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**Wednesday 20 November 2013**

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(Hansard)**

**Mercredi 20 novembre 2013**

**Standing Committee on  
General Government**

Pan/Parapan American  
Games review

**Comité permanent des  
affaires gouvernementales**

Étude portant sur  
les Jeux panaméricains  
et parapanaméricains

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES**

Wednesday 20 November 2013

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*The committee met at 1601 in committee room 2.*

**PAN/PARAPAN AMERICAN  
GAMES REVIEW**

**The Chair (Mr. Grant Crack):** I'd like to call the meeting of the Standing Committee on General Government to order. I'd like to welcome members from all three parties.

**PAN/PARAPAN AMERICAN  
GAMES SECRETARIAT**

**The Chair (Mr. Grant Crack):** Today we have one item on the agenda concerning the Pan/Parapan American Games Secretariat. It gives me great pleasure to welcome Steven Davidson, deputy minister, as well as Nancy Mudrinic, assistant deputy minister, risk management and financial oversight. Please feel free to come on up and take your chairs.

Unfortunately, I will have to step out for a few minutes, at which time I will ask Mr. Fraser to sit in as Chair. So to help him out, as we change, I would ask the two of you, for the record, just to state your names and positions as I've indicated. Welcome, and I shall be back.

**Mr. Steven Davidson:** Okay. Thank you very much. My name is Steven Davidson. I'm the Deputy Minister of Tourism, Culture and Sport and the deputy minister for the Pan/Parapan Am Games Secretariat.

**Ms. Nancy Mudrinic:** I'm Nancy Mudrinic. I'm the assistant deputy minister of risk management and financial oversight for the Pan/Parapan American Games Secretariat.

**The Acting Chair (Mr. John Fraser):** Thank you very much. You have five minutes for your presentation. Please feel free to start.

**Mr. Steven Davidson:** Thank you very much. Good afternoon, Chair, committee members. I appreciate the invitation to appear before the committee today and the opportunity to provide a brief opening statement.

I'm joined this afternoon, as we've said, by Nancy Mudrinic, the assistant deputy minister of risk management and financial oversight at the Pan/Parapan Am Games Secretariat.

As you know, I'm the Deputy Minister of Tourism, Culture and Sport. On July 2 of this year, I was also appointed deputy minister for the Pan/Parapan Am Games

Secretariat. So I've been in the Pan Am role now for just over four months. I will do my absolute best to answer the committee's questions and clarify issues to the best of my knowledge based on the time that I've been in the role.

I'd note that I have also provided to the Clerk copies of two documents for distribution to you that were shared in a technical briefing this morning, and I think those have been distributed.

I'd like to begin by emphasizing the size and scope of these games. These are the largest games ever to be held in Canada, and on a geographic footprint of about 10,000 square kilometres. So this obviously drives complexity in planning and costs in terms of delivery, and it requires the collaboration and co-operation of multiple partners.

The responsibility to stage and deliver the games rests with the games organizing committee, TO2015. TO2015 is an independent, not-for-profit corporation accountable through its board of directors to its funders and stakeholders. This is the typical governance model for all major international multi-sport games.

To deliver its responsibilities, TO2015 has a games delivery budget of \$1.4 billion, made up of contributions from the federal and provincial governments, municipalities, universities and games' revenue.

Ontario, like all host jurisdictions, has investment responsibilities beyond its contribution to TO2015's budget. All host jurisdictions typically invest in significant legacy initiatives to ensure a lasting benefit for the games, and they also make investments in essential services to ensure citizens and visitors can enjoy the games in a safe and secure environment, and that traffic disruption is minimized and public health protected.

The provincial government has announced a number of legacy investments over the past couple of years which are outside its \$500-million investment in TO2015's budget, and these include the \$709-million investment in the athletes' village in the West Don Lands.

Transportation planning, led by the Ministry of Transportation, and security planning, led by the Ministry of Community Safety and Correctional Services, are both highly dependent on detailed operational decisions being made by TO2015. The current cost estimates are \$206 million for security and a range of \$75 million to \$90 million for transportation.

To ensure coordinated planning and delivery, and accountability for its investment in the games' organizing

committee, host jurisdictions also typically establish an oversight office or secretariat—this was the case in both Vancouver and London. In Ontario, of course, that's the Pan/Parapan American Games Secretariat, which I lead and which reports to Minister Chan.

The secretariat has three main areas of responsibility: providing oversight of the provincial investment in TO2015's budget; coordinating games-related activities of other provincial ministries, and coordinating and partnering with the federal government and municipalities in planning and delivery of services; and finally, developing and implementing Ontario's legacy for the games, including a celebration and legacy strategy and oversight of the provincial investment in the athletes' village, which is being managed by Infrastructure Ontario.

