



ISSN 1181-6465

**Legislative Assembly
of Ontario**

Second Session, 40th Parliament

**Assemblée législative
de l'Ontario**

Deuxième session, 40^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 20 November 2013

**Journal
des débats
(Hansard)**

Mercredi 20 novembre 2013

**Standing Committee on
Estimates**

Ministry of Transportation

**Comité permanent des
budgets des dépenses**

Ministère des Transports

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 20 November 2013

Mercredi 20 novembre 2013

The committee met at 1554 in room 151.

MINISTRY OF TRANSPORTATION

The Chair (Mr. Michael Prue): We'll call the meeting to order. We are here to resume the consideration of the estimates of the Ministry of Transportation. There is a total of one hour, 58 minutes remaining. The third party has 20 minutes. Mr. Marchese.

Mr. Rosario Marchese: Thank you, Mr. Chair. I'm going to get right into it because, as usual, I've got a lot of questions, so I want to try to get through them as best as I can.

Yesterday, we left off where I was asking a question around, is this a trend towards bundling being driven by the investment needs of the finance industry. I want to get right into another quote that I have from a firm. It's called Structuring and Managing Construction Risks in Public Private Partnerships, by Timothy J. Murphy, partner of McMillan LLP. This quote says the following:

"Since the borrower for each project is typically a minimally capitalized" special purpose vehicle, "the lenders will also seek to ensure that none of the risks that the public sector has transferred to the private sector through the project agreement is stranded in the SPV. Obviously, as risks are 'dropped down' from the SPV to the construction company and the operator or service provider, there exists a requirement that the transferred risks be covered appropriately between the operator and the constructor."

So while the government says that it's transferring risk to the private sector, it seems to have partnered with a highly motivated, capable and creative risk-avoiding machine. And according to this document, ultimately, it's the smaller contractor or sub-contractor that is forced to bear most of the risk, not the P3 investor.

It sounds to me like it's not fair, ultimately. Do you have an opinion on that?

Hon. Glen R. Murray: The deputy may have, and I'll give you a very simple, straightforward one: No, they're not minimally capitalized. Our AFP contracts are considered the best in the world. As a matter of fact, Mr. McCuaig, who you saw yesterday, is in the UK today because he's been invited by an international community of experts, both people who believe in traditional models as well as in this, to be the lead in a discussion on this. If you looked at the Windsor-Essex parkway, you—

Mr. Rosario Marchese: Minister, that's not what I was asking. This quote simply says that the risk is dropped down to the lowest level.

Hon. Glen R. Murray: No, but I've explained that's not true, because you have to have a level of capitalization to be able to do business. The consortium that is building the Windsor-Essex parkway is the fifth-largest. It's backed by ACS, and some of these are secured by their own national governments. That is just simply not the case in Ontario.

Mr. Rosario Marchese: I see; okay. You agree with that?

Ms. Carol Layton: I think—

Mr. Rosario Marchese: If you agree, that's good.

Ms. Carol Layton: Yes, I do.

Mr. Rosario Marchese: Very good, lovely. You're all together on that.

I have another quote by economist Toby Sanger, who says the following:

"Since P3s are invariably set up as 'special purpose vehicles' ... the big companies behind them can simply walk away if they aren't making enough profit or if things go wrong, thanks to limited liability laws for corporations. The maximum they lose is any equity and any net cash they've put in, less what they've been paid. And a number of P3 companies have abandoned their projects, or used the threat of doing so to get money out of the government."

"Government always bears the ultimate risk because it's ultimately responsible for delivering the service."

So while the government says that it's transferring risk to the private sector, its private P3 partner is invariably a highly motivated, capable and risk-avoidance machine. What do you think about what he said?

Hon. Glen R. Murray: Well, I think that may be a valid criticism in other jurisdictions. I don't think it's valid here. It's also the way we cash flow and pay people. It's all performance-based. They have to complete the work, and it has to be inspected up to standard before they get a cheque. So the exposure and liability—let's go back to the only project that we've ever had any major issues in reconstruction on. There were no payments. I mean, they could walk away, but they would be walking away with a huge loss on the project. So we have taken care of that, and again, part of the reason—I'll just say this: We do not have an ideological perspective on this one way or the other. And—

Mr. Rosario Marchese: So all these criticisms are ideological and your point of view is that Ontario is not ideological and is just doing the right thing? Is that—

Hon. Glen R. Murray: My point of view is that, given the mix that we do of both AFP and traditional development and other models, the lens that we have taken—this is where I think governments have gotten into trouble. There are governments that are carrying huge debt—

1600

Mr. Rosario Marchese: Okay.

Hon. Glen R. Murray: Let me just finish.

Mr. Rosario Marchese: It's just that I don't have much time and I just wanted to know your view. You basically said that it's valid, but not in Ontario.

Hon. Glen R. Murray: I've got two sentences to get out. Where I think governments get into trouble is if you blindly, ideologically believe that private sector outsourcing or privatization is always the answer, or you think that the public sector can solve all problems. So we try to take an evidence-based, pragmatic approach to it. The two risks that you just identified are two of the critical reasons that we structure our agreements the way we have.

Mr. Rosario Marchese: Okay. Let me read what Professor—the same professor that I just cited—Sanger says:

“But how is this risk calculated?”—because that's what all of this is based on. “They don't say. The value-for-money risk assessment templates Infrastructure Ontario provides are frankly embarrassing from a public policy perspective, especially for decisions that have involved billions of dollars of the public's money....The value-for-money assessments release for each P3 project are superficial window dressing.... When I've directly asked officials for these calculations, they claim it's 'proprietary' or confidential information—and all the P3 documentation that's made public leave out these details and other details on how much the P3s will actually really cost by year.” This is ideological?

Ms. Carol Layton: The comment that I'd like to make is: Have you gone on the website of Infrastructure Ontario and looked at the value-for-money methodology? And have you actually gone on to all the different projects—the 60-plus projects—and seen how they've calculated for it? Also, have you gone through all of those projects and looked at the project agreement, which is incredibly detailed?

Mr. Rosario Marchese: So Deputy—

Ms. Carol Layton: And there's a fair amount of transparency—

Mr. Rosario Marchese: Gotcha. So when I quote Professor Sanger, when he says that he “directly asked officials for these calculations” and “they claim it's 'proprietary' or confidential information,” what you're saying to me is that I should go on the site, he should go on the site and that whatever he has come up with, this professor, is simply not legitimate?

Ms. Carol Layton: No. What I'm saying is that there's certainly information on the site, but there is

indeed proprietary information. Even the project agreement that you will see on the Infrastructure Ontario website does have redacted information because there is a lot of commercial sensitivity.

Mr. Rosario Marchese: So what do you think about what he said? Do you agree or disagree? What do you think?

Ms. Carol Layton: What I think, certainly because I'm sitting in a different seat, where I have the privilege of being taken through fairly detailed value-for-money methodology as these things track their way towards treasury board—

Mr. Rosario Marchese: So we trust you.

Ms. Carol Layton:—my perspective is certainly that for the information that's available as a senior public servant, I am—

Mr. Rosario Marchese: So we have to trust you and the minister, because your views are evidence-based and ours are simply that we surmise based on what we don't see and what we don't know, and it's ideological.

Ms. Carol Layton: Those are your words; those aren't my words. What I would say, though, is that I do count on the governance structure of Infrastructure Ontario. I do count on the fact that they have a board of directors. I do count on the qualifications of our treasury board—

Mr. Rosario Marchese: I understand.

Ms. Carol Layton:—in being satisfied—

Mr. Rosario Marchese: I understand. Very good. Thank you, Deputy.

Ms. Carol Layton: Thank you.

Mr. Rosario Marchese: Minister, you did an interview in the Generals, published by the Ontario General Contractors Association.

Hon. Glen R. Murray: Which I referred you to yesterday, yes.

Mr. Rosario Marchese: I marked it all up.

Hon. Glen R. Murray: I hoped you could read it.

Mr. Rosario Marchese: I will. You're quoted as saying here—this is your quote: “‘There is a growing concern that some projects are getting bundled too large,’ concedes Mr. Murray. ‘In some cases they are beyond the pale, are hard to administer, and come with great complexity,’ to the point that any savings from bundling is lost.” You stand by that, I'm assuming.

Hon. Glen R. Murray: In context, because what I was saying was that the challenge that we have on industrial policy is that we have to slowly scale up bundles so the smaller Ontario companies—especially in the south-west and the north, where we don't have large-scale companies—can compete for larger contracts. Our goal with the way that we are organizing contracts is to build engineering, construction and financing consortiums that can compete in other countries to bring that home. The tension—and I want you to understand this—is the tension between moving too quickly, too big, where we lose Ontario companies, and not doing it soon enough so that we build their capacity to compete internationally. That's the strategy.

Mr. Rosario Marchese: I see. Okay. So that quote is explained by what you just answered. Is that it?

Hon. Glen R. Murray: That was one half of it, and if you read further on in the article, you'll see me describing the other side of the question.

Mr. Rosario Marchese: Oh, I did see that as well, yes. I'm just trying to see where—

Hon. Glen R. Murray: But it was more interesting just to take that one.

Mr. Rosario Marchese: —because you seem to stand on both sides. That's my confusion and problem. I support de-bundling, Minister, where you say that we've got to de-bundle a lot of it. On the one hand, you say those things; on the other hand, you say other things. It's hard to know where you stand.

Hon. Glen R. Murray: No. If you're not overly ideological about it, you stand in the centre of pragmatism. What I said about it was fairly simple. It's not hard for a Liberal to understand this—and moderation.

Mr. Rosario Marchese: Oh, Liberals understand that very well.

Hon. Glen R. Murray: It is finding the balance—

Mr. Rosario Marchese: I understand.

Hon. Glen R. Murray: No, but it's very clear. We need to understand this because this is critical. We actually have a construction industry in Ontario that's very, very dependent on municipal and provincial contracts that they agree to.

Mr. Rosario Marchese: I got that. I understand.

Hon. Glen R. Murray: The degree to which we—if you want to use the word “bundling”—bundle has to be progressive enough to get them to grow fast enough, but not so fast that we leave them behind. That is a pragmatic, moderate, thoughtful, practical approach, I think.

Mr. Rosario Marchese: Okay. Thank you. Minister, you were expecting a study by an expert panel that has been put together and that was supposed to have been given to you by the end of October, and the issue was about project bundling. Did you get that report?

Hon. Glen R. Murray: No. It's—

Mr. Rosario Marchese: “Analyzing the successes and failures of the AFP and the PPP models has fallen to an expert panel”—

Hon. Glen R. Murray: That is being done by the assistant deputy minister in another ministry, in infrastructure, a very bright public servant by the name of Chris Giannikos. I don't think he has finished his work yet because it, quite frankly, started a little later than we had hoped. But yes, I expect that will be done soon, and I'd be happy to share that with you.

Mr. Rosario Marchese: Good. That review will probably talk about its failures as well, and maybe we might go to the traditional way of doing things. Is that possible? Will we have that non-ideological kind of project review?

Hon. Glen R. Murray: I think what you'll find is the practice that we have in place right now. Choosing whether it's an internal, traditional delivery and procurement or whether it's AFP will be done based on evidence,

and I think it will provide us with greater evidence and metrics on how to evaluate the projects to make those decisions more effectively to get the best value out of our dollars.

Mr. Rosario Marchese: The Eglinton LRT project was originally just a design-finance-build, but in September 2012, the government blindsided everyone and announced that the TTC would not operate or maintain the LRT. Two months after that, Metrolinx agreed to let the TTC operate the LRT line, but a maintenance component remains in the P3 procurement. Why were the maintenance and operations added to the P3 at such a late date?

Hon. Glen R. Murray: I wasn't minister at the time, but I remember the context because I'd been a citizen of the city through that entire period of time. There was a huge fallout after the St. Clair streetcar line was built and the problems that people within the city council, including some of your party members there who had raised very, very strong concerns about how delayed and how obstructive the construction schedule was—and as Metrolinx and the provincial government have never been over budget or late on a project, Metrolinx took over the execution and continued to—

Mr. Rosario Marchese: So you're using that—

Hon. Glen R. Murray: No, let me finish—

Mr. Rosario Marchese: You're using St. Clair as the basis of what—

Hon. Glen R. Murray: No, no. I'm saying that there was a lot of pressure on the provincial government to step in and take a larger role in the construction projects, which we've done, and we have been delivering all of our transit projects in Toronto on budget and on time, which, I would say, differentiates it from some of the scheduling time delays and costs that were associated with other public agencies that undertook those projects.

