their approval, the board sets up their system according to the requirements—

Mr. Paul Miller: Would that be yes?

Ms. Nancy Mudrinic: —under the Broader Public Sector Accountability Act.

Mr. Paul Miller: But the broader public sector was issued by the government, sent down to 2015; 2015 dabbled with it and set up their own rules for expenditures—their own rules for expenses. I'm not quite sure there was a lot of dialogue that went back to the procurement office, whether the directives were—obviously some of the directives were breached. Even the minister said there were some problems there.

My question to you is: How did one man become allowed to make a decision of over \$750,000—I don't need to know what they do; I know what they do. I want to know why Mr. Troop, I imagine—is that the gentleman?—was allowed to make decisions of over \$750,000 procurement by himself, without even going to the board. That is unheard of. That's a lot of money. Was that a yes or a no, he was allowed to do that?

Ms. Nancy Mudrinic: The board sets the policies on approvals for that, so—

Mr. Paul Miller: The board is appointed and set up by Mr. Troop; is that not true—

Mr. Steven Davidson: No, no, no.

Mr. Paul Miller: Hold it; hold it. You guys had a directive sent down from the procurement—

Mr. Rick Bartolucci: Mr. Chair, on a point of order: Could Mr. Miller please allow the people to answer the question before he interrupts them?

Mr. Paul Miller: With all due respect, Mr. Chairman, it is my dime. I don't need you to analyze my question. If they have a problem with my question, they'll answer; they don't need you to answer for them.

Mr. Rick Bartolucci: Mr. Chair, on a point of order—

The Chair (Mr. Michael Prue): Hold on. We need to be civil here.

Mr. Paul Miller: They're using up time.

The Chair (Mr. Michael Prue): Yes, I know that.

Mr. Paul Miller: I know what they're doing.

The Chair (Mr. Michael Prue): Mr. Miller is correct, it is his time, but I would ask Mr. Miller—these three individuals have been very co-operative in answering your question—if you would give them just a little bit more time to finish the sentence before coming in.

Mr. Paul Miller: Okay. Mr. Chairman, I agree with you that they have been very polite, but they're not answering my direct question. My direct question was this: Was that man allowed to make decisions on \$750,000 and over by himself, without anyone else's decision? Yes or no?

Mr. Steven Davidson: So the first point, though, is: Mr. Troop reports to the board. As Nancy said, the board approves the policy; Mr. Troop, as CEO, is responsible for implementing the policy.

Mr. Paul Miller: So yes, then?

Mr. Steven Davidson: So if the threshold set by the board was as you describe, then he would be within his authority to make those decisions, but I can't confirm actually whether or not that's the case.

Ms. Nancy Mudrinic: According to the audit, it does indicate that the board required procurements above \$750,000 to go to the board, but below that, the CEO is able to approve it, and that was their board policy.

Mr. Paul Miller: That's not what I read. This is in the actual audit report: "It was noted that any procurement above \$750,000 within budget is to be only"—I repeat, "only"—"approved by the TO2015 chief executive officer and is not"—I repeat, "not"—"required to be passed by the board." That's what it says right here in the audit report. So that's correct, then?

Ms. Nancy Mudrinic: That's what the audit report says.

Mr. Paul Miller: So yes, it is correct. This gentleman was allowed to make those decisions at \$750,000 and over. That's the end of that question; that's fine.

My next question is, "The auditor also noted that a contract for non-consulting services was signed for \$150,000, but the actual payments were \$599,000 and had no supporting documentation that was provided." Can the minister explain to me why such drastic unsupported increases have been permitted under your watch?

Hon. Michael Chan: Again, you are talking about an item that is technical. I do have to refer to the deputy and perhaps the ADM—

Mr. Paul Miller: Okay, sure. That's in the audit, and I'll give you the page, if you like—

Hon. Michael Chan: —to explain to you, because there are hundreds of items in there, and—

Mr. Paul Miller: I'll give you the page. It's page 26. I'll repeat the question, if you'd like. I'll do it again: "The auditor also noted that a contract for non-consulting services was signed for \$150,000"—signed—"but the actual payments were \$599,000 and had no supporting documentation that was provided." Can the minister or whoever explain why such drastic unsupported increases were permitted under his watch? It's page 26.