Finally, as the committee is aware, the ministry and the secretariat were recently before the Standing Committee on Estimates, which passed a motion directing the ministry and the secretariat to provide to the committee all correspondence and notes related to the 2015 Pan/Parapan Am Games, from January 1, 2010, to October 3, 2013. The volume of materials resulting from the scope of the request means the document search process is still ongoing. Yesterday, the ministry and the secretariat delivered the first package of approximately 21,000 responsive records, totalling about 76,000 pages. We'll continue to comply with the motion, and our next disclosure package will be provided as soon as possible, which we anticipate to be within the next several weeks.

I'd be happy to provide whatever additional information may be helpful to the committee, and I look forward to your questions.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Thank you very much, Mr. Davidson. That's right on time.

We will start the rotation with the Progressive Conservatives.

**Mr. Rob Leone:** Madam Chair, I was wondering if we could be provided with a copy of his written remarks.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Yes, that's possible.

**Mr. Steven Davidson:** Sure. I didn't bring extra copies—

**The Vice-Chair (Mrs. Donna H. Cansfield):** We'll get extra copies. We'll have them done for you, if we could have a copy.

**Mr. Steven Davidson:** We have one extra copy.

**The Vice-Chair (Mrs. Donna H. Cansfield):** We'll make extra copies for everyone.

**Mr. Steven Davidson:** Okay.

**Mr. Rob Leone:** Thank you.

Mr. Jackson?

**The Vice-Chair (Mrs. Donna H. Cansfield):** Mr. Jackson, are you going to take the lead? If you'll just give me one moment, we're going to reset the clock so you don't lose your time.

**Mr. Rod Jackson:** No worries.

**The Vice-Chair (Mrs. Donna H. Cansfield):** Great. At your leisure, sir, go ahead.

**Mr. Rod Jackson:** Thank you.

Thank you again for coming in today. I really do appreciate you coming in and sharing everything you know with us.

I'd like to talk a little bit about the secretariat: the organizational structure there, the size of it and that sort of thing. Originally, I think the secretariat was nine people in size. Now, of course, I understand this is going to grow as we get closer to the games or as we progress. It has fluctuated since then. It has gone up; it has gone down a little bit. Can you give me an idea of the size of the secretariat now, people-wise and salary-wise?

**Mr. Steven Davidson:** Thanks for the question. The secretariat has certainly evolved over time. As I said, I joined at the beginning of July, with it as a stand-alone secretariat, which it has been since—sorry, I have that. It was in—

**Ms. Nancy Mudrinic:** January 2011.

**Mr. Steven Davidson:** —2011, I believe, that it was separated out from the Ministry of Health Promotion and Sport. But it did begin as a very small entity. Right now, in maturity, it has a five-year budget of \$49 million and 58 full-time equivalents, FTEs, attached to it. So from—

**Mr. Rod Jackson:** I'm sorry. How many? I just missed that.

**Mr. Steven Davidson:** Fifty-eight.

**Mr. Rod Jackson:** Fifty-eight. Okay.

**Mr. Steven Davidson:** That's in our approved allocation. From time to time, that is supplemented by students or interns. We try to take advantage of those programs if we can, and it's a great opportunity for university students to come in and participate in something that's very different. So it does ebb and flow a little bit. I can't tell you the number today, but I know we are managing a couple of vacancies, so it may actually be under the 58.

Organizationally, it's headed by a deputy, who is accountable to a minister. There are three divisions within it, each led by an assistant deputy minister. Nancy, maybe you could find the org chart in there.

**1610**

Nancy, to my left, is head of the operation that's responsible for the oversight and risk management challenge function, to use that phrase, on TO2015 and their delivery of the games. That takes a variety of forms. Most formally, it has a few formal accountability responsibilities attached to it. One of the control accountability tools that the provincial and federal governments have over TO2015 is approval of their business plan. Nancy's organization would do the due diligence on the business plan, and from time to time secure the advice of an outside consultant such as Deloitte, say, to give a third party validation on TO2015's planning assumptions and that sort of thing, arriving at an approval recommendation that we would take forward to the minister. That's a very formal, discrete part of it that happens periodically through the planning cycle as we move toward the delivery of the games, so once annually.