Ms. Carol Layton: What I would just add is that the relationship between Metrolinx and the Toronto Transit Commission is a critical one. The Eglinton Crosstown is a very important project and, as you can imagine, its integration with the subway system is very, very important; there are interchange stations. Therefore, as they continued to discuss and negotiate—and it was a negotiation, largely, between Metrolinx and TTC in terms of respective roles—that's when they arrived at the issue of the preference of the TTC, and that is that they are there for the maintenance component.

Mr. Rosario Marchese: So that's the answer to why maintenance and operations were added at such a late date.

Ms. Carol Layton: That is my understanding. I wasn't in the room for those conversations, but that's my understanding.

Mr. Rosario Marchese: When maintenance and operations were added to the P3s last year, was another value-for-money comparison commissioned?

Ms. Carol Layton: Again, the value-for-money is done, as I've said before, three different times—and I cannot speak about it at exactly that point, but I would

say that it is done, as I said, at the critical junctures that it has to be done at. Certainly one of them is before this thing goes to treasury board for formal assignment.

Mr. Rosario Marchese: Sure. I'm assuming that when maintenance and operations were added, they would do another value-for-money comparison.

Ms. Carol Layton: The whole analysis would have to be thought through, and the risk assessment and the risk transfer.

Mr. Rosario Marchese: If you could just verify that for me and send us the information, that would be helpful.

Ms. Carol Layton: Sure. We could verify this.

Hon. Glen R. Murray: I don't think that the TTC has any objections to it. Secondly, we outsource our onboard servicing at GO to Bombardier. We've done this before, and I would say that the satisfaction for customer service with GO is very high, and I think the TTC is struggling with it. So I think we try to look at, are we delivering—
1610

Mr. Rosario Marchese: Minister, did you say that you don't think the TTC objected to that? Because they wanted operations and maintenance. You're saying—

Hon. Glen R. Murray: I don't think Mr. Byford, since he has come on, has ever raised an objection with me, and I think that the TTC is very happy with the relationship they have with Metrolinx, and particularly happy with the provincial government that's picking up the tab.

Mr. Rosario Marchese: God bless.

Ms. Carol Layton: Mr. Marchese, if I could, we do have Rob Siddall, the chief financial officer for Metrolinx. He's pretty skilled on the procurement items. Would you like him to also speak to this?

Mr. Rosario Marchese: It's just that I'm afraid that he might be a bit long, so if you could just send the information, that would be great—unless you could do it in a minute or less.

Mr. Mike Colle: Oh, sure. Let him up.

Mr. Rosario Marchese: Please, but you have to hurry, because I've got lots of questions.

Ms. Carol Layton: He's a former controller for the province of Ontario. He's a very skilled accountant. I think it's probably worth listening to Robert.

Mr. Rosario Marchese: So the question was, was the value-for-money comparison commissioned when maintenance and operations were added?

Mr. Robert Siddall: Yes.

Ms. Carol Layton: How's that for succinct?

Mr. Rosario Marchese: It's beautiful. It's so clear, because you guys are so—and so that value-for-money audit—

Mr. Robert Siddall: I can elaborate if you—

Mr. Rosario Marchese: No, no. Oh, God. That would be great.

I'm assuming we're all in agreement. Everything is working well, right?

Mr. Robert Siddall: Yes.

Hon. Glen R. Murray: Yes.

Mr. Rosario Marchese: I would imagine that.

Hon. Glen R. Murray: We're very happy.

Mr. Rosario Marchese: Because once we're all committed to the P3s, obviously everything is going to have to work one way or the other, right?

When operations were taken out of the P3 scope, was another value-for-money commissioned?

Mr. Robert Siddall: Yes. So this time I will elaborate. When we're looking at these projects, we look at the opportunities to transfer risk. We look at the full spectrum of various opportunities that we have to transfer risk, and we calculate out, working with IO, what those various opportunities are and what the value of those risk transfers are.

Mr. Rosario Marchese: I understand, yes.

Mr. Robert Siddall: So when we're looking at something like this, we would look at, what is the opportunity to transfer out more risk if we do a DBFOM versus whether we do a DBFM or whether we do a DBF? We expect the value-for-money analysis to show greater value as we transfer out more risk to the private—

Mr. Rosario Marchese: It seems that that's the way it works all the time. That's why I say some of these things are cooked. That's why I'm nervous about everything. I know you're not because it's all evidence-based, but I'm telling you, based on a number of people who do these studies, I am not persuaded by them. That's my point. When we bring forth these kinds of quotes from different people, it becomes an ideological argument.

What is the size of the maintenance component of P3s compared to the construction components?

Mr. Robert Siddall: I'll have to get the detailed number for you on that. But it's fair to say that if you're looking at the maintenance component of a 30-year contract, it will be larger than the actual construction component of that contract.

Mr. Rosario Marchese: And so you'll tell us how big one is versus the other? Right. Because I'm assuming all that would affect the value-for-money comparisons.

Mr. Robert Siddall: Yes, it does.

Mr. Rosario Marchese: And what is included in the maintenance contract?

Mr. Robert Siddall: The full details I can get to you. Again, some of it might be redacted, but generally it covers the responsibility of maintaining the service capacity of those assets entrusted in that contract over the period of the 30 years. The whole business—

Mr. Rosario Marchese: Sure, but I'm assuming it includes vehicles, track work, buildings, things like that.

Mr. Robert Siddall: No. In this case, the maintenance is of the assets included in that contract, which are the stations, the signalling and the track work, so it's not the vehicles.

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

Mr. Rosario Marchese: For me, a decades-long contract offers opportunities to amplify fudge factors in how the value for money is calculated. That's my worry about how all these things work.

But can I ask you, how will the TTC's operations interact with private maintenance?

Mr. Robert Siddall: Again, it's in both interests for all of us to have that service working and functioning at its highest capacity at all times. The TTC has an interest in terms of the impact on their vehicles and ensuring that their vehicles have the greatest useful life on the tracks that are being owned by Metrolinx, and we have a responsibility to ensure that the whole service is as sufficient and effective as possible.

Mr. Rosario Marchese: Yes, we can only hope that it will be seamless and that everything will work out as you hope.

But I want to read something, and then I have a final question here. Since we know P3s involve private profits at higher borrowing costs, they can only be justified by pointing to the magical efficiency of the private sector, with all the players seamlessly interacting with each other.

At our last meeting, Bruce McCuaig said that P3s offer big opportunities for private sector innovation, because Metrolinx would not be designing the construction methodology. Unlike a traditional design-build, we would not tell the contractor exactly how something is to be built. We would, instead, specify outcomes and let the private sector magically figure out the most innovative and efficient way of building. But haven't you already limited the opportunities for innovation? You are digging the tunnel, which limits where the stations can go and their design. The TTC is operating the line, not to mention the feeder bus routes, which means the private contractor will not have full control over the operational parameters, which again limits the station design. Finally, the private maintenance contractor must work alongside the TTC, again requiring a great deal of co-operation and limiting the contractor's freedom to innovate.

How will the Eglinton P3 contractor be able to innovate and achieve efficiencies with so many complexities and constraints?

The Chair (Mr. Michael Prue): And I'm afraid he has used up the entire time. Twenty minutes to the Liberals.

Hon. Glen R. Murray: I'll take that as a closing statement.

Mr. Rosario Marchese: Well, you have 20 minutes that you can answer the question now.

Mr. Kevin Daniel Flynn: Thank you, Mr. Chair. Welcome back, Minister and Deputy.

Obviously, in a comprehensive transportation plan, you need a variety of modes of transportation, and often I think the media kind of fixates on certain projects that become the issue of the day, where there's disagreement about them or where there's agreement. One mode of transportation that doesn't seem to get its fair share of the media attention, I think, is on the bus rapid transit routes. I know, being from a 905 area, where we've got the 407, we've got the QEW and we've got the 403 coming into Oakville, they form the skeleton of our transportation system, along with the Lakeshore West GO line. I'm

wondering, Minister, if you could tell us a little bit more about the role that bus rapid transit plays in the future transportation plans, what projects we have under way, what projects we have in the future.

My understanding—and my experience is mainly with the Halton regional government—is that there's general agreement that the plans that we have in place under the Big Move, including the bus rapid transit, are the sorts of plans that regional government wants to see in place.

Hon. Glen R. Murray: I've talked about this before, but the deputy and I and our team over there are working on something called iCorridor, which will also determine all of the data that my friend from Trinity-Spadina was asking. It will actually make it very transparent, so everyone can see the metrics and how we make decisions, so that how routes are designed is based on evidence, on economic impact, on measured evaluation about what conditions are required for concentrations of employment and buildings at subway stations and looking at what the impact on the tax base growth is so that there is a return.

I'm very fond of what's sort of called the concession model in AFPs, where you actually don't use private capital; you have the private sector build at a subway station a platform for commerce and culture, not just for moving traffic. If you look at the UK—actually, it was started by Tony Blair in the Labour government—they've done some very interesting things, with Canadian companies, interestingly.

But one of the other things is the hierarchy of need, and this was sort of my frustration, and I think it's very destructive. I have to say that I'm a little discouraged because of the low-grade debate going on in Toronto right now that isn't evidence-based. The consequences of whether you put in—subway, surface and elevated isn't the vehicles that you run; it is the infrastructure that you build, whether you put it on a greenway, whether you do it like a BRT that you referenced on Highway 7. Whether it's underground or above ground or at grade is less whether you're using the crosstown technology that has the electrical on top—that's a subway running on Eglinton.

It's interesting when people talk about something like subways. If they're talking about what's running on the Yonge line, that is the worst and most difficult stuff to run at grade or above grade. You can run it in almost a ditch, if I can use that word, which is where it runs most of the time, but there is very little flexibility, and there are huge challenges, because you've got a lot of electricity that's exposed, and you have to enclose it.

We have now got a political class in this city on the right that has argued that that technology is the only appropriate technology. I have friends of mine calling me, whom I have known for years, who are mayors, who read this stuff and just think it's laughable that anyone who wants to be Premier or mayor can actually articulate that lack of understanding.

1620

The best technology, if you look at what's being used, is what we call crosstown, the kind of thing that's being

used on Eglinton and in Kitchener-Waterloo right now, and that's going into Ottawa, because it runs underground and it runs above grade, but that carries between 15,000 and 18,000. For example, for Oakville, maybe south Oakville in the Lakeshore Road area or on Hurontario, this is the perfect technology—for two reasons: One, it carries enough people for mixed-use residential, mid-concentrations of commercial; and supports more intensification. That technology, which can run at grade, below grade or elevated, carries enough people and has enough economic impact that it will provoke the concentration of employment, track concentration and clusters of investment.

Bus rapid transit will attract low- to mid-rise development. It will provoke some significant tax base growth, and it will carry about 6,000 to 8,000, I think—I'll look to be corrected, John; in that range?

Interjection.

Hon. Glen R. Murray: And then more traditional bus service is about 4,000 per hour.

If you look at what's happening in York region, with Richmond Hill and the town of Markham, what they've done is remarkable. If you haven't been up there, they have a complete-street project, they've got their bus rapid transit systems separated from traffic on Highway 7, beautifully connected into the new Vaughan extension of the subway and into GO lines. The way the municipalities have changed the zoning to mid-high-rise, mixed-use development on the highway is giving both of those communities not only rapid transit, but a rapidly growing tax base from more commercial and employment lands.

The other thing it does is that it contributes bus rapid transit in the way that you've described it, which I think makes sense in places like Oakville, depending on the concentration. You've heard me say that what Premier Wynne and I, and I think you and our government, are trying to do is to understand a very simple piece: that you have to integrate land use with transportation planning. And that more important than connectivity—than whether you build a rapid transit line or a BRT line—is what we would call proximity, which means what's happening in Markham.