Mr. Steven Davidson: So I'll provide two points to the answer. First, and I'm not saying this in any way to explain beyond the fact that this was in the early days of the establishment of TO2015, and prior to them coming under the BPS directives.

Mr. Paul Miller: What year would that have been, 2011?

Mr. Steven Davidson: Possibly.

Mr. Paul Miller: I think it was April 2011, but okay.

Mr. Steven Davidson: The second part of the answer is, as you'll notice at the bottom of the page, the auditor went on to provide recommendations to TO2015. Over the page on page 27 is the TO2015 management response, where they undertake to ensure that both policies and performance are in compliance with the directive.

Mr. Paul Miller: Thank you for that answer, but my question is—it's a little foggy for me: \$150,000 was the

limit. It went to \$599,000 with no supporting documentation. How many more of those situations happened before the new directives were put out? Where did the money go? Who has it? What was it spent on? I'd like to know that. This is just one incident. It could have happened more than once during that period from 2010 to 2012. That's a big gap. That is a 500% increase on what they were allowed to do. I want to know what happened to all that other money and where it went. I'd like that information, please. I'll provide you with anything you need.

Mr. Steven Davidson: So I would just say, though, that this was an audit that undertook to audit a sample of procurement contracts. It wasn't comprehensive—

Mr. Paul Miller: Well, maybe it should be.

Mr. Steven Davidson: The information we'll be able to request from TO2015 will be information that was within the scope of the audit, I suspect.

Mr. Paul Miller: Well, I'm sure the auditors, if they did a forensic audit, would certainly be able to get more details than a sampling. I'm suggesting to you that a forensic audit might be in order here because these are pretty scary numbers that went with no supporting documentation. If this is just one incident, how many more took place in that period before the new directives were sent down by the ministry? I have great concerns about where that money went, and I'm sure the Auditor General and her forensic team will be able to find that out for me. I'd like to know. That's that question done with.

The Chair (Mr. Michael Prue): Can I just ask, are you asking for documentation?

Mr. Paul Miller: Yes, I'm asking for information on where that money went, on this particular one, and are there any more that had no supporting documentation?

The Chair (Mr. Michael Prue): Okay. Thank you. That's a request for information.

Mr. Paul Miller: My third question is this: Why did the Pan Am management opt not to follow the October 2012 audit report recommendation to require written approval for travel expenses? Why were claims for individual medical expenses made by the Pan Am board members rather than through a health plan, which they could have done a lot cheaper?

What I'm saying is I have documentation that shows that certain individuals' family members, who weren't directly working for the Pan Am Games board—wives had medical attention wherever they were travelling or whatever. I guess that was part of Mr. Troop's contract? Normally when I travel, I have to take additional insurance if I'm going out of country, and I don't have the taxpayers pay for it; I pay it out of my own pocket through the automobile club. I'm wondering, what did he set up, and what other things did he set up that we don't know about?

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I can show you the documentation, because it was in one of the parcels that I received, that certain wives received medical treatment—not that I would refuse them medical treatment. But I'm wondering, who paid for that,

and was that part of his expense deal that he had set up with the TO2015 board? If it was, I have concerns, because most Ontarians have to pay for travel insurance themselves when they go anywhere. Especially if they're in the private sector, they have to pay. Was this one of the deals he cut? Was that covered in the \$700,000 that he's going to get for just hanging around for an extra year? Is that covered in that? I'd just like to know where it fits in. I'll provide you with that document—

Hon. Michael Chan: I think it's important to let me know the item—you know, the date. Okay? The date—

Mr. Paul Miller: I'll give you a copy of it.

Hon. Michael Chan: —the date of the expense.

Mr. Paul Miller: Yes.

Hon. Michael Chan: Because the audit—

Mr. Paul Miller: I think it happened in South America somewhere.

Hon. Michael Chan: —basically checked on those items from April to July. Okay?

Mr. Paul Miller: Okay. Yes.

Hon. Michael Chan: You talked about the audit on those limited time items.

Mr. Paul Miller: Yes, the audit.

Hon. Michael Chan: Maybe the one that you're talking about is before that time so it's not being picked up by these—

Mr. Paul Miller: Well I would like to know what deal covered that, who covered it and why they covered it—

Hon. Michael Chan: You're going to find out.