Ongoing, there's—Nancy could talk to you about this in much more detail, but I'll try to give you the blocks

and then we can dive in more deeply if you like—a risk management or risk-tracking system, which is really critically important in managing particularly the province's financial exposure over TO2015's operational delivery of the games. So there's a fairly sophisticated IT program that is in place. There's regular data that we receive, and it is tracked in terms of level of likelihood and severity of the risk. That's part of that function that is very much ongoing and very much in real time in terms of our engagement with them.

The bottom line for us is ensuring that TO2015 has developed and has in place mitigation strategies so that—this is big and complicated and there are risks. There are financial risks and there are delivery risks. With some of them we have more control levers than others, so the critical thing is that it's an eyes-wide-open enterprise, in that we have full information from them about what the state of risk is and that we have confidence in their risk-management strategies; and when we don't, we challenge them.

Those are big parts of Nancy's compliance with the Broader Public Sector Accountability Act directives around expenses and procurement, ensuring that they are engaging in competitive procurement processes. We may want to come back and talk later about the expenses piece, but the requirement of the directive is that they have a policy. The directive is less specific on the contents of that policy. It's different than for the Ontario public service, the OPS; our directives are quite specific. They must have a policy approved by their board. That's not to say that we would just passively accept that, and, as you know, we've done a couple of interventions on that. That challenge on their operations is under Nancy.

I'll shift over to Steve Harlow's division, which is called "partner engagement and legacy division." This is the other significant function of the secretariat, which is not the challenge function. It's a direct delivery and planning coordination function.

Maybe before I describe that, if you'll let me, I'll just step back and make just one comment in terms of what I've come to understand about these offices or secretariats that host jurisdiction governments typically set up to protect their interests. There's a variety of models. There's one model that's highly centralized, where everything is in this secretariat, and there's another model where it's highly devolved. We're, I would say, somewhere in the middle in terms of, we've absolutely got the core challenge function that is Nancy's on financial and delivery risk, but we've also got responsibility for direct delivery and coordination. But the Ministry of Transportation, as you know, has the ultimate lead on transportation planning and the Ministry of Community Safety and Correctional Services has the lead on security planning. So we're devolved out. We're somewhat decentralized, but there's a fair bit of direct delivery responsibility in the secretariat. Thanks for letting me explain that.

Coming back to Steve's role, this division is responsible, I'd say, fundamentally for the government's legacy

interests and coordination of all the parties who need to collaborate and co-operate with us to ensure delivery of a successful games. Right away, there's the shared accountability interest that we and the federal government have; we're both investing \$500 million in TO2015 and their \$1.4-billion budget. We share that accountability interest, so there's a fair bit of coordination in terms of the engagement of the federal government and us.

There are 14 host municipalities that have very much a role to play, both in directly delivering services to support the games and also in participating in the planning exercises that are supporting delivery—so on transportation, on security, but also with TO2015 in direct delivery.

Coordinating those interests—and they're hugely variable. The city of Toronto and Minden and Caledon—there's a lot of variability amongst them, so that's an important coordinating role. And then outside government, there's the myriad of stakeholders who have an interest, the sports groups and all of that.

So there's the coordination side and then direct delivery of the government's celebration and legacy strategy. That's the \$42-million strategy that was announced last August. It's a multi-ministry initiative. Some elements of it have been announced; the trails strategy has been announced. Others will be announced in the coming weeks and months. But it's a fairly all-of-government, multi-ministry effort, so coordinating the planning of that and then now moving into direct delivery is that function.

The third and final division is one that is headed by Tim Casey, and it's called—I'm sorry; I don't refer to them by their names.

**Ms. Nancy Mudronic:** Games delivery and infrastructure.

**Mr. Steven Davidson:** Games delivery and infrastructure.

The primary responsibility of this division is to oversee the construction of the athletes' village in the West Don Lands. This is the flagship legacy initiative of the government. It's the single largest investment in the games, at \$709 million. It's being managed by Infrastructure Ontario but, consistent with other games of this nature, the responsibility for construction of the athletes' village is not one that is typically devolved out to the games' organizing committee. It's one that is typically delivered directly by the host jurisdiction government, and that's the case here. The reasons for that are the size of the investment and the significant economic urban renewal impact that these projects typically have. So London and Vancouver all managed directly their village projects; we're the same. This is overseen by Tim's division.

Also, I've used the word "coordination" a couple of times, but I'll use it again here because, notwithstanding that security and transportation are being led by our partner ministries, it is the responsibility of the secretariat to ensure that there's a well-coordinated, coherent approach to our elected decision-makers—treasury board,

cabinet—as we take items forward, that this is well coordinated and has policy coherence. So coordinating and being very involved in the planning for those is a key part of that division’s mandate.

That’s sort of the scope of it.