What's happening in Markham and Richmond Hill right now, with large employers like IBM and small developers—Reza Moridi has just been a magnet for attracting and working. Actually, as an MPP, I'm advocating with the two mayors there, Mayor Barrow and Mayor Scarpitti. They've now attracted investment. What they've now got is high-value, high-quality jobs along this transit line that would never be there without that bus rapid transit line, which means that there are more people now in Richmond Hill and Markham who don't leave Richmond Hill and Markham to have to commute downtown. There are more people starting small and medium enterprises, which means that the 401, the 404, and the 400, highways that have traditionally been our large north-south, are having less traffic on them.

Mayor Lehman in Barrie is now up to 30%—when we extended GO service up there. They've extended their

bus service by 30% and integrated with GO. Why? Because what we'd like to have in Barrie is that 60% of the people who live in Barrie work in Barrie. So building the commercial base of Barrie means that you won't have to extend the highways, because our highways are all at or about to go over capacity.

Mayor Burton, for example, has been very thoughtful, as have Mayor McCallion, Chair Carr and others, about this idea of working with us—through my other job, the growth plan, and with the Big Move—in looking at what the implications of different transit options are. Why Mayor McCallion, for example, is so upset at the official opposition is that we are looking at three or four years of solid work that was done. Millions and millions of dollars were spent by the private sector.

Actually, when I was president of CUI, I was hired with a whole group of about seven major international companies who did the new plan for downtown Mississauga. There are only five property owners in central Mississauga, and the reason that there's an LRT there is that the negotiations with the developers, the builders and the retailers was that a subway—if we did the Yonge Street subway there, for example—simply would not have the ridership, and it would have huge operating costs that neither the municipality nor we could do.

A bus rapid transit on Hurontario is too light. It would not provide enough capacity, not only to move the future demand; it would not provoke the development, because you already have much higher-density development than you do on Highway 7, so it's a different situation, so you could do that.

The Big Move is a very thoughtful plan that is a sub-plan of the regional growth plan of smart growth. I was talking to a former—I won't mention their names, I don't want to get them in trouble—minister in the previous government who was very involved with smart growth, who expressed great frustration with his own party. He said what the party has done is this: “We were the party that invented smart growth in Ontario and introduced the integration of land use and transportation”—Deputy Layton was appointed, quite enthusiastically, by the previous government and came in and played a key role in both the previous administration and ours in doing that—“and have lost the economic development aspects.”

You heard me talk yesterday about economic capacity, that we've lost it—you know, I have a project that we have going on right now that we'll be releasing publicly, which is a tax and infrastructure map. We mapped out the entire GTHA: how much taxes are paid by traffic zone and how much money goes into them to sustain them—you know, water infrastructure, sewer infrastructure, transit infrastructure, basic infrastructure. What you'll see if you look across that—we're now doing all of Ontario, rural Ontario and northern Ontario to understand the balance, so which areas, which communities and which neighbourhoods generate more taxes than they cost in infrastructure; which ones have high infrastructure costs and don't generate a lot of taxes; and how much infrastructure is required.

A lot of people thought that it would be an urban-suburban split or that bus rapid—I'll come back to bus rapid transit in a second. What we found out is that it was quite different. For example, in Peel region, where MPP Mangat is from, you will find communities that have incredibly efficient infrastructure, high-value design and have provoked a very strong tax base. You will see other communities—that you would, if I gave you the postal codes, probably think were pretty similar communities—that with minor differences, have low transit use, high infrastructure cost and a relatively weak tax base.

So when you hear Mayor Fennell or Mayor McCallion talking—I think Mayor Fennell said a while ago that now when they build a house in Brampton, it costs \$15,000 more to service it than they're ever going to generate in revenue from it. So we just simply can't build development. What we've discovered through this is that probably the biggest, most important infrastructure decision we make is transit. The absence of transit is one of the biggest things that causes what I would call a tax-infrastructure deficit. If you don't have transit, you don't have the walkability, you don't have the proximity and you don't have the strength of the tax base.

Bus rapid transit works really well on Highway 7. Why? Because Mayor Scarpitti and Mayor Barrow and Chairman Fisch did their homework, and they chose bus rapid transit because it works. Mayor McCallion and Mayor Fennell and others who have been advocates for LRT and not bus and not subway, it's because they did their homework and they did their land use, and it works. It will not—because they're using some road surface capacity—increase traffic congestion; it will actually take a lot of cars off Hurontario. And people who never ride transit or have no interest in riding the LRT—the biggest beneficiaries will be the motorists and the builders and the people who live there, because it will reduce the amount of demand for the traffic lanes for cars and the competition for cars.

So you're quite right, Mr. Flynn, that we have to integrate transportation. What the Big Move does—and Places to Grow—is that it builds on a positive legacy, quite frankly, some of it started by the party in official opposition. My only distress is that they haven't been able to attach themselves to some of the very good work and are now not only attacking our agenda, but in some senses, attacking what was some of the best of their own.

Mr. Kevin Daniel Flynn: Thank you, Minister. A lot of people don't realize that the second-largest station on the GO network is Oakville. Certainly, we've made some significant improvements there in parking. When we inherited the system, there was a lack of parking. We had a lack of rail capacity. We had trains running at a pretty infrequent rate, and it wasn't always the mode of transportation you wanted to take home from downtown because often you'd have to wait at Union Station, sitting on a plastic chair at 11 o'clock in the evening.

We've made some expansion plans. Anecdotally, I'm hearing from the public that the biggest thing that we've done, the best thing we've done, is go to the 30-minute

service, where people are starting to view the GO train almost like a subway. You don't have to try to make a train; you show up at the train station and in a short period of time, a train will be there. Probably the most you could wait is 25 minutes if you just missed the last one. That is, obviously, something that is appealing to people that want the flexibility when they're returning home in the evening. As I was saying, you don't have the hourly service. Often, the hockey games or the baseball games would end just after the train had left, and you would have a huge crowd sitting at Union Station. For the next game, perhaps they'd choose a different mode of transportation. They'd bring the car down instead, sooner than having to wait an hour at Union Station for the train to come.

1630

Anecdotally, I'm getting the impression that ridership is up significantly in the few weeks or months since we've made those changes. I'm hearing some numbers tossed around. I'm wondering, Minister, if yourself or the deputy or perhaps one of the staff members may have some idea as to what increases we're seeing in ridership levels.

Hon. Glen R. Murray: I'll let the deputy do the ridership numbers.

Ms. Carol Layton: It's a good point that you make there. That was June 28, actually, of this year, this summer when they moved pretty well to the half-hour service for the GO Transit service. That is 263 new train trips along the line—weekdays, Saturdays, Sundays; it's pretty extensive.

I do not have the ridership numbers, but I can certainly get those for you, MPP Flynn, in terms of that. But certainly I'm with you there, and I don't think Rob would have them because he pays attention to the financials more than he does probably—well, the ridership does mean financials.

But we do know that we're hearing also from a lot of folks that where you used to think about—you almost had to schedule, in a way. You had to think about your schedule in terms of going and catching a GO train. Now you just go there, and if you've missed one at a certain point, you just know that 25 minutes later another one comes along, so you sit at the station. We're starting to see Wi-Fi at those stations as well, so it's becoming a much better experience for people to be on the GO system.

But in terms of the actual ridership numbers, I do not have those with me.

Mr. Kevin Daniel Flynn: Okay.

Hon. Glen R. Murray: We talked a little bit about bus rapid transit—for example, the 407 in midtown and Oakville is going to help connect that.

It's very interesting, and I always suggest people do this. Anyone who has been on the Gardiner or the Queen Elizabeth Way knows that, in the morning, the traffic is now balanced. There are almost as many cars going out of Toronto as coming into Toronto. And part of the reason is because the demand for employment—Mississauga has

the second-largest commercial base now in Canada, after Toronto. The GO service—and part of the reason we went to half-hour GO a while ago is overcapacity coming into the city and only 20% full going out.

So let's take Oakville again, which you're very familiar with. When I met with Mayor Burton—and I think I met with every mayor and almost every major commercial developer in the GTHA. The most important thing we can do, to go back to proximity, is get commercial development and employment lands developed along the GO line. Nothing will reduce congestion on our highways on the south half, below the 401, better than that, because the dream is to get that 20% capacity—we're only using 20% of GO capacity as outbound.

So now, whether you're in Oshawa or Oakville—and what's interesting now is that I think I have 17 major development proposals coming out of communities for major office complexes, including Oshawa and Oakville. We are now seeing an unprecedented level of commercial development and office development in the 905. When that's complete, not only will the highway be a two-way highway, but our GO services will be busy going east to west, not just in and out of Toronto. And you're quite right: We will actually have turned GO from a downtown Toronto commuter service into a regional rapid transit service or frequent transit service. That is going to be, I think, one of the biggest legacies of this government in reducing congestion.

The Premier said, "Figure out all of the things you can do using existing infrastructure." That's costing us \$7.5 million a year. I think it's one of the best values we're getting as far as investments that we've made.

The Chair (Mr. Michael Prue): About two minutes left.

Mr. Kevin Daniel Flynn: Thank you. Did you have anything else to add?

Ms. Carol Layton: Yes, just a little bit. It doesn't exactly get to your question—and we will get the numbers for you—but in terms of overall GO Transit ridership, and it is bus and train, in 2012, there were 65.5 million passenger trips, up from 62 million just the year before. So that's a 5.6% growth. By 2017, the forecast that Metrolinx anticipates would be about 78 million passenger trips, and that's—again, the majority of them are the GO train. Of that 78 million, 58 million would be GO train and 20 million would be bus passenger trips.

But again, the increase specific to the 30-minute service on the Lakeshore line is one that we'll get back to you on.

Mr. Kevin Daniel Flynn: Thank you. Having been through the process—you probably won't have time to answer that, but I just want to be clear that we were asked to be patient in Oakville as we went through a number of steps that allowed us to go to the 30-minute all-day GO service. We needed the extra rail; we needed the extra capacity from CN. I'm assuming that, as we attempt to secure that in other areas of the province, other areas of the GTA, we'll have to go through those same steps, and people who are going through that should know it's well worth waiting for.

Hon. Glen R. Murray: Absolutely. We had five years of no investment in GO before, so it was very stunted. One of the biggest line items in our ministry, as you probably know looking at the estimates, is GO, and one of our fastest-growing areas is building and replacing track and upgrading track, because the biggest impediment we have to expanding the GO service right now is buying tracks and building tracks. If you go out to the Kitchener-Waterloo-Georgetown line, we're spending a small fortune right now to get that track in shape, to get more frequent service. We think it's critical not to make all of the other communities spokes in Toronto's hub, but to actually create an equitable system of movement where people can be employed anywhere in the region and work within the region.

The Chair (Mr. Michael Prue): With that, I have to cut you off. Twenty minutes to the Conservatives: Mr. Yurek?

Mr. Jeff Yurek: Thank you, Chair. Good afternoon, Minister and Deputy Minister.

Minister, in your opening statement, you made a comment which I thought was a great comment, about moving away from cookie-cutter designs when you do rebuilds outside of Toronto—I'm talking rural Ontario. It's bringing me to my question: In the London area, currently there's—I told you about this about a year ago, when you first started, and you said, "Let the process go through." It's about the Glanworth underpass over the 401. Right now, they're going through consultations with Dillon and the MTO, and what has occurred over the last year—we just had our last public meeting last week, during the break week. There are numerous companies that are going to be adversely affected by the proposed—the favoured route of the MTO and Dillon Consulting. We have a crane company, Cameron Crane, who are on Tempo Road, which runs to the south of the 401. The MTO wants to close that off, and the crane cannot actually make the turns properly if that's the only route that's left open. We have Gentek windows, which employs 180 people and is looking to expand and continue, and with one of the options that has come forward, they'll lose half their land in this reconstruction. Therefore, they'll probably shut down and move somewhere else, which they've already told us. And Unifor and the Brotherhood of Electrical Workers have a union hall. Closing down access to Tempo Road will add at least another half an hour to actually get to the union hall.