Mr. Paul Miller: —and why they covered it and did he cut that?

The Chair (Mr. Michael Prue): The minister has said he will find out, but I have a point of order from Mr. Bartolucci.

Mr. Rick Bartolucci: A very, very quick point of order: We are covered for out-of-province travel—

Mr. Paul Miller: MPPs.

Mr. Rick Bartolucci: MPPs are, yes. You said we weren't.

Mr. Paul Miller: No. I said when I travel, I take additional insurance because it's not enough to cover us. I'll give you an example, Rick. When you go to Cuba, we're not covered.

Mr. Rick Bartolucci: I think you're wrong, and you better check—

The Chair (Mr. Michael Prue): Okay. This is your time. If you want to—

Mr. Paul Miller: I'm not talking about MPPs. I'm talking about Mr. Troop.

Interjections.

Mr. Paul Miller: Don't switch the game here.

The Chair (Mr. Michael Prue): The floor is yours. You do not have to respond to him. It is not a point of order.

Mr. Paul Miller: Right. He's out of order.

The Chair (Mr. Michael Prue): It's your time.

Interjections.

Mr. Paul Miller: Thank you again. I probably would have thrown him out by now.

Now we're going to move on. I'd like to talk about Ontario Place.

Hon. Michael Chan: Okay.

Mr. Paul Miller: I'd like to receive a copy of the RFP that was issued, as well as the criteria for choosing the successful landscape architect. The current RFP process is silent on condo development, yet John Tory's report recommended that a third of the land be dedicated to condo development. At what point will the public learn the government's intention to undertake condo development and how will the public use of this land be maintained?

Hon. Michael Chan: At the moment you mention about the RFP, this is strictly the RFP for the urban park?

Mr. Paul Miller: Right.

Hon. Michael Chan: Hopefully we can name it Pan American Park when it's all done. You talk about the condos. This is the ultimate development of Ontario Place. By the way, the residential is a suggestion in the competitive—from the John Tory report, and there are many, many suggestions. For example, it can be a technology centre. There can be some kind of institution there, some kind of cultural institution as well—educational. So it's really the suggestions from the report. Then we are kind of still in stage 2, preparing the land, and after that's done, there will be further revitalization.

Definitely I know that—especially the people down in the Toronto area there, they're so attached to Ontario Place. Right now, the good thing is that the park is coming out for Pan Am and then again the ultimate revitalization we will be moving on.

Mr. Paul Miller: Speaking of the park, it's my understanding that 600 kids have lost their summer jobs because of the closing of the park. What percentage of the total government summer student job offerings is that? What impact on the student unemployment rate will this have? And what overall impact on youth in the Toronto area will this have?

Hon. Michael Chan: I remember when we closed Ontario Place, the Minister of Finance provided additional spaces for summer jobs to—

Mr. Paul Miller: Where would that be, Minister?

Hon. Michael Chan: I will give you the number because that was provided two years ago—

Mr. Paul Miller: But where would they work?

Hon. Michael Chan: —and I remember Minister Duncan mentioned it because of this loss of summer youth employment. The Minister of Finance would pick it up from other areas. That's my recollection. But then in terms of—you want these numbers? Definitely we can provide the number.

Mr. Paul Miller: Okay.

The Chair (Mr. Michael Prue): Two minutes.

Mr. Paul Miller: Okay. Are there any plans under way to improve public transit to Ontario Place, back and forth?

Hon. Michael Chan: Again, at the moment we are able to launch the development of the park. Allow me to repeat. Right now, we have done stage 1, to prepare the

land, and stage 2 is imminently completed after that, and then we will go either with an RFQ or an RFP, depending on the ultimate model of Ontario Place. In terms of any plan for transportation, there's no plan yet. I know it's important for the ultimate model, having—

Mr. Paul Miller: So there's no plan for transit.

Hon. Michael Chan: —transportation eventually.

Mr. Paul Miller: Eventually. Okay.

Hon. Michael Chan: It really depends on the model.

Mr. Paul Miller: Right. You just have the RFP, but you don't have a plan for transit. Okay, I understand that.