**Mr. Rod Jackson:** Thank you.

**Mr. Rob Leone:** Sorry, Chair, I’d like to ask a question.

You mentioned that one of the biggest legacy costs was the athletes’ village; you spent a great deal of time talking about it. But earlier in your remarks, you suggested that there were other legacy costs that games typically have that aren’t included in this budget. I’m just wondering, why would we include the athletes’ village in the budget for the overall budget of the games as a legacy cost, but the other legacy costs are not included in the budget?

**Mr. Steven Davidson:** Oh, sorry. When I said “not included,” I meant not included in the TO2015 budget, so the budget—

**Mr. Rob Leone:** No, I understand that, but in the \$1.4 billion or whatever the number is, you’ve included some legacy costs but not others.

**Mr. Steven Davidson:** No.

**Mr. Rob Leone:** That’s not correct?

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**Mr. Steven Davidson:** No. If we could just look, in the slide deck, at the table on page 7, which does show the breakdown of Ontario’s financial contributions to the games. Sorry; it’s kind of dense, and I apologize for that, but the table at the top is TO2015’s budget. You’ll see the total of \$1.4 billion over on the right-hand side, but if you move back to Ontario’s contribution, you’ll see how that \$500 million spreads across: a \$413-million contribution to operating, an \$82-million contribution to the contingency fund and so on.

The table at the bottom of the page: These are Ontario’s host jurisdiction investment responsibilities. The first six, I think, of those are what we’re terming legacy investments. That includes the \$709-million investment in the athletes’ village. There’s a provincial investment in the Hamilton stadium and in the Goldring centre at the University of Toronto.

Oh, I’m sorry; the secretariat is absolutely not a legacy cost. But skipping over that, the legacy strategy is broken out into two. This is the \$42-million investment last August; about half of that was legacy and about half of that was actually celebration and promotion. I’m sorry I misspoke on that. That’s the bucket of provincial investments right now in legacy.

**Mr. Rob Leone:** So there’s a billion dollars.

**Mr. Steven Davidson:** Now, the ones on the bottom—transportation, security and so on—aren’t legacy costs. These are the host jurisdiction’s service and delivery responsibilities. These numbers, I would just caution to say, aren’t final. Planning for these is under way. There is a high degree of interdependence between planning for these items and the on-the-ground operational delivery planning that TO2015 is engaged in. As they make on-

the-ground operational decisions, those inform the transportation and security planning, so it’s an iterative process, and it’s continuing. It’s well under way, but it’s continuing.

These are, as of today, the best cost estimates for those. The transportation number, I believe, is one that Minister Murray provided to estimates committee yesterday afternoon—

**Mr. Rob Leone:** It’s a different number than he suggested, but okay.

**Mr. Rod Jackson:** I have a lot of questions, more about the secretariat, but maybe one simple one you can clear up for me: Actually, just today, just this afternoon, I heard of—correct me if I don’t get the name right—the Pan Am legacy fund or something like that.

**Mr. Steven Davidson:** Oh, yes.

**Mr. Rod Jackson:** For example, the Trans Canada Trail people had come to one of our member’s communities and said that there was maybe money available to help build a bridge for the Trans Canada Trail somewhere up near Rama. They suggested a number, something like \$6 million—I don’t know. It was something I was completely unfamiliar with, and I’m wondering if you know anything about that, or if that’s something somewhere else that we haven’t heard about yet.

**Mr. Steven Davidson:** I’m familiar with two things, and they’re separate. As the comment came from the trails organization, what I might anticipate is that the trails organization was referring to one of the elements which has been announced in the government’s \$22-million legacy strategy. An element of that is capital investment in plugging some gaps in the Trans Canada Trail that runs through Ontario. That will be a legacy left behind after the games. So they might have been referring to that.

There’s an entirely separate entity which—I acknowledge that using the same terms for different things isn’t always all that helpful, but there is a legacy fund which was actually announced probably two weeks ago now. I could just show you, back on a table. This is in TO2015’s budget, and it’s referred to here, on the third line down under TO2015, as “Post-games venue support.”

One of the elements, I believe, in the multi-party agreement that established the framework for the delivery of the games was recognition that there be established a legacy fund which would be invested and used to support the ongoing operational and capital, in terms of repair and rehab, costs associated with key legacy venues. The velodrome, the aquatic centre in Scarborough and the athletic centre at York are the beneficiaries of that fund, which will be managed by the Toronto Community Foundation. The federal government has \$65 million in it and the province has \$5 million, for a total of \$70 million, and that’s the legacy fund. You may have heard about that—it was announced, as I said, just very recently—but it doesn’t have anything to do with trails.