The main concern that we're having here is for our area farmers who move their farm equipment over the Glanworth overpass to get to the other sides of the fields and move their equipment. The MTO is pushing to remove the underpass altogether, which will have increased farmer traffic—their tractors and trailers and such—on our main highway, the Colonel Talbot Road, which will inevitably cause more accidents, I would say. They're moving slow, and people aren't patient with crossing over.

A couple of the concerns are that during the consulting that Dillon did, they spent one day in October to assess the movement of farm equipment, talking to the area

farmers during bean season. It's not an actual case to look at the movement of farm equipment in the area over three seasons—spring, summer and fall—and the fact that the north-south movement that the Glanworth underpass allows is actually more preferred to the east-west, which isn't really accessible farther away. Furthermore, their concern is with the amount of money they're actually adding to the local economy. We do quite well with our farming in that area. With the removal of this bridge, they're more apt to have concerns with safety, as I said, and, actually, the usable time they have to actually take crops off of the field and move their crops.

In talking to all three at the last public meeting, what the MTO had put forward was really not a public meeting of discussion. It was, "Fill out some cards and move on." But a good discussion did break out, and they actually came together—each of the areas—and proposed a solution to the MTO which would take care of Cameron Cranes, take care of Gentek and allow them to expand, take care of the Unifor business, and the farmers are quite happy with it. It provided safety.

Their concern is that there is a cookie-cutter model, and I'm just wondering—I believe you in saying that you want to get away from the cookie-cutter model, and I believe the ministry here in Toronto wants to get rid of the cookie-cutter model. Are consultants really up to speed with not wanting to provide a cookie-cutter model across the province? They're not listening to the concerns of businesses and farmers in my area, and I want to bring that forward to you, because they will eventually. Because the answer, looking forward, is that they're not going to be listening to either group and their suggestions. I really believe that you truly do not want a cookie-cutter model of policy from the MTO, and I'm red-flagging this because it's coming your way—

1640

Hon. Glen R. Murray: I appreciate that, and I want to also thank—

The Chair (Mr. Michael Prue): I wonder if I could just interject for one second. This is the last 20-minute round. I should have told you that before you started.

Mr. Jeff Yurek: Yes, that's fine.

Hon. Glen R. Murray: Just really quickly: I appreciate your patience and that you allowed the process to go forward, and I did make a very sincere commitment to you if there were problems.

The tension here—and this doesn't sound like it's a huge issue in that area—is over-access where communities use our highways so that they become the on- and off-ramps for all kinds of businesses, and it impacts negatively on the flow of our highways. That is more of a problem on things like the 403 and the Queen Elizabeth than it is where you're talking about.

What you're proposing to me seems incredibly reasonable. I've gone down there, because I was visiting some friends, and I drove by the area, so I've had a look at it. What you're also suggesting tested real with what I saw. I haven't had a chance yet because I haven't been briefed on it, and I would be quite happy to ensure that you're at

the same briefing I'm at, quite frankly, to go through this, and we will work to make sure that we are not undermining local businesses and farmers.

ADM Chaput is here and this is his area. He may not be able to answer, because it's quite specific, but I think he could certainly give you a commitment and identify the people we could follow up with, if he can't answer your question. But I'm very sincere in my commitment to you, and I will fulfill it.

Mr. Gerry Chaput: As per the minister's recommendations, we will arrange a briefing to talk about some of the work that we've done. I'm not familiar with the specific details of the project, but traditionally our projects, as I think you've mentioned, have a lot of public outreach through public information centres, environmental assessments, council presentations. For most of the projects that have an impact like this, where they're closing a road, often you can follow an OMB process to ensure that the road is closed properly.

Having said that, I can assure you that Dillon does assess the full case. Dillon would have looked at the comments of all the cards that we received at the public information centres, as we do at all our projects. But we will ask the design team to go back, to make sure that the day they did the farm survey or the review of the traffic was representative; that maybe, as you mentioned, it may not have been painting the full picture.

As well, the consultants certainly still follow our direction in terms of what we're looking for in the scope of the project. They're prequalified to do work on certain projects, and therefore it is their responsibility to listen to businesses, to listen to farmers, to generate solutions and alternatives that they bring back to the ministry, and they do consult with us on the solutions that they provide.

I'm quite confident that ministry staff have been consulted on this and probably have concurred with the findings of Dillon, but we will go back and review what we looked at and provide that in a briefing to you and the minister.

Hon. Glen R. Murray: Just really quickly, when I was talking about integrating land use and transportation planning, it really is important to me. Traditionally in Ontario, for 50 years, we have planned highways and rapid transit separately and not integrated land use. That's not anyone's fault; it's not the public service's fault. It's just that that was the practice here. So one of the things Premier Wynne has charged me with is to do that, and this is a classic example of it. You've got to look at the highway not just as its ability to move people, which is critically part of the conversation, but you've also got to look at the surrounding land use and how this is integrated into the community in that kind of way. That will become a more formalized process as we move forward, as we're successful. As I said yesterday, you'll be hearing a lot more from me, and I think it's resonating.

This doesn't have to be a partisan thing. I think some of the things that you and your colleagues have been saying in your caucus have been the same thing, that we've got to bring stronger infrastructure planning to-

gether, and we need a better toolkit to do it. You've just given a case study of why that's important. I will make sure that that dimension is there.

I make a very strong commitment to you: We will not be proceeding in a way that compromises those businesses. I will work rather unrelentingly with you until we have a solution that will maintain Mr. Chaput's high standards of highway construction but also meet the concerns that you've raised.

Mr. Jeff Yurek: Okay, thank you. Now I'll guess I'll move on back to my critic portfolio questions, then.

Hon. Glen R. Murray: All right.

Mr. Steve Clark: He's not that enthused about that.

Hon. Glen R. Murray: No, no. I'm absolutely, totally fine with it. It's just that when I go out of my way, as I did yesterday—and I think we have an understanding just to be nonpartisan for breaks and moments, so that we can actually move important projects forward that should be of interest to all Ontarians, like the Pan Am Games—I do that in good faith, and I usually like that respected. Most of your colleagues, quite frankly—whether it's you, Julia, Joyce Savoline, Brenda, Christine Elliott or many others—have always respected that, and I just don't think it's helpful when you don't. I don't hold you responsible for your colleagues' behaviour. I like Rod Jackson, and I was quite profoundly disappointed today, because I thought we were making some progress there.

So, on to your critic's job, my friend.

Mr. Jeff Yurek: Thank you. I want to talk about the Union Pearson Express. The Auditor General's report from last year didn't seem too happy with what was going on with regard to the implementation and the pricing of how the Union express is going to go forward. Do you expect the UPE to break even in its first year of operation?

Do you want to call it the Union Pearson Express or the UPE? What do you guys call it? UP Express?

Hon. Glen R. Murray: UP.

Mr. Jeff Yurek: UP?

Hon. Glen R. Murray: UP, like the movie.

Mr. Jeff Yurek: Will the UP break even?

Hon. Glen R. Murray: The way I'm going, I'm going to be flying around in balloons soon, like that grumpy old man. That's my retirement savings plan.

Robert can tell you all about the financials on this. I don't want to get my numbers—when I said yesterday that I hate numbers, it's not that; I love math. The one thing that I can guarantee on a big project is that the number that you have today will not be the number you have tomorrow. So I say that with the proviso that I can guarantee that the one thing that will change is the number. But Rob will get you closer than I can, on the numbers.

Mr. Robert Siddall: First of all, we haven't set the fare, so, again, the financial model is incomplete until we set the fare for UP Express. In any start-up operations, you don't expect to have the ridership there and the revenue there for the first year or two of operations. I think, again, we're building this for the long term. We

expect that it will recover, after a number of years, its operating costs going forward.

Mr. Jeff Yurek: So you don't have an idea of what the fare would be yet? Metrolinx has proposed \$20. Is that fair to what you think it's going to be going forward?

Mr. Robert Siddall: We have not, again, at this point determined the fare.

Mr. Jeff Yurek: Okay. Now, the private group that was going to take on the building of the UP pulled out when its investors fell through. Is there something that we should be concerned about? Did you see something special about the project, that scared the investors away, that you didn't think was an issue?

Mr. Robert Siddall: No. Again, I think this is a project that has been on the books of the government for decades, and it's very critical to this region that this project move forward. I think that, as a regional transportation organization, we were very concerned that this project move forward at this point in time. When the opportunity presented itself, we put ourselves forward to the ministry as taking on the responsibility to deliver this critical project.

I don't have the full details of the financial capacity of the previous corporation that was entrusted to build, maintain and operate this asset, but we were comfortable at Metrolinx delivering on this responsibility for the province.

Mr. Jeff Yurek: Okay, because they proposed a \$27 fare, and the Auditor General says you probably won't break even unless it's \$28.

Hon. Glen R. Murray: The firm was SNC-Lavalin. The financiers were the Royal Bank of Canada. There was a great deal of complexity in that. You've got to remember that we went through a global recession in this, so the appetite and numbers and projections for air travel were there.

I think the other thing that happened is that, in most of the places in the world where you have these premium express services from a major airport to a downtown transportation hub, they're generally run by government, and even if they started as private sector projects, they've migrated to be government partnerships.

Right now, we're building very aggressively for the Pan Am Games, which is a priority for us, because we need this infrastructure to move people and to welcome people. We think it will be extraordinarily impressive.

But I've pointed out to people that we're building the Georgetown line out to other communities west of Toronto, and the track capacity that we're building there also lays the foundation for future regular transit and commuter transit possibilities as well. Just because, right now, the priority is to move a premium service on it does not preclude us from having a more integrated, regular commuter service on there as well.

1650

So we think that Metrolinx is doing great work here. We think that this project is providing a foundation, not only in equipment and cars, but it's expanding track capacity for GO and for other urban commuter services

in the future. But right now, we're very focused on the UP service and very optimistic that we're going to have a pretty impressive service that will be the best in class in the world when it's finished.

Ms. Carol Layton: Just if I could add, market research is exactly the sort of thing that Metrolinx is conducting now. I do appreciate that the former Auditor General did indeed come up with his own estimate of what would be the fare that you would require to break even, but as Rob says, this is a long-term proposition as well.

So the whole area of fare—and what would be the sort of benefits to riding it, such as luggage-handling and all those other wonderful characteristics that could be on what will be the service, are all the stuff that's being determined right now.

Mr. Jeff Yurek: Okay. That's good. It brings me into the next question about—in comparing other markets with the same share, I guess, you're looking to get 10.8% of the surface transit market share. In the States, the range of fares is between \$1.30 and \$13. Do you think it's reasonable that you'll attain that market share with the price even being at \$20, let alone \$28?

Mr. Robert Siddall: Again, the Auditor General was critical of our forecasts. In responding to their recommendations that we update our forecasts on an annual basis and do that going forward, we have agreed on our estimates of the revenue, and we are still confirming that our initial projections are that we are going to hit the estimates that we set out to the Auditor General when we shared that information with him.

Mr. Jeff Yurek: Would you be able to share that information with the committee? Is it available?

Mr. Robert Siddall: Yes, I think—we'll go back and get that information and bring it forward.

Hon. Glen R. Murray: Also, I've met with Howard Eng, who's the CEO of the Greater Toronto Airports Authority, who has been a big proponent of this. The GTAA has been looking at this, and they were quite involved with the design of this because, as you know, some of them, like London's, ran into some trouble—Paddington Station connections and stuff that many of us have used. We think that the input from the airport and the partnerships that came together to plan this were much more dynamic and much more complete than in other situations. So we're pretty optimistic, I think.

But you know, no one has ever built one of these before in Toronto. When you're doing things for the first time that have never happened before, you're taking on a higher level of risk. What's the alternative, you don't do it? Were there proper assessments? Did the Auditor General come in and do this? Have we used the highest standards of private sector partners? Have we done the highest-quality analysis? Did we work carefully with the airport? Did we do careful comparators with every comparable service in the world? Yes. What else could we do? I'm not sure.

The choice was and all of the evidence was that this was a sensible plan and a sensible project, but there are no guarantees in life.