Hon. Michael Chan: Paul, it really depends on the ultimate model for Ontario Place.

Mr. Paul Miller: Okay, next question: Is the re-development on track to be completed with the 2015 Pan Am/Parapan Am Games for the RFP—is it on time? Will the development of the percentage of the condos there—and apparently, a percentage of the project was supposed to be for public housing; that percentage hasn't been determined. These units that they're putting in for the athletes, when they reuse them after the games are done for whatever purpose, what kind of retrofits and how much is it going to cost to bring them up to the situation—are you going to sell it to private developers, or is the government going to have a hand in this? How are you going to bring it up to a level to make it accommodating for people to live in on a permanent basis? What are you doing?

The Chair (Mr. Michael Prue): You've got 10 seconds only.

Hon. Michael Chan: I've got 10 seconds only. Paul, you mentioned 2015; the Pan Am part will be ready. For Ontario Place, according to a John Tory report, we would like to see a final model by 2017. That's for the 150th anniversary of Canada. Again, the final model, of course, is not finalized because we need the RFP or RFQ in order to strike a final model. It can be educational; it can be cultural; there can be some residential units; there can be a shopping mall in there. Again, we are going to move forward, hopefully by 2017, to be able to land one and be happy with all the people.

Mr. Paul Miller: Thank you.

The Chair (Mr. Michael Prue): To the government, you have 18 minutes.

Mr. Rick Bartolucci: Thanks very much, Chair. Let me start off by simply clarifying the record so that all members around this table know what they're covered for and what they're not covered for. "Out-of-country medical coverage"—this is in our booklet of benefits—"Effective January 1, 2009, the plan"—

Mr. Paul Miller: Point of order, Mr. Speaker.

The Chair (Mr. Michael Prue): Point of order, but this is his 18 minutes, the same as yours.

Mr. Paul Miller: I'm not questioning his 18 minutes; I'm just doing what he did—stalling for time. The bottom line is, I didn't ask him for an MPP's coverage; I asked him what Mr. Troop's coverage is. So I fail to see the connection between what I asked and what he's explain-

ing. He's just spinning his wheels. If you want to spin your wheels, go ahead.

Mr. Rob Leone: On the same point of order.

The Chair (Mr. Michael Prue): But that is not a point of order well taken. On a point of order, Mr. Leone.

Mr. Rob Leone: Well, this one is a point of order, because I don't believe that is in the estimates. I'd like Mr. Bartolucci to point out in the estimates booklet exactly where the MPP insurance plan comes into play with the estimates of the Ministry of Tourism, Culture and Sport.

Mr. Rick Bartolucci: Mr. Leone—

The Chair (Mr. Michael Prue): I think his point may be well taken. If you can point—

Mr. Rick Bartolucci: There's absolutely no question, but within the context of a discussion of estimates, the statement was made that when he or his wife travels out of country, they have to buy their own insurance. The reality is, MPPs are covered. It says: "If you or your dependents leave the country temporarily for business, pleasure or for educational/training purposes and the expenses arise due to emergency or unexpected sudden illness"—

Mr. Paul Miller: Mr. Speaker, point of order.

The Chair (Mr. Michael Prue): On another point of order. First of all—

Mr. Paul Miller: With all due respect, this has nothing to do with estimates. He's just spinning wheels here.

The Chair (Mr. Michael Prue): If you would allow the Chair to make that statement, you're absolutely right. Mr. Bartolucci, this has nothing to do with estimates. The questions are on estimates of the minister and the ministry, not whether—

Interjections.

The Chair (Mr. Michael Prue): Order, please. Mr. Bartolucci, please limit yourself to questions that are contained within the estimates book. This is not a forum to say whether somebody asked an improper question. The questions have to be asked of the minister and the ministry, and it has to be contained within the results-based plan briefing book.

Mr. Rick Bartolucci: Thank you very much.

Interjection.

The Chair (Mr. Michael Prue): Mr. Bartolucci still has the floor, unless he cedes it to you. Mr. Bartolucci, are you finished?

Mr. Rick Bartolucci: I'm turning it over.

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The Chair (Mr. Michael Prue): Ms. Damerla, the floor is yours.