**Mr. Rod Jackson:** Okay. It’s a bit of a mystery there. I’ll just have to find out more about it to be able to ask a more pointed question.

How much time, Chair?

**The Chair (Mr. Grant Crack):** Mr. Jackson, 2:18.

**Mr. Rod Jackson:** Okay. Maybe I'll start this question and we may have to come back to it later.

Can you explain to me—sorry, is it Mudrinic? Is that right?

**Ms. Nancy Mudrinic:** That's right.

**Mr. Rod Jackson:** I might have to just call you Nancy.

**Ms. Nancy Mudrinic:** That's okay.

**Mr. Rod Jackson:** Can you explain your job and your relationship with TO2015, and how that relationship works?

**Ms. Nancy Mudrinic:** Well, my job, as the deputy described, is financial oversight and risk management. I work closely with Toronto 2015, and I guess my counterpart there is the CFO of the organization. We work on and look at the financial reports of the organizing committee. They produce financial reports to us that provide us with information on their budget and how they're tracking.

Our two organizations work very closely together on financial reporting and risk management. They also have a complex risk management process in their organization that tracks projects and timelines associated with their delivery. We look at that for areas of interest to us and the province, and how it may intersect with some of our deliveries, as the deputy described, in terms of games delivery and infrastructure, and any impacts that may have on transportation or security. So we do that together. I work with the Ontario internal audit division in terms of audits of the organizing committee, as a part of the broader public sector accountability directive. There are compliance audits that the government will do, so my group works closely with OIAD on the development of those audits over time. That's generally what we do.

I also work closely with the Ministry of Finance. Like in any government organization, we report to the Ministry of Finance as a part of the ministry's quarterly reporting process. As we have been part of different ministries—Health Promotion and Sport and now the Ministry of Tourism, Culture and Sport—we work with those offices in terms of regular quarterly reporting, as any ministry is required to do. We're involved in the result-based plan process and the budgeting process—all of those usual annual reporting processes that happen in any government organization.

**The Chair (Mr. Grant Crack):** Okay. Thank you very much. I appreciate that. We'll move to the third party. Ms. Sattler.

**Ms. Peggy Sattler:** Thank you. You mentioned in your introductory remarks, Mr. Davidson, that the main ministries you work with are community safety and transportation, but that the secretariat, I guess, also coordinates activities with other provincial ministries that are involved in the games. Can you tell me what other provincial ministries are involved and what kinds of activities you are coordinating?

**Mr. Steven Davidson:** Sure. Transportation and security have their own responsibilities and account-

abilities for big chunks of it. That's why I highlighted those specifically. But as Nancy said—first, I think I probably need to mention, just again, finance. We work very, very closely with the central controller's office, finance, Cabinet Office and so on. This is a whole-of-government priority, and certainly the direction out to ministries is, as we think about the various ways we can all contribute to the delivery of a successful games, all of us—and by that I'm saying all deputies—need to be thinking about how we can contribute and participate toward the successful delivery of the games.

So in one piece of it, the planning I referred to earlier to produce the government's celebration and legacy strategy involved a broad array of ministries. I want to be careful here, in terms of what specific initiatives have been announced and what is within the government's purview to announce at a time of its choosing. But I would just say, certainly, that ministries such as citizenship, children and youth services, and education, which are involved with kids who would benefit from opportunities to participate in the games or activities that are related to the games, have been important partners with us.

**1630**

Economic ministries, such as economic development and trade in particular—there's a big business-to-business, B2B, opportunity here, as the games put Ontario on the map for emerging economies such as Brazil, Argentina and Mexico. Wearing my other hat, as tourism deputy, we're very interested in this and the opportunity that it affords, and so is our marketing agency, the Ontario Tourism Marketing Partnership Corp.

The Ministry of Municipal Affairs and Housing: There are 14 municipalities formally hosting venues, so MMAH has been a critical partner with us in, first, providing advice on engaging with their stakeholders and key partners in helping us ensure that we're providing the right opportunities for those municipalities to engage early on in critical-planning pieces that are going to impact on them.

I'm trying to think of ministries that aren't involved. The Ministry of Health is certainly important in assessing what incremental health services may be required during the games and how those can be defined and so on, so also a key partner.

**Ms. Peggy Sattler:** The budgets for any initiatives that are undertaken by those other ministries, like education or citizenship, would that budget be captured on this table, and in which—across categories? Or is that part of the 2015 operating budget?