Ms. Carol Layton: And if I could add to that, there are more than five million passengers who travel between Pearson and downtown Toronto every year. When you get off the airplane, you have two choices right now, pretty well: Hop in a taxi or drive to where you're going. If you want to go downtown, if you look around to find your route by transit—"Where is the stop to get onto the bus, then to get onto the subway?"—it's a bit of an adventure to do that at the GTAA.

The key thing there, though, is that if you do indeed take that taxi ride from Pearson to downtown, what are you paying? Is it \$50, \$60, \$70?

Mr. Gilles Bisson: Sixty bucks.

Ms. Carol Layton: It's pretty expensive. I'm in the west end of the city and it's \$40. So the key thing is I think it's going to be competitive.

Hon. Glen R. Murray: The other thing that hasn't been calculated into a lot of the formulas, the more recent decisions, is that we are now concentrating GO rail and also GO bus service around Union Station. We've been moving aggressively with private developers. We'll hopefully have announcements in the new year. But it won't be just to downtown. What you'll be into is the largest regional transportation hub, centred around Union Station soon, of bus services, including private carriers. So you'll be able to come in from Pearson and more easily get to Waterloo or Brockville because of—I've been working for the last several months with coach services, and we're working right now with private sector carriers and developers to try to make sure that the UP isn't just for downtown Toronto, but it will be into a hub. We have a number of stations along the line that will actually be connecting the larger part of the province, plus we have the island airport now, which is very important in northern Ontario communities, which this will be integrated into. As well, I'm working with the city on the Queen's Quay east and west LRT projects. We're building a major hub that will allow people to get off UP and connect to just about anywhere else in the province, either by plane, bus or train.

The Chair (Mr. Michael Prue): I have to stop you. The time is now expired.

Mr. Bisson, you have 20 minutes.

Mr. Gilles Bisson: Okay. All right. If you could turn to page 34, Minister and Deputy. I've got a number of questions.

Just on the vote in regard to the operating summary—and this is a breakdown by vote, so as you see there are five votes, 2701 through 2705. I want to go through the wage line. At the very end, it indicates a 17.4% increase in overall wages across all those votes. Can you break down that 17%? I know that there was a wage freeze, so it wasn't because of increases in a collective agreement. Have you hired a bunch of people or have you paid performance bonuses? Can you explain to me where that comes from?

Ms. Carol Layton: We haven't hired; in fact, if anything—and in fact, I'll call Linda McAusland up as well. In terms of breaking it down, in terms of the salaries and

wages, we'd have to go through it line by line, but I think Linda could probably shed a little bit more light on this one.

Mr. Gilles Bisson: Could you, please?

Ms. Linda McAusland: Yes. Those are transfers into the ministry. We spoke yesterday about our fleet centre of excellence, so we did transfer some staff from ministries to help us manage that corporate function. We also absorbed some IT resources, so there was an influx of staff—

Mr. Gilles Bisson: That's a lot of absorption. Almost \$200 million is the budget for wages—\$192 million, to be precise—and there's a 17% increase. So you're essentially saying there's a \$34-million or \$36-million increase. Was that how much it cost us to take on the fleet and take on the IT and wages?

Ms. Linda McAusland: It was a net impact. It wouldn't be the full amount, but a large, substantial component of that. We can break that down for you.

Mr. Gilles Bisson: Could you please break—

Ms. Carol Layton: Actually, sorry, could I just clarify something for you? I'm not reading that as a 17.4% increase. I'm reading that as 17.4% of our total. You see at the bottom. So it's not an increase.

Mr. Gilles Bisson: Oh, all right; sorry. Because in the other tables, it's a percentage of the—okay.

Ms. Carol Layton: So it's based on our operating account, in a sense, our expenses; it's 17.4% of our expenses.

Mr. Gilles Bisson: It's interesting that you were answering and the way it was going, though.

Ms. Carol Layton: Well, it's a good answer, but it would be for 17.4%. We would not have that. In fact, if I may also add, the overhead of the ministry is actually completely flat—

Mr. Gilles Bisson: The reason I was asking the question is that in the other charts—and maybe it's just the way these charts are presented—it normally indicates the increase over last year. When I looked at it, I thought it was—because if you look at the other charts prior—

Ms. Carol Layton: All the other ones do that.

Mr. Gilles Bisson: They do that, and this one doesn't. That's why, when I looked at it, I said it's way out of whack with what I saw yesterday.

In regard to performance bonuses, do you pay any performance bonus to any of your managers or staff?

Ms. Carol Layton: These days, people get pay increases by promotions. We're flat on performance bonuses.

Mr. Gilles Bisson: So you're flat on those as well.

Ms. Carol Layton: Yes. That's been for two or three years. People are more or less earning what they earned the year before.

Mr. Gilles Bisson: Do you want to say something, Minister?

Hon. Glen R. Murray: Yes. I'm not disagreeing with my deputy; I just want to be really clear about things. When people were hired—there were senior executives that were hired back in the 1990s and earlier; most of

them, I would say, are 10 years or more—they have contracts that, long before we were elected, had certain payouts and things. So you'll see the contracts that are signed today are markedly different. The deputy—

Mr. Gilles Bisson: Yes, you have to honour whatever the contract says.

Hon. Glen R. Murray: So we do have people who have different provisions in their contracts, so that if you hear about people getting settlements or things like that, these are people who were hired in senior executive positions 15 years ago or more.

Mr. Gilles Bisson: That's a good explanation, but the reason I'm asking is that when I was on the Board of Internal Economy, this was an issue, because we had flatlined, essentially, all of our performance bonuses on new hires and new contracts for anybody here. Our understanding is that it was still happening within the ministries. That's why, when I saw that, I wanted to ask that question. You're saying that's not the case on new hires.

Ms. Carol Layton: We're flatlined as well.

Mr. Gilles Bisson: Then turn to page 38. I'm sure if I dig in I could figure it out. It's not a lot, but if you take a look at business support operating expenses, they're up \$320,000. What's that all about? Is that just average—because it's a \$45-million budget. Is that because everything costs more money? I take it that's what that is? Every time you buy something, prices are up etc.? I'm just wondering what—the change is \$320,000.

1700

Ms. Linda McAusland: There are some changes. Again, there's the inter-transfer of our fleet, so that took us up \$422,000. We then had a lease transfer where MGS absorbed some of our rent, so that's \$66,000, and then a number of immaterial changes to \$36,000. So it adds out at \$320,000.

Mr. Gilles Bisson: Okay. That explains it. I just wanted to know where it was from. We might go through this a lot quicker than I was expecting.

Well, actually, this is going to be a little bit longer. Page 46: Some of this you've already answered, so let me just get a look at this here.

Ms. Carol Layton: Page 46?

Mr. Gilles Bisson: Yes, 46. Let me just look at it, because some of it you've already answered. I just want to be clear.

The fourth line down, under "Services," you've got \$31 million estimated—this is business support operating expenses. I take it that is part of that transfer of the fleet stuff?

Ms. Linda McAusland: That's right.

Mr. Gilles Bisson: Okay. That's what I figured. "Supplies and Equipment:" again, \$23 million with an increase. Is that related to that as well?

Ms. Linda McAusland: That's right.

Mr. Gilles Bisson: All right. Boy, this is going to go quick. What are we going to do if I run out of things to do, Chair?

The Chair (Mr. Michael Prue): We'll just go to the next group.

Mr. Gilles Bisson: We'll find something to talk about there, Minister. Don't worry.

Oh yeah, the other thing is, you had "Recoveries," which means to say we got some money back. Can you explain those? I see it's year over year, we have some recoveries. What are the recoveries? If you take a look down again on page 46, bottom, "Recoveries," there was \$30 million in brackets, which I take it is money coming in or money we saved. So explain that one. That's kind of cool.

Ms. Linda McAusland: Again, I can attribute that to our fleet centre, because we do charge back our ministries.

Mr. Gilles Bisson: That's how you do it. Okay. Does that make you money or is—no, no, that's not the right way of putting it. I've got to ask this correctly.

The total outlay to what you charge back: Is it equal?

Ms. Linda McAusland: We're working on getting equal; yes, it is equal.

Mr. Gilles Bisson: But it's a deficit for you right now. That's what I can see in the numbers. You're somewhat behind: Am I correct?

Ms. Linda McAusland: We're working—we'll be net by the end of the year with the transition here but—

Mr. Gilles Bisson: No, no, I'm not giving you heck. I know it's new, and I'm just trying to figure it out.

Hon. Glen R. Murray: It's not a bad thing.

Ms. Carol Layton: We're not making a profit.

Ms. Linda McAusland: Yes, we're not making a profit.

Mr. Gilles Bisson: I wish you had made some money. We wouldn't have to tax so much. That'd be great.

Okay. As long as we aren't going to the same pocket.

Then we're going to go to the next page, which is page 47. The "Land and Marine Fleet," \$17 million: Again, is that the fleet of cars? What threw me off was "Marine Fleet." I thought most of that stuff was under MNDM.

Ms. Carol Layton: No. A lot of the ferry services, the Glenora ferry, eastern Ontario, Pelee Island, Wolfe Island—there are about eight or nine different ferry services in the province.

Mr. Gilles Bisson: This is capital, so you must have had to fix or buy new—

Ms. Carol Layton: Yes.

Mr. Gilles Bisson: Is the Niska one of those?

Ms. Carol Layton: The biggest one, I think, is Pelee Island, as far as the ferry that we're replacing—

Mr. Gilles Bisson: But you didn't pay for the change of equipment up in Moosonee. That was done by northern development.

Ms. Carol Layton: Yes, that was not us.

Mr. Gilles Bisson: Okay. So this is all the stuff outside of that.

Ms. Carol Layton: Yes.

Mr. Gilles Bisson: What's the operation on the marine stuff? I didn't see it, sorry; I'm sure it's here, but—

Ms. Linda McAusland: It's here.

Mr. Gilles Bisson: Where is it? It's not on that page, obviously.

Ms. Carol Layton: Linda will find it first.

Hon. Glen R. Murray: It's expensive.

Mr. Gilles Bisson: What page is it? If you could just help me.

Ms. Linda McAusland: I'm just looking for it under "Operating."

Mr. Gilles Bisson: Yes, I just missed—I want to connect the two, and I—

Ms. Carol Layton: Is it the marine you're asking, marine in particular?

Mr. Gilles Bisson: The marine, yes. What page?

Ms. Carol Layton: That would be under PHM, I think.

Ms. Linda McAusland: Hang on a second; we'll find it.

Mr. Gilles Bisson: All right. Or if you can't find it today, that's fine. The only thing I would like is that if you could give me—I'm sure it's here. Just point out to me somewhere, when I walk out tonight, the marine fleet operating costs versus what it is.

I think there was something else on that page. Just give me a second here. Yes, the other thing is—I think I asked for this yesterday, but on the fleet transfer, where you're transferring the vehicles across the ministry into MTO, can you show me the offsets in the other ministries? I think I asked you for that yesterday.

Ms. Carol Layton: Yes, did we get that? Yes, we did. We submitted that yesterday.

Mr. Gilles Bisson: I didn't see it. Okay.

Ms. Carol Layton: The fleet transfer—no, did we do that one?

Interjection.

Ms. Carol Layton: No, maybe we did not. You're talking—

Mr. Gilles Bisson: No, I'm talking about other ministries are now paying—

Ms. Carol Layton: Okay. The one that we did do was—sorry—we were up about \$36 million with—I think it was the IT cluster, and there was a commensurate decrease—

Mr. Gilles Bisson: Yes, we saw that one yesterday.

Ms. Carol Layton: That one was submitted yesterday.

Mr. Gilles Bisson: Yes, if you just give me—what I'd like to do is see the offset in the other ministries. That's really what I'd—

Ms. Linda McAusland: Yes, we've given you the page from MGS estimates.

Mr. Gilles Bisson: That's why I like you guys.

Okay, we're going to do the next page, 48. As I was looking at this page, I thought this one was interesting. It says "Ministry Administration, Capital Expense." So in ministry expenses, capital, obviously, it's not building highways. It's not putting in GO Transit. It's \$15.9 million for what?

Ms. Linda McAusland: Procurement of vehicles. It's our—

Mr. Gilles Bisson: We're back to the damn cars. It costs a lot of money, eh?