Ms. Dipika Damerla: Thank you, Chair. Minister, both you and the Premier have been stating that these are the most open and transparent games. In fact, I understand that it was our government that brought the organizing committee under the Freedom of Information and Protection of Privacy Act. That is how the media was able to obtain the expense records for TO2015 executives. I don't believe that it was possible to find such

detailed financial information as this during the Vancouver Olympics or the previous Pan Am games in Guadalajara.

On the topic of the expenses and in light of the audit report that was tabled with the committee a few weeks ago, Minister, could you please explain to us the actions you and your ministry have taken to ensure that there will be greater accountability going forward?

Hon. Michael Chan: Thank you very much for your question. You're right, you know. The Vancouver games and the ones down in Mexico: They are not so transparent because they don't have FIPPA. Our government was able to put TO2015 under the FIPPA, the Freedom of Information and Protection of Privacy Act. That's why the executive salaries are on the sunshine list and so on.

We are really, really transparent and also accountable in terms of accountability compared to other games. You mentioned the Vancouver games and also the Mexico games. Yes, we are moving forward with what we have. Maybe the deputy can follow up a little bit on the technicals about the sunshine list and all this.

Mr. Steven Davidson: Oh, certainly. TO2015 is covered by the Public Sector Salary Disclosure Act. As we've mentioned, the government did specifically include them under the Freedom of Information and Protection of Privacy Act, through regulation. The government also separately established the Pan/Parapan Am Games Secretariat as a separate institution under FIPPA as well to provide greater transparency and clarity. The secretariat was formerly within the Ministry of Health Promotion and Sport; now it's attached to the Ministry of Tourism, Culture and Sport. It continues as its own institution under the FIPPA Act.

If I may, just in the interest of transparency, this morning when I was talking about the host jurisdiction expenditures which are within the Pan/Parapan Am Games Secretariat estimates, I included the \$42 million that was announced in the summer for celebration, promotion and legacy. In fact, that was in your treasury board approval. So if you look for it you won't find it in the printed estimates for 2013-14, but it will be included in the quarterly financial reports and in the public accounts for 2013-14. So I just wanted to note that for the record.

Ms. Dipika Damerla: I'm going to—

The Chair (Mr. Michael Prue): The floor is still yours until you cede it.

Ms. Dipika Damerla: Okay. I believe that my colleague MPP Colle wants to ask a question.

The Chair (Mr. Michael Prue): All right, then, you cede it. Mr. Colle?

Mr. Mike Colle: Thank you, Mr. Chair. I have a special interest in music. As you know, the mayor of Toronto led a delegation to Austin, Texas, just last week to sign an agreement with the city of Austin to have a declaration that Toronto and Austin would collaborate in developing a music city, as they do in Austin. I'm just putting this in context for everybody because sometimes those of us that aren't that familiar—and I'm not that

familiar, but there's a lot of people who work in music and in the music industry in all of southern Ontario. Film, arts and music, especially, I think, is about a \$10-billion industry in Austin, Texas. It's huge. It's for tourism, production of music and commercialization.

The question I have is that I know the city of Toronto has now done this effort to sign this partnership with Austin, Texas. In your budget there's the allocation of funds for—I think it's called Music Ontario, if I'm not mistaken?

Hon. Michael Chan: Ontario Music Fund.

Mr. Mike Colle: Okay. Could you explain to me if that's going to be able to be deployed by the city of Toronto in its efforts to develop the commercialization of music, and how is that program going to help what the city of Toronto is doing?

Hon. Michael Chan: I think it's separate from what they're doing. This Ontario Music Fund is a program that we developed in the province. What actually, Mr. Colle, led to this development is that over the years, I had the opportunity to visit many places, like Windsor, Oshawa, Waterloo, Kitchener—many places. There are these so-called life music events and I discovered that there a lot of people there, a lot of audiences. It came to my mind, you know what, oh God, this music industry can really thrive.

I dug deeper into the file and I discovered that 80% of the music activity and revenue actually happens in Ontario. Canada-wide, 80% of the music industry economy is running in Ontario, so I think it is good for Ontario to further strengthen the music sector. That's why.

Mr. Mike Colle: How will you do that through this Ontario Music Fund?