**Mr. Steven Davidson:** That's a very good question, so let me explain. For discrete initiatives that are a part of the government's celebration and legacy strategy that are being funded through the \$42-million investment, that is above—say for me with the Ministry of Tourism, that is above my base tourism budget. I'm going to use a hypothetical example, say the Ministry of Education: If it were to have an initiative under this, that would be out of the \$42-million budget and in addition to their base budget.

But I do want to be clear that this is a whole-of-government approach. This is a core priority for the government to deliver successful games. So I am also responsible, as are my colleagues, for looking for ways—are there ways that we can contribute in-kind value to Toronto 2015 to help either offset costs that they may have, mitigate risks and pressures that they are identifying or, in the best-case scenario, supplement and enhance what they are doing, and can we do it in a way that is offset within our base, recognizing that this is core business for us as we head to and deliver in 2015?

To the issue of transparency on that, because those would not be identified in this column, that is where each ministry's estimates and the line items in those—each of us, as deputies, would be certainly accountable for understanding where those offsets were and what contribution we were making. We would be very transparent about that, but they wouldn't appear on this incremental investment table, if you understand.

**Ms. Peggy Sattler:** Okay. I want to turn to the security costs. You had mentioned \$206 million, and I see that there was an initial budget of \$113 million, and now there's an additional \$93 million of projected costs. Why the disparity between the original projected security budget and what you're now looking at, which, as you've mentioned, may change? The \$206 million is just what your current thinking is; is that correct?

**Mr. Steven Davidson:** Well, that's a reflection of the integrated security unit's current state of planning and their best projection right now.

Let me go back and explain the \$113 million. There is \$113 million in the TO2015 budget for security. Two points to make on that: First, PASO, which is the Pan American Sports Organization—that's the organization that holds the franchise to the Pan Am Games. One of their requirements of all bid jurisdictions is that the proposed bid budget include a proposed notional security budget. That was required to be in our bid budget at the time. You can appreciate that the information available in terms of the operational planning and delivery of the games was very, very preliminary. TO2015 hadn't even begun to plan for its delivery of the games. So information that's available now, in terms of venues, scheduling, those sorts of things, was not available at that time.

The \$113 million was based on the very scant information available at that time, but I think it's fair to say—I wasn't there then, but this is my understanding—that there wasn't an anticipation that once detailed operational planning was undertaken, the \$113 million would necessarily be the final number, because it was based upon such preliminary information at such an early stage. But it was required to be there, because that was one of the PASO bid requirements. So there's the \$113 million.

Planning has then proceeded with the integrated security unit by the OPP with the municipal police forces. They're now projecting a cost of \$206 million, so the incremental, the difference, is the \$93 million. That's where you see that on the table, against host jurisdiction responsibilities, so the \$113 million plus the \$93 million.

**Ms. Peggy Sattler:** There's another table in here, "Multi-Sport Games Comparison." Is that amount that is currently being projected—the \$206 million—as a percentage of the cost of the games, is that sort of in alignment with some of these other games that you've compared? Is that typically what would be spent on security as a portion of the total cost?

**Mr. Steven Davidson:** I wouldn't presume to speak on behalf of the security experts, but that exact question has been posed to them. I've heard the response, and the response is that there's a very different risk profile for the Pan Am/Parapan Am Games than there is for Olympic Games. You'll note on slide 3 that the security costs for the Olympic Games are significantly higher than are currently being projected for the Pan Am/Parapan Am Games. My understanding from them is that the risk profile—which isn't my business, it's theirs—but the elements that make that up in terms of the individuals who are going to be there and that sort of thing make it a difficult comparison, so it's a little like apples and oranges. But we've put it there because it's an interesting indicator and comparison. But I can't say whether the ratio is typical or not because of that difference.

**Ms. Peggy Sattler:** One of the concerns that our party had that we raised in the Legislature was around the regulation change that was just filed to give security guards effectively the same powers as police officers. Do you have any background about why it was felt that security guards need the same powers as police officers during the Pan Am Games and the thinking that led to that regulation being filed?

**Mr. Steven Davidson:** Again, I don't want to speak on behalf of my colleague the deputy at community safety and correctional services. But I would say and what I do know is that the private security guards will all work under the direction of a police officer. Again, I want to be careful, because this isn't technically my area of expertise or my jurisdiction, but I understand they will supplement the security available for activities such as, I think, gates, venue gates—

**Ms. Nancy Mudrinic:** Parking—

**Mr. Steven Davidson:** —parking and traffic control, but always working under the supervision of a police officer.

1640

**Ms. Peggy Sattler:** Does that budget, the \$206 million, include training for these security guards who are going to be—

**Mr. Steven Davidson:** I believe it does.

**Ms. Peggy Sattler:** So the training budget is included. Do you know any—

**Mr. Steven Davidson:** I believe it does. I would want to confirm, but I have no reason to believe otherwise.

**Ms. Peggy Sattler:** Can you tell us anything about what kind of training is going to be provided? And if the \$206 million includes training, what is the budget for—I guess you don't really know, because you're not sure.