Ms. Linda McAusland: It's 1,200 vehicles across the OPS.

Mr. Gilles Bisson: Is that all? I would have thought we—

Ms. Linda McAusland: It doesn't include our enforcement vehicles, so not OPP, not—

Mr. Gilles Bisson: So the total amount of vehicles in the pool for the OPS is 1,200. I would have thought it was more than that. I take it there's a savings because we pool the vehicles, right? You don't need as many, right?

Ms. Linda McAusland: There are efficiencies.

Mr. Gilles Bisson: Is there a lot of bickering, "I can't get my car when I need it"? I'm just curious.

Ms. Linda McAusland: There are some challenges with the transition, but it's all good.

Mr. Gilles Bisson: Yes, I'm just wondering, if somebody gives me a call.

Page 49—I take it you're there. No, I'm going to wait for you to get there.

Ms. Linda McAusland: I'm there.

Mr. Gilles Bisson: And, again, this is just—because now we're on the operating side, and there is "Policy and Planning": \$1.8 million. No, sorry. No, I think—okay; that's where I was going. So there is policy and planning: \$32 million—excuse me; "Urban and Regional Transportation": \$480 million. That's operation of Metrolinx and all that kind of stuff, right? That's what's in there. It's all of the GO Transit etc. That's a global number?

Ms. Linda McAusland: Yes.

Mr. Gilles Bisson: And the \$19 million is just the increase—okay, I get it.

Hon. Glen R. Murray: That's right.

Mr. Gilles Bisson: So that makes it easy to figure out—hey, guess what? We're coming to the end, guys.

This is a percentage one, but I take it you're going to tell me this is the fleet again. I'm going to give you the answer: It's the fleet. Which one am I talking about?

Ms. Linda McAusland: What page—

Mr. Gilles Bisson: Page 52, "Salaries and Wages"; "Policy and Planning, Operating Expense." Because, when I saw policy and planning, I was thinking, is that not operations?

Ms. Carol Layton: It's definitely not fleet.

Mr. Gilles Bisson: So \$16 million is the salaries on policy and planning. It's up a couple of million bucks—\$2.3 million. No, that's not the fleet, then.

Ms. Carol Layton: No, that's not the fleet. I think that's largely the—well, we've augmented the team, the Pan Am/Parapan planning team, and also we added—

Mr. John Lieou: Some transit—

Ms. Carol Layton:—some transit. We also added an aboriginal relations branch, and we might be seeing—

Mr. Gilles Bisson: And where are you doing that aboriginal relations? Where are you doing that?

Ms. Carol Layton: They're in our policy plan. As you can imagine, with our ministry, with regional offices and everything like that, we did create a small aboriginal relations branch so that we're out there, doing everything that we're doing, whether it's work related to certain

highway planning and all that sort of stuff, that we're better supported there.

Interjections.

Mr. Gilles Bisson: He should get to the—

Ms. Carol Layton: Highway 69 and—

Mr. Gilles Bisson:—just to put it on the record, please. Thank you.

Hon. Glen R. Murray: So Highway 69, Shawanaga; we're doing a lot more with 39 and 40 out the Kenora way. We're doing a lot more engagement and partnering in the ministry.

The other piece is, as well, you've heard about iCorridor, GeoPortal and the OGS, we're doing that with the Open Government—we're releasing that. That's also ADM Lieou. He asked for some resources to do that.

Mr. Gilles Bisson: And you wanted to put on the record—

Mr. John Lieou: For the aboriginal relations branch—

Mr. Gilles Bisson: Your name—

Mr. John Lieou: My name is John Lieou. For the ARB, aboriginal relations branch, we have a few core staff down in Toronto here. We also have regional staff who are actually attached to the ministry's regional offices up in the northeast, northwest and so on. They actually work with the regional offices and First Nations communities and so on, on actual specific projects, for example.

Mr. Gilles Bisson: Okay.

Hon. Glen R. Murray: I'd like to say something to you on behalf of the ministry.

Mr. Gilles Bisson: Sure.

Hon. Glen R. Murray: The deputy and I debrief after each of these sessions, because they're always exciting. But a lot of work goes into preparing these estimates documents. Staff does a lot of work on it; they take this very seriously. This is a point of accountability with the people of Ontario that you and I share, and your job is to hold me and the deputy and the ministry—this is the second time I've been in estimates. It's extraordinarily unusual to have an MPP go through the book so thoroughly to verify numbers and to do that.

Mr. Gilles Bisson: That's what we're supposed to do here in estimates.

Hon. Glen R. Murray: That's what estimates is about. I just wanted to pass on that it was remarked to me by the entire management team, Mr. Bisson, how much they appreciated the thoughtfulness, that you took the time to read it, and to verify it and to do your job, because we often go before estimates in ministries. People work very hard to be accountable to the Legislature, and no one asks them a question. So on behalf of the team here, thank you very much.

Mr. Gilles Bisson: You're welcome. Well, unfortunately, a little bit of history—how much time have I got?

The Chair (Mr. Michael Prue): You've got about six minutes—

Mr. Gilles Bisson: Oh, I've got time to give you this little bit of history about estimates. It used to be, at a

time, that there wasn't an estimates committee. Every committee had various ministries that reported to it, and members used to spend a lot of their time doing estimates in those individual committees.

1710

That's before my time. I've been here since 1990, and we've had estimates ever since I've been here, but it was a fair amount more scrutiny that went on with spending. What this place is supposed to be about—yes, policy is important, and we need to deal with that; I don't diminish any of those questions. But we're supposed to look at whether you guys are spending our money the way that we want.

I just want to—this is just a northern thing, okay?

Hon. Glen R. Murray: You're still a southerner to me, Gilles.

Mr. Gilles Bisson: I just want to show you the map here, of southern Ontario versus northern Ontario. Could you guys ever give us that in scale?

Ms. Carol Layton: Why not?

Mr. Gilles Bisson: It would make us feel a lot better up north.

Ms. Carol Layton: Southern Ontario and northern Ontario.

Mr. Gilles Bisson: I thought you'd get a kick out of that.

Hon. Glen R. Murray: My experience is that things in the north are already inflated enough, without having to contribute to it.

Mr. Gilles Bisson: It's always fun.

Okay. I'm going to get back to one of my pet issues, which is the highway maintenance stuff. Here it is. There we go. This was very helpful, by the way. For providing us this information, I give the minister some kudos here, because he gave that to our colleagues. I think you gave it to mostly northern colleagues, because we were the ones who were asking, both in the Tory party and our party—

Hon. Glen R. Murray: That's correct.

Mr. Gilles Bisson: —and, I imagine, your own members, in regard to how different highways are classified and what that classification means etc.

I just want to, for the record, say that I appreciate that we're able to make some ground on the 42 new pieces of equipment for highway maintenance. I somewhat suspect that that's not going to fix the problem, from what I'm seeing now, but it's certainly a step in the right direction and I want you to know that we actually said that. In all of my media stuff I did a couple of weeks ago, I made sure to give you some kudos for that. So if I come attacking you some more, just to let you know, I'm an equal-opportunity attacker/kudo-er. Do you know what I mean?

But let me get to this here, the map that gives you northeastern Ontario, and specifically Sault Ste. Marie, Sudbury, Cochrane and New Liskeard; I think it's before the last one. I had raised this in committee a couple of weeks ago and I got some phone calls and emails in my office about it, and people said—they were piling on.

Let's start with 144. On 144, if you're driving to Sudbury from Timmins for whatever reason—I don't care what it is—it's really the only way to get there, because otherwise, if you've got to go through Matheson, down 11 and back up around again, it's a heck of a longer trip.

Your classification system is based on how much traffic there is. So you say this is a class 2 or a class 3 highway based on how much traffic. The argument I want to put forward: That is true in most cases, but shouldn't be true in all cases. The argument that I'm going to make to you, and I'm going to ask my good friend here—Monsieur Chaput?

M. Gerry Chaput: Oui.

M. Gilles Bisson: Monsieur Chaput, parles-tu français, toi?

L'hon. Glen Murray: Il ne parle pas français. C'est épouvantable.

M. Gilles Bisson: Oh, on peut tout faire en français. C'est donc le fun.

L'hon. Glen Murray: J'ai essayé de l'engager en français. Il ne parle pas français.

M. Gilles Bisson: Oh, c'est correct. But he has the name.

Mr. Gerry Chaput: But I understood that.

Ms. Carol Layton: He understood that.

Laughter.

Mr. Gerry Chaput: He tries to get me to. I can't.

Mr. Gilles Bisson: We're getting there, Mr. Chaput. I remembered your name. Everybody who knows me knows I'm bad with names, and I remembered yours. It means to say that I've got your card, and we've got to fix this.

Hon. Glen R. Murray: Gerry's father's name is Hector, et il parle français très bien.

Mr. Gilles Bisson: It's not "Hector." C'est Hector.

Hon. Glen R. Murray: Hector. Okay. A new part of town.

Mr. Gilles Bisson: Anyway, we can get into the pronunciation of names, which is fun.

I want to make the pitch on a couple of highways. Highway 144, if you strictly go by the amount of traffic, will always be a class 3 highway. This highway, as we know, unfortunately has probably—I don't know. Maybe you guys know this, from the road safety branch. I take it just anecdotally that we have a fair amount of accidents on that road, and we've had a number of fatalities, probably more so than other roads like Highway 11 up in the area.

So the pitch I'm making on 144: We've seriously got to look at changing the classification of that highway, because there are two issues. The first issue is when it comes to winter road maintenance, because it is the only game in town. If you take off from Sudbury or Timmins at 3 o'clock in the afternoon because you've got to be there, and you're an hour or an hour and a half down the road and it starts to snow, there ain't nowhere to go. You either go an hour and a half back or you go an hour and a half forward, and you get yourself into trouble.

The problem is, if you don't have highway maintenance to the degree that you need there, it is actually dangerous. I'm asking you, Minister, can we please change that from 3 to 2?

Hon. Glen R. Murray: Very quickly, I handed these maps out for two reasons. One, because you're right: We've added 50 new units, 40-odd, and then we front-end-loaded the contract in Thunder Bay previously, at the start of the year. I asked each MPP from the north, and gave them to, you're right, people in all parties, to have a review of the classifications and to work with Assistant Deputy Minister Chaput to give us feedback, not just on volume but on criticality. So absolutely, we will review that. I can't make any promises today because I try not to interfere with this, but I certainly will support you making the case to the ministry.

The second is where I need help, because I believe that there's real improvement needed in snow and winter maintenance, so we now have the capacity out of there. I've now got to ensure that we're putting the pressure on the contractors, who now have this extra equipment, to use it fully. Again, I will need your help on that.

Mr. Gilles Bisson: Fair enough, but I also want to say on 144, even before the days of the privatization, we always had problems on 144.

Hon. Glen R. Murray: In principle, I agree with you. I hope I can support it in practice. I will make best efforts, but I don't want to overly politicize the process.

Mr. Gilles Bisson: It's the same argument for 655, and what's worse with 655 and 144 is that there's a fair amount of truck traffic on those roads. Especially at night, you're driving and you've got a bunch of snow and slush flying up and you're behind them. People tend to try to pass just for a safety reason, because you can't see anything, so you want to get in front of the transport. It's a pretty dangerous thing.

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

Twenty minutes to the government.

Mr. Gilles Bisson: Unanimous consent to allow me two more minutes on the Liberal time?

Mr. Mike Colle: Sure.

The Chair (Mr. Michael Prue): No, we're—

Mr. Gilles Bisson: I asked for unanimous consent to allow me two minutes on the Liberal time.

Mr. Kevin Daniel Flynn: Only because it's you, Gilles.

Mr. Gilles Bisson: I know. Thank you.

The Chair (Mr. Michael Prue): And he got it. Okay, go ahead.

Mr. Gilles Bisson: The minister was about to respond. On 655 and 144, the last part, that little stretch of highway up at 583 into Constance Lake, there's a sawmill there and there's a community there called Constance Lake. It's a class 4, which means 24 hours. I've been stuck there before, along with many of my constituents. We need to look at moving that classification up as well. Any comment?