Hon. Michael Chan: I'm getting into that now. That's why in the budget this year we were able to add, over three years total, \$45 million for the Ontario Music Fund. The purpose is to help the music organizations for recording or help them to develop the business and also strengthen the live music performances in Ontario.

It's good that you ask because we are quite imminently going to roll out the program for the sector. We'd like to see that roll out within a month. This is fantastic news for the music industry because this is really the first time for many years that we are able to really go into the music sector and so clearly show our support of the music sector. I think the sector is very pleased because it's a significant investment, again, of \$15 million per year over three years. So far the reaction is very good and, again, the program—

Mr. Mike Colle: Wouldn't it be possible—I know in Sudbury, there's quite a viable music industry that feeds the north, and Toronto, Hamilton—

Hon. Michael Chan: Everywhere, basically.

Mr. Mike Colle: But is it possible to maybe look at teaming up with some of the cities that are doing the same type of work through economic development so the partnership could be between the province—

Mr. Paul Miller: Point of order.

The Chair (Mr. Michael Prue): On a point of order.

Mr. Paul Miller: I'd just like to inquire: Are we talking about the musical events at the opening of the Pan Am Games here or what? I'm a little confused.

Hon. Michael Chan: It's culture. What are you talking about?

The Chair (Mr. Michael Prue): No, no. His questions are in order. This is the estimates.

Mr. Paul Miller: Oh, so he's talking about something else.

The Chair (Mr. Michael Prue): It's something else. Just as you asked questions about Ontario Place, he's asking questions about this.

Hon. Michael Chan: It's not about Ontario Place.

Mr. Paul Miller: I was hoping for a big show.

Mr. Mike Colle: No, it's a \$45-million investment the province of Ontario—

The Chair (Mr. Michael Prue): Please continue.

Mr. Paul Miller: I was confused. I didn't know about this.

Mr. Mike Colle: Yes, obviously.

Mr. Paul Miller: Thanks.

Mr. Mike Colle: No, I understand that, because everybody was talking about the other stuff. I just wanted to make sure that this wasn't forgotten.

I just hope that there are ways whereby these investments you're making could also partner with what the cities are doing because they've already, again, invested money too. I hope that you're looking at that too.

Hon. Michael Chan: Mike, I think your idea is fantastic. Definitely, we can collaborate with the local government, whether that be Toronto or Thunder Bay or Sudbury or even if the federal government wants to chip in, I'd be more than happy. We can leverage—collaboration, co-operation, we can do it better. Your point is well-taken, and I'm going to pass it on to the deputy to make sure that where we can fund those opportunities, definitely, we should.

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Mr. Steven Davidson: Yes, we can. I would just clarify that municipalities won't be eligible, but trade organizations and consortia of music companies that can partner with local economic development organizations in municipalities will be eligible. So municipalities can be part of broader partnerships.

Mr. Mike Colle: Which they are. Anyway, I'm supposed to defer back to my colleague because she has a very important question.

The Chair (Mr. Michael Prue): Ms. Damerla.

Ms. Dipika Damerla: Thank you, Chair. Minister, you and the Premier have repeatedly said that there will be a lot of benefit to the province from the Pan Am/Parapan Am Games, and we've all seen you over the last year at so many press conferences and media events, announcing different aspects related to the games, such as the venues, the athletes' village or the promotion, celebration and legacy funding announcement. Needless to say, there will be a lot of tangible and intangible benefits that will be brought to Ontario before, during

and after the games. Could you please explain to us what some of these benefits are?

Hon. Michael Chan: Thank you very much for the question. We all know that these Pan Am Games are the first time for Ontario to host such a sizable multi-sport event. These are really big games for us because, after the Olympic Summer Games, this is the largest one. It's very comparable to the summer Asian Games.

There are tremendous benefits. Talk about jobs: It will create 26,000 jobs, generating about \$3.7 billion to our economy. According to a CIBC recent report, Ontario will attract 350,000 visitors. On top of that, of course, the athletes, the coaches, the officials are all coming—another 10,000 people in there. It's tremendous.

One piece here is also tremendous: It's the legacy. When I talk about legacy, it's the capital infrastructure that we're able to build. For example, we're going to have three Olympic-sized or standard pools in the Toronto area. We're going to have a stadium in York University. Those are facilities for young people to use for decades. Those are very, very beneficial to Ontario.