**Mr. Steven Davidson:** No, and as I said, it's a factor of the somewhat decentralized model we have here. So

the secretariat works closely with MCSCS and transportation to coordinate their work, but they are the experts and they're in charge of it. I'm sure they would be happy to respond on their own behalf—

**Ms. Peggy Sattler:** About the training question.

**Mr. Steven Davidson:** —or we could undertake to just get the training breakdown, if that's helpful.

**Ms. Peggy Sattler:** Yes.

**The Chair (Mr. Grant Crack):** Mr. Vanthof.

**Mr. John Vanthof:** Still on security but on the overall budget: Part of security is taken up under the operating budget on page 7, and then the incrementals on the bottom. If you look at the operating budget, you've got \$413 million by Ontario and \$49 million by Canada. I just want to confirm: Is Ontario responsible for the entire security budget, or is there a breakdown between the two?

**Mr. Steven Davidson:** This is going to sound circular, and I apologize for this: Ontario is responsible for its provincial security responsibilities. If you look across at Canada, there is a \$49-million figure there, and that is for federal essential services. I think that's predominantly immigration, customs and that sort of thing—any incremental service delivery that's required to support the games.

I can't tell you 100% whether or not there is any federal security responsibility in there. I don't believe there is, but I can't say with certainty.

**Ms. Nancy Mudrinic:** There is, you know, in relation to border security and safety. That is part of the federal essential services. As well, any CSIS intelligence aspect is a service delivered by the federal government. We can confirm this, but I don't believe any services the RCMP may provide are not included in the \$206 million, but we would have to confirm what the division of that is.

**Mr. John Vanthof:** As a follow-up to that—I don't think you can provide it right now—I would at some point like to see what the actual chain of command is, you know, if the feds are paying for a small portion: If CSIS makes a call or if the Mounties make a call, who pays the bill? Do you know what I mean?

**Mr. Steven Davidson:** I know exactly what you mean.

**Mr. John Vanthof:** This is a very complicated project, and somewhere there's a definite chain of command.

**Mr. Steven Davidson:** Yes. I really don't want to risk misleading the committee.

**Mr. John Vanthof:** Okay. I'm not asking you to.

**Ms. Peggy Sattler:** How much time do I have?

**The Chair (Mr. Grant Crack):** You have four minutes and 10 seconds.

**Ms. Peggy Sattler:** You mentioned earlier—and I wasn't sure—about the expense policy that would be approved by the board. Did you say that the secretariat requires that TO2015 have an expense policy in place and that it be approved by their board?

**Mr. Steven Davidson:** TO2015, because of the size of their transfer from the provincial government, their annual transfer comes under the Broader Public Sector

Accountability Act. That act requires any transfer payment recipient that receives more than \$10 million in a single year to comply with the expenses policy—I think the full name is the travel, meal and hospitality procurement directive—and so on.

TO2015 began as a little organization, much like the secretariat, but 2011 was the first year that it received in excess of \$10 million transferred from the province. That means that on April 1, 2012, it came under the requirements of that act, which include that it have its own formal expenses policy. That's not to say that prior to that it wasn't bound by all of the best-practice, good-governance obligations of any independently incorporated non-profit organization. They operate to a high level of accountability, typically. One of our ministry's agencies is the Ontario Trillium Foundation, which provides grants to many of these organizations. So it's not to say that there was nothing in place, but the formal requirement that they have a policy per the terms of that provincial statute—that began on April 1, 2012.

**Ms. Peggy Sattler:** The audit oversight, the risk management/risk-tracking system—you said it's an IT program monitoring financial exposure. Are the costs of that risk management process also incorporated into the operating budget?

**Mr. Steven Davidson:** I'll let Nancy speak to that.

**Ms. Nancy Mudrinic:** A lot of that is staff work, obviously, which is part of the secretariat's budget. If we required any IT services, we would obtain them through the usual government IT platforms that we do have. And if we wanted any services or support through that, we would do that through the item that shows up for the P/PAGS budget, the secretariat budget.

**Ms. Peggy Sattler:** And did you say that that has been audited annually? Did I hear you say that?

**Ms. Nancy Mudrinic:** I'm sorry. It's an audit, an internal audit—

**Ms. Peggy Sattler:** You said the audit—I had noted “audit oversight of the business plan”?

**Mr. Steven Davidson:** Yes, I referred to an annual approval of a TO2015 business plan. That's different than the audit function.