Hon. Glen R. Murray: Here's what would make my life a lot easier. I've had feedback from yourself, MPP Mantha, Minister Gravelle and MPP Mauro, who have all identified roads that are critically of concern for them along a similar criteria of criticality. What I'd like to do is have the northern members—if you give me a bit of time—come to a consensus. I'd like to hear from my government colleagues who have raised some of these issues, as well as the two opposition members. If we can have a general consensus where there's some consistency in what we're doing, and if you want to horse trade amongst each other, but I would also like it if you could work directly with Deputy Layton and ADM Chaput—

Mr. Gilles Bisson: Chaput.

Hon. Glen R. Murray: Chaput. I've been mispronouncing it for so long—

Mr. Gilles Bisson: I know; it's okay.

Hon. Glen R. Murray: —and Gerry has his own pronunciation of his name. I try to be respectful.

Mr. Gilles Bisson: I'll say like Rosario: Unilingualism is something that can be cured.

Hon. Glen R. Murray: Okay. I'll break out into Ukrainian in a moment.

But if you could work with them, I think there's an interest in the ministry. Eric Doidge, as well, as you know, has been looking at this. But I would just ask you to work collaboratively with that because I'm trying to establish a set of principles. When people are telling me "roads," I'm looking at the road, but when you talk about the road to Gogama there, for example, the issue you're raising is criticality, not frequency of traffic, and the criticality and the lack of alternatives. That, to me, is a reasonable principle.

Mr. Gilles Bisson: Just before we run out of time, hats off: good work on the part of your regional staff. I know when we call, when my office calls, they've always been very responsive, even during holiday times.

Hon. Glen R. Murray: I'm enormously proud of the MTO staff. This is a ministry that has an incredibly high standard, and I want to thank Deputy Layton and her team. These are wonderful people I feel hugely privileged to work with.

Mr. Gilles Bisson: You can tell Eric he can send me 10 bucks for saying that.

The Chair (Mr. Michael Prue): I don't want you to use any more time.

You have 18 minutes; you gave up two.

Mr. Kevin Daniel Flynn: Thank you, Mr. Chair. We were happy to do that.

The emphasis lately has been on commuter traffic, trying to get as many cars off the highways as we possibly can, trying to get more transit projects built and trying to get more people onto those modes of transit. A number of my constituents—certainly, I'm sure this is true around the province—tell us, "But don't forget about the highways." As much as you are concentrating on new modes of transportation, as much as you're trying to get subways and LRTs built, and BRTs, we still have a highway system in the province of Ontario that I think is

the envy of the world. We want to keep it that way. We want to expand it and we want to make sure that it still works properly.

People often think of the highway in terms of commuter traffic in the morning, certainly in the GTA. What a lot of people don't realize is that when the 403 and the QEW meet around Oakville, you're actually travelling on the 403 and the QEW until you get to Burlington. You're not just on the QEW alone. It splits off, and the 403 will take you up to Brantford and up to Woodstock and eventually onto the 401. The rest of the highway, the QEW, continues down into the Niagara region, where we've got a few international border crossings that are extremely important to the province of Ontario. You've got a viniculture industry in that area, that's certainly emerged over the past number of years, to be something that I think is world-class. You've got a tender fruit industry. So certainly around the Niagara area, as a person who drives through Oakville and Burlington on a regular basis—often in the mornings you'll hear on the traffic reports that congestion is backed up down to the Stoney Creek or Grimsby areas. I'm wondering if the deputy or the minister can tell us a little bit about what's being done to help alleviate the congestion in that area.

1720

People are commuting now into the GTA from the Niagara area. We're also seeing that with just-in-time delivery for truck traffic transportation and those types of things, especially in the Ford plant in Oakville, for example; where they may have warehoused parts in the past, now those parts are arriving by truck and they're somewhere installed on a vehicle within hours of arriving at the plant. When that congestion backs up those trucks, a level of concern and anxiety takes place in the Ford plant.

Just specifically in the Hamilton area and the Niagara area, what's being done to help those folks down there?

Hon. Glen R. Murray: There's quite a lot. First of all, as you probably know, there's the half-hour service on the Lakeshore line. We're also building a new GO station, a second GO station, right beside what is now known as Liuna Station. My grandmother immigrated to Canada at that station, from Ukraine, which is kind of exciting for me, so I'm quite fond of and excited to see that station happening.

We're looking at and working with Hamilton on an LRT link, which has been somewhat challenging. That GO service extension, we're hoping, will pull people off. We've been trying to work to get the ridership up on the Niagara GO service, because we realize that that modal split—we don't want to end up with a 401 of 18, 20 lines of highway.

Very specifically: Highway 140—if you have your maps, you can pull it out. We have about \$7.4 million going into that very critical highway in the Niagara region, for bridges rehabilitation. That's mostly in the Port Colborne area. That will be finished within the next 12 months, so that's quite significant.

Highway 58, which people in Niagara will be very familiar with: another \$7.3 million, and this is going to the rehabilitation of the Richmond Street and Pine bridges in the Niagara region. This project will be finished within weeks.

Highways 58 and 406—that's a major resurfacing, at \$17.4 million. This is Thorold Stone Road to Highway 406, which is very important for carrying commercial traffic in the area.

Highway 406 is a huge project, \$69 million, and that involves the widening from Port Robinson and East Main Street in Welland—very important, given some of the challenges that Welland is facing right now.

Queen Elizabeth Way: We are investing \$8 million in the Victoria Avenue and Seventh Street intersections of the QEW down that way.

We're doing major resurfacing in Grimsby. As well, we have several bridges now under construction and replacement in the Niagara region. Glendale Avenue, Beaverdams Road and Highway 406 northbound to Westchester Avenue are all being replaced or resurfaced in the next two years.

I didn't make this one up: The QEW bridge rehabilitations at Sodom Road underpass, Baker Road underpass, Netherby/Townline extension underpass, the Townline Road underpass, the Thompson Road underpass and the Concession Road underpass, and these projects will be finished next year—so, all of those.

That is one of the largest builds out in the Niagara region that we've seen in roads. A lot of those smaller roads are critical for local business. I think it's one of our largest investments ever in that region.

Mr. Kevin Daniel Flynn: Perfect. Similar questions, I think, from my colleague from Peel, Mr. Chair.

The Chair (Mr. Michael Prue): Ms. Mangat?

Mrs. Amrit Mangat: Thank you, Mr. Chair. Minister, I know lots of work is being done when it comes to improving our transportation system. My question is also with regard to highways. I know that in my riding of Mississauga, a lot of work is being done on a new interchange construction at Hurontario Street, as well as widening of the street and Highway 10 from Highway 410 to Hurontario Street—a lot of work. It's all a good-news story. It started in, I think, 2009 and it's still going on. The project is under way.

My question to you is, can you throw some light on other highways in the region of Peel, the work that is under way, so that people can, and we can, ease the gridlock there?

Hon. Glen R. Murray: You'll know—and I appreciate that you've been such a huge champion of this. Our colleagues across Peel region have really delivered in a very significant way, both on transit—I know MPP Dickson, right next to you, has got everything from the Pulse BRT to the 407 extension going on. I need a new MPP, because I'm not delivering those kinds of investments.

The big ones coming up right now: As you know, we're investing over \$105 million for a new interchange

at the 401, and this is at Hurontario. So we get into this conversation about Hurontario, that somehow the LRT is a problem. We're actually making major highway investments in Hurontario in the interchange, in the capacity and in the interface with the 401. That's actually an over \$105-million project.

Highway 403, which MPP Flynn was mentioning earlier, is also seeing about \$6.8 million at Burnhamthorpe and Eglinton. This will be finished by the end of this calendar year. We're actually in the final stage of the project right now.

Highway 403—we're doing major resurfacing of the Central Parkway. We also have an overpass to Highway 401 at the 410 interchange that's being built, as well as 4.4 kilometres of express lanes and 2.8 kilometres of collector lanes in Mississauga.

You've raised the issue in the House, which I've always appreciated. As you know, we also have the Mississauga Transitway and the busway, BRT system, which is now under way, as well as the rapid transit along Hurontario and Highway 407, and we're working on the electrification of the GO rail line.

So those are the major projects right now in Mississauga. Thank you for your advocacy for them.

Mrs. Amrit Mangat: Okay. When do you think the work which is under way on Highway 401 can be expected to finish?

Hon. Glen R. Murray: Highway 401—

Mrs. Amrit Mangat: Yes, new interchange construction.

Hon. Glen R. Murray: It's in the final stages of completion. Gerry, do you—

Interjection.

Hon. Glen R. Murray: It'll be finished this construction season.

Mrs. Amrit Mangat: Okay. Thank you.

The Chair (Mr. Michael Prue): Any other questions from the government?

Mr. Mike Colle: Yes, I guess I could ask a question.

Mr. Steve Clark: No questions from Joe from Ajax?

Mr. Mike Colle: Yes, here's Joe from Ajax.

Just getting to the modal splits, what's been happening with our modal split numbers in the GTA in the last couple of years?

Hon. Glen R. Murray: I'm going to ask the deputy that because—you had asked a question about ridership on GO, and I think we've got an answer for you. So MPP Colle, if you don't mind, I can give it to the deputy to answer.

Mr. Mike Colle: Sure.

Ms. Carol Layton: Just to read it into the Hansard so that we can fulfill the requirement before we're done here, you asked, MPP Flynn, about the increase in ridership on the Lakeshore corridor as a result of moving to the 30-day service—

Hon. Glen R. Murray: Thirty minutes.

Ms. Carol Layton: Thirty-minute service, sorry—which was a move that we did beginning in—I guess it was late June.

The midday and evening ridership on both rail lines has increased by approximately 29%, from 12,080 passenger trips to over 15,000. What's interesting is the midday ridership increased. So that 29% is both midday and evening. The midday itself is a 25% increase, with the majority of those trips going into Union Station. What's interesting is the evening ridership increased by 32%, with the majority of trips leaving Union Station, suggesting that a lot of folks—it gets to the modal split question—are choosing to take the GO home as opposed to commuting by vehicles.

Mr. Kevin Daniel Flynn: Just so I'm clear, in four months, we've seen a 30% increase in ridership?

Ms. Carol Layton: Yes. They did a survey at the start and they did one in October, so it's pretty fascinating. There's a lot more detail. I did a quick summary, and we could make sure that we have it properly captured for you.

Hon. Glen R. Murray: And we're actually, quite frankly, surprised by that. We were expecting that any significant ridership change would actually wait till there was more office space in Oakville and Oshawa, driving more of that. But it's clearly doing that, and that's kind of remarkable. That's a remarkable increase in a very short period of time.

Mr. Mike Colle: I was just wondering, the overall modal splits in the GTA: What's happening with transit versus car usage?

Ms. Carol Layton: I don't know whether John Lieou—whether you have a more specific—

Mr. John Lieou: I don't, no.

1730

Ms. Carol Layton: I don't have exactly the work on that, other than to say I guess a bunch of things. First of all, we're working really hard to encourage that modal split, to get more people out of their cars and into transit. I'm a regular transit user and I can certainly say, anecdotally, getting on at Jane station and travelling in, I no longer transfer at the interchange stations at all, at St. George or at Yonge. It's not worth the wait. I will get off and walk instead. I've seen it—obviously, the population is growing as well, but I'm certainly seeing a much more congested system. I think we're seeing that.

We're certainly experiencing a great increase in use of the GO system, hence the need for 30-minute service. People want it on all the lines, and they want the lines expanded. But certainly, between car and subway, I would have to dig a little bit deeper to give you more detail on that.

Mr. Mike Colle: Certainly TTC ridership has been climbing quite significantly over the last decade. It used to be 1.4 million a day, but I think it's more towards two million, if I'm not mistaken. Anyway, the thing is that certainly the system is congested. The public transit system is congested—the GO lines and the core system and the TTC. I'm just wondering—car ownership—what's happening with the number of cars on the road or licenced in Ontario?

Ms. Carol Layton: We have—let me just think this through now—over nine million licenced drivers in the

province of Ontario. With a population of 13 million, that's actually a pretty significant number of drivers.

Hon. Glen R. Murray: It's almost the entire adult population.