Look at the athletes' village happening in the West Don Lands. We all know that previously the area was quite deteriorated. After the games, a vibrant community will be created, with a YMCA in there and a George Brown residence, affordable housing use, and some units will be sold to recover some of the costs. So the Pan Am is really, really able to deliver a lot of big benefits to Ontario.

Yes, the footprint is quite large. It's good as well because Welland—they're able to have a flat waterway, which is already in use, two years ahead, before the game time. Even in my own riding, which is Markham, we're going to have a new pool, a new field house for water polo, for badminton and things like that. Once it's done, that facility will be used by people for decades to come.

Again, it's big for Ontario. I am very, very happy that, at the moment, all the capital infrastructure is on time and under budget. The number we have at the moment is \$50 million under budget.

The Chair (Mr. Michael Prue): Okay.

Ms. Dipika Damerla: How much time—

The Chair (Mr. Michael Prue): No, no. The 18 minutes has now expired.

This concludes the committee's consideration of the estimates of the Ministry of Tourism, Culture and Sport. Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote?

Mr. Rob Leone: What page are we on?

The Chair (Mr. Michael Prue): If you look through the—

Mr. Paul Miller: Recorded vote.

The Chair (Mr. Michael Prue): On everything?

Mr. Paul Miller: How many are we talking about?

The Chair (Mr. Michael Prue): There are one, two, three, four, five, six, seven, eight, nine—11 votes.

Mr. Paul Miller: At the end, then.

The Chair (Mr. Michael Prue): All right. Now if you look through here, you'll find, about halfway through the book, I think around page—starting on page 63. Each yellow indentation is a separate vote. The ministry administrative program is 3801. All right?

Mr. Mike Colle: We're going to have to get copies of it.

The Chair (Mr. Michael Prue): I can explain to you what each one is, and I will do that so that everybody knows. The members are now ready to vote. The first vote is 3801, which is the main office vote.

Shall 3801 carry? Carried.

Shall 3802, which is tourism, carry? Carried.

Shall 3803 carry, which is sports and recreation? Carried.

Shall 3804 carry, which is tourism and cultural capital? Carried.

Shall 3805 carry, which is the culture program? Carried.

Shall 3806 carry, which is the Ontario Trillium Foundation? Carried.

Shall 3807 carry, which is the seniors' secretariat? Carried.

Shall 3808 carry, which is the Ontario cultural media tax? Carried.

Shall 3809 carry, which is the Pan/Parapan Am Games? I heard some noes. By a show of hands—unless there's anybody who wants a recorded vote.

Mr. Rob Leone: Recorded vote.

The Chair (Mr. Michael Prue): On a recorded vote on 3809, the Pan/Parapan Am Games.

Ayes

Bartolucci, Colle, Damerla, Mangat.

Nays

Clark, Leone, Nicholls.

The Chair (Mr. Michael Prue): That carries.

Shall the 2013-14 estimates of the Ministry of Tourism, Culture and Sport carry? Carried.

Shall I report the 2013-14 estimates of the Ministry of Tourism, Culture and Sport to the House? Agreed? Carried.

You may have noticed that we had intended, at this point, to take a small recess and reconvene with the Ministry of Health—

Mr. Rob Leone: Chair, it may not be a point of order, but I realize that in the Legislature, I believe, they're talking about—

The Chair (Mr. Michael Prue): That's what I'm doing.

Mr. Rob Leone: Oh, you are? Okay.

The Chair (Mr. Michael Prue): We were to have reconvened with the Minister of Health and Long-Term Care and the ministry officials. However, since this is a matter that is currently before the House, we cannot do so. Therefore, for today the committee will have to adjourn. For tomorrow, we will be instructed by the Clerk in the morning, as soon as we know what the orders of the House are going to be in the afternoon, and we won't know until they're called. Be prepared to be here, although there is a possibility we will not proceed again tomorrow if it is a health matter before the House.

If the members are advised, that being all the business we can conduct today, we are adjourned, and we will advise as soon as possible tomorrow whether or not we are convening in the afternoon. Meeting adjourned.

The committee adjourned at 1658.

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