Ms. Carol Layton: Yes, and about—Rob would have the stats better than me—11 million licensed vehicles. There's no doubt that we still have a fairly all-in, car-dependent geography. You see it in some cities more than others. You know, I spend a lot of time in the Kitchener-Waterloo area, and that's a fairly car-dependent community right now, based on the way that the subdivisions and all of that are developed and designed. You'll see it in many others as well.

On the other hand, we're also seeing every year—although the amount of gas tax that's provided in the two cents per litre is about \$321 million, we do see more and more transit services coming on each year. So we are seeing that being encouraged. You know, the increase in people wanting to drive cars also is a factor of demography—aging and different things like that—people who just want to go a different way in terms of how they're getting around. But that's actually a contradictory statement in a way too, because we do need to make sure that we've got the transit and the geography in the establishment of our communities so that people are less dependent on cars and more dependent on transit.

Minister Murray often uses the reference that you could use a litre of gas to buy a litre of milk. For people that are aging and for people with disabilities, the more we have great, effective transit systems, not only in the large urban areas but also in the smaller communities—and we are starting to see some really good community transportation type of initiatives—the better we're going to be overall.

Hon. Glen R. Murray: I'll give you one number. Between 1995 and 2005, 90% of new office space was built far away, at least a kilometre away, from higher-order transit, GO transit and that. So 90% of all new employment was car-dependent development. That is, when you look at the analysis and when you look at the work that we did at CUI or the Cities Centre of U of T, or the work that Professor Amborski is doing at Ryerson, the biggest thing driving that—where is most of our commercial office space and employment lands? It's on our highways: the 407, the 404, the 427. It's what is driving it.

What we are trying to do with Places to Grow and integrated transportation and land use is that we are trying to align transit and higher-order transit. So I told the story of the Queen Elizabeth Way and the GO line, where we actually have an integrated—it's the only really integrated transportation corridor. So the subway that is going up to York University and Vaughan—we are looking at the 427 and the 401 and how do we actually create that as an integrated corridor and start shifting more traffic off the east-west and north-south there to get it on there, which is again the point you made, MPP Colle, which is why the downtown relief line is so important. It's not so much important to people in down-

town as it is important to people in the peripheral areas of the subway rapid transit reach.

Of the 404 quarters, Mayor Barrow, Mayor Scarpitti—we have been talking about the fact that that area up there has almost as much office space as the central business district in Toronto. So we're now looking with Metrolinx at trying to get rapid transit aligned with the 404 because if the 404 has the same transit capacity in that corridor, for example—

Mr. Mike Colle: Minister, if I could just—

Hon. Glen R. Murray: Sorry; go ahead.

The Chair (Mr. Michael Prue): About one minute left.

Mr. Mike Colle: I wanted to get back to the modal split numbers. I suspect, given the congestion we have in this 401 parking lot—we're seeing not much of a shift. We're seeing basically total stagnation in terms of the number of people using cars and the number of people using transit. The question we have is, what can we do to start to really get things moving towards public transit when the projects we have online are not going to be completed for 10 or 15 years?

The last question I was going to ask too, is, how many people a day do you project on the air-rail link? What's the passenger-per-day prediction?

Ms. Carol Layton: Why don't you jump in first?

Mr. John Lieou: Mr. Colle, maybe Robert can answer the air-rail question. I'll speak to your question on modal split and things like that—

The Chair (Mr. Michael Prue): No. You're going to have to wait with that answer. The time is up.

Mr. Mike Colle: Okay; that's fine. I understand that. But I can get that later.

The Chair (Mr. Michael Prue): We have a bit of a dilemma here. There are 18 minutes left. However, in about 15 minutes, the bells are going to ring. Each party is entitled to six minutes, but if I do that, the Liberals will not get their fair share. In order to be fair, I'm going to make it five minutes each, unless—and this is also another thing. At that point, we will not have a vote, so it will be deemed to be adopted. If you want to vote on it, then I'm going to have to cut the time down.

I'm in the committee's hands, but we're being constricted from many areas here. Do you want five minutes each and not vote? Do you want three minutes each and vote?

Mr. Mike Colle: Let's have the vote. Let's cut the time down and vote.

The Chair (Mr. Michael Prue): I can probably get the vote in if you all have three minutes each.

Mr. Gilles Bisson: I don't even need one minute.

The Chair (Mr. Michael Prue): Okay. You have three minutes if you want it, and then we'll have the vote, okay?

Mr. Mike Colle: That's fine with us.

The Chair (Mr. Michael Prue): All right. Three minutes each seems to be the consensus.

Mr. Clark: three minutes.

Mr. Steve Clark: I'm going to be very quick then. I wrote down a quote that you had: "We need to tell people the truth."

I've got two issues that go back to September. One was a member's statement. I've got a lot of respect for the ministry. When I was mayor and CAO and a staffer with my predecessor, I could call the ministry's Kingston office and get the straight goods. But the ministry has totally—it's a debacle, the Highway 15 construction project. We've been told different things by different people in the ministry over and over and over again. I've even offered to drive you down Highway 15 to Chantry. You don't have to answer it today, but at some point I want to know the detailed status of the ministry's plan to reconstruct Highway 15. I don't want to use any of my three minutes. We can do it at some point. I want it on the record, and I want to know because I'm sick and tired of getting a different answer.

Speaking on the truth line, I wrote you a letter in September about a meeting that the Frontenac Arch Biosphere had had with your ministry. They're a UNESCO world biosphere reserve, designated. We had the EuroMAB conference in October, and we had hoped to have these signs in place. Your ministry gave a commitment that they would do it: They do signage all the time; they're out there replacing signs. They made a commitment, and then in an email from Bill Harrett back in August, they took it away. Again, it speaks to a significant section of my riding who, like me, had a lot of respect for the Kingston office. They don't have the respect on these projects. They're told different things at different meetings by different personnel, and quite frankly, it's getting very tiresome.

Hon. Glen R. Murray: My apologies. The buck stops with me, and we'll make sure that it's dealt with properly. If it's not promptly dealt with, please get back to me right away.

The Chair (Mr. Michael Prue): Okay.

Mr. Steve Clark: Is that my three?

The Chair (Mr. Michael Prue): Yes, that's your three.

Mr. Bisson.

Mr. Gilles Bisson: Done.

The Chair (Mr. Michael Prue): He gives up his three.

Liberals.

Mr. Mike Colle: If I could just get that modal split conversation finished quickly, or is it too long?

Ms. Carol Layton: Yes. John, do you have that now, the modal split?

Mr. John Lieou: Yes. We do have information on the modal splits, and in time we can actually provide it to this committee, maybe later on. Just very quickly, information that I have right now is that the auto driver split in the GTA in the 6 to 9 a.m. period is 58%. The 24-hour average is 62%. Local transit is 13.7% for the same period—13% and 11.8%. The GO train is 1.7% or 1.9%. We have all this data, so we can provide it as a follow-up.

Mr. Mike Colle: And make it available to the committee.

Mr. John Lieou: Yes.

Ms. Carol Layton: Actually, just on that, we should have provided it. We have a small, little guide. It's a public book as well, so it's even on the website. But we will provide it.

Mr. Mike Colle: Okay. As long as I get that, okay? Because I'll forget.

Ms. Carol Layton: For sure. We'll get you a book.

Mr. John Lieou: For sure, yes.

The Chair (Mr. Michael Prue): Any further questions? You still have about a minute.

Mr. Mike Colle: No. We're fine.

The Chair (Mr. Michael Prue): You're fine? Okay. Are the members ready, then, to vote?

Mr. Mike Colle: Yes.

The Chair (Mr. Michael Prue): Okay. Shall vote 2701, that is, the ministry administration, carry? Carried.

Shall vote 2702, policy and planning, carry? Carried.

Shall vote 2703, road user safety, carry? Carried.

Mr. Gilles Bisson: Which one's the minister's salary? *Laughter.*

The Chair (Mr. Michael Prue): Okay. Shall vote 2704, provincial highways management, carry? Carried.

Shall vote 2705, labour and transportation cluster, carry? Carried.

Shall the 2013-14 estimates of the Ministry of Transportation carry? Carried.

Shall I report the 2013-14 estimates of the Ministry of Transportation to the House? Agreed? Agreed. Then that would conclude that.

There are two other items that we might be able to squeeze in, but if we don't, we can deal with them next week. If we deal with them today, that would conclude estimates for the balance of the year. Do you want to try?

There are two other items. The first one is that we have the 45 boxes from the ministry of culture, tourism and Pan Am/Parapan Am Games. How does the committee want those to be distributed? Do you want them on—

Interjection.

The Chair (Mr. Michael Prue): No.

Interjection.

The Chair (Mr. Michael Prue): Okay. We have 22 boxes that are redacted and 23 boxes that are not redacted.

Mr. Rob Leone: Mr. Chair, if I may, I think when we dealt with finance, we suggested that the unredacted portions of the material remain confidential, but the redacted portions of the material become public. I would ask that the Clerk distribute those documents via USB key. Do I need a motion for that?

The Chair (Mr. Michael Prue): If you want that, then it's going to take some time to scan it.

Mr. Rob Leone: They aren't scanned?

The Chair (Mr. Michael Prue): No, not yet.

Interjection: The motion didn't ask for it.

The Chair (Mr. Michael Prue): The motion did not ask that they be scanned. The motion just asked for the documents. The documents have been produced in re-

dacted and unredacted form. And this is just the first batch; this is just the first batch.

Mr. Mike Colle: Could we get this done next week—

Mrs. Amrit Mangat: Chair, does every member get—

The Chair (Mr. Michael Prue): Well, that's up to the committee. If you want one per party, I need a motion. Now, we don't have to do it today. If you want to—

Mr. Mike Colle: I might suggest Monday or Tuesday.

The Chair (Mr. Michael Prue): It has to be—the committee can only meet on Tuesdays. We can meet Tuesday morning, if you want to be prepared to—

Mr. Gilles Bisson: You have the estimates of native affairs on Tuesday.

The Chair (Mr. Michael Prue): No, this is the end of estimates. I have to report it tomorrow. Estimates is finished until next March.

Mr. Gilles Bisson: No, but the committee can still meet.

The Chair (Mr. Michael Prue): But not for estimates. Only for procedure.

Mr. Gilles Bisson: I understand that, but the committee can meet on Tuesday at its regular scheduled time to deal with procedural business.

The Chair (Mr. Michael Prue): The committee can meet next Tuesday, yes, on procedural business. Is the committee prepared and wants to meet next Tuesday?

Mr. Mike Colle: Yes.

Mr. Rob Leone: Yes.

The Chair (Mr. Michael Prue): All right, then. We are adjourned on estimates and we're off to a vote.

The committee adjourned at 1744.

CONTENTS

Wednesday 20 November 2013

Ministry of Transportation.....	E-339
Hon. Glen R. Murray	
Ms. Carol Layton	
Mr. Robert Siddall	
Mr. Gerry Chaput	
Ms. Linda McAusland	
Mr. John Lieou	

STANDING COMMITTEE ON ESTIMATES

Chair / Président

Mr. Michael Prue (Beaches–East York ND)

Vice-Chair / Vice-Président

Mr. Taras Natyshak (Essex ND)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

 Mr. Steve Clark (Leeds–Grenville PC)

 Mr. Mike Colle (Eglinton–Lawrence L)

 Mr. Joe Dickson (Ajax–Pickering L)

 Mr. Rob Leone (Cambridge PC)

Mrs. Amrit Mangat (Mississauga–Brampton South / Mississauga–Brampton-Sud L)

 Mr. Taras Natyshak (Essex ND)

 Mr. Jerry J. Ouellette (Oshawa PC)

 Mr. Michael Prue (Beaches–East York ND)

Substitutions / Membres remplaçants

Mr. Gilles Bisson (Timmins–James Bay / Timmins–Baie James ND)

 Mr. Kevin Daniel Flynn (Oakville L)

 Mr. Jeff Yurek (Elgin–Middlesex–London PC)

Also taking part / Autres participants et participantes

Mr. Rosario Marchese (Trinity–Spadina ND)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Mr. Jerry Richmond, research officer,
Research Services