**Ms. Peggy Sattler:** Okay, so the audit function occurs—

**Ms. Nancy Mudrinic:** Ontario has an internal audit division. We're part of a particular cluster with the Ministry of Tourism, Culture and Sport. Those individuals who are part of the Ontario internal audit division perform audit services for the secretariat, in relation to Toronto 2015 and its compliance with the Broader Public Sector Accountability Act.

**The Chair (Mr. Grant Crack):** Thirty-five seconds.

**Ms. Peggy Sattler:** And that's ongoing?

**Ms. Nancy Mudrinic:** Yes.

**Ms. Peggy Sattler:** Okay.

**The Chair (Mr. Grant Crack):** That's good? Thank you very much. We shall move to the government side. Ms. Damerla.

**Ms. Dipika Damerla:** Thank you, Chair.

Deputy, I'd like to begin by thanking you so much for coming. I'm apologizing on behalf of the committee, because I understand that you had to cancel your swearing-in ceremony today as deputy minister.

**Mr. Steven Davidson:** As deputy minister of Pan Am, ironically.

**Ms. Dipika Damerla:** Yes, so my apologies.

*Interjection.*

**Ms. Dipika Damerla:** Well, I'm sure he has a different opinion.

So I do apologize, and thank you so much for coming at short notice.

Now, Deputy, I know that until yesterday your ministry was working very, very hard to comply with a very broad motion that came forward in estimates by the official opposition, seeking a lot of documentation. Have you ever seen such a broad request for information in your years as a civil servant?

**Mr. Steven Davidson:** Let me begin by stating unequivocally that both the ministry and the secretariat were pleased to respond to the committee's request for documents and that we take our accountability in our roles, which is objective public service support to the minister, supporting his accountability relationship to the Legislature—we absolutely support that role, and we did mobilize to deliver on the motion, which we are continuing to do.

To your specific question, in my experience, I've never been in a role of supporting a ministry's or a secretariat's response to a motion like this, so I have no benchmark with which to assess it. It was a broad scope, but the ministry and the secretariat both mobilized in order to respond as effectively as we could. We secured the services of a partner ministry, the Ministry of Government Services and their IT support, to unvault—unlock—electronic records, which automatically vault after 30 days. We secured the services of an outside firm to assist us in ensuring that we didn't deliver just a deluge of unresponsive records; that search terms were applied and exclusion terms were applied, as appropriate, to ensure that we triaged down to a set of responsive records.

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We also endeavoured to assist the committee by providing two sets of records, one unredacted and sealed, and the other redacted to remove information that is traditionally protected through statutory or other privilege, so commercially sensitive information, personal information and information of that sort. So we undertook to provide a redacted set and an unredacted set.

We received, certainly, excellent co-operation from our colleagues, and were pleased to deliver the first instalment yesterday. Given the scope of the request, it simply wasn't possible to deliver it in its entirety, and our search efforts and production efforts are continuing.

I would say that it was really our early engagement with our IT colleagues at the Ministry of Government Services and the outside firm that assisted us in the keyword searching and redactions that really established kind of physical parameters for us in terms of the volume

we could physically process within the time allowed. So we have that knowledge now that we didn't have at the beginning, and that will govern our continuing work to comply.

**Ms. Dipika Damerla:** Thank you. At any given point, how many public servants were engaged in this particular endeavour to provide the first dump of documents? A head count: 10, 12, eight?

**Mr. Steven Davidson:** It varied throughout the process. We certainly had a core team. We had a full-time project manager on it, an individual from Nancy's team who did a fantastic job. So a core group of eight to 10, expanding out.

I should say that one of the steps in the process, when we received the documents back from the external firm in terms of identification and of responsive applying, through the keyword searches, we did do a quality control just to ensure, because we're the knowledgeable subject experts; they're not. We found a very limited margin of error, but it was an important piece to do.

When we were doing that work, it expanded out, and we did have a number of staff working on it up to—it's difficult for me to say, but maybe 30-odd. We had a core group throughout, but we expanded out when we needed to, to ensure that we were providing the highest-quality response that we could.

**Ms. Dipika Damerla:** Right. In addition to the eight core and the off-and-on 30 people in the OPS, there were 15 people in the minister's office also helping out, plus I understand you hired some lawyers to help you through this. Could you tell me how many lawyers you had to hire to do this?

**Mr. Steven Davidson:** We did secure the services of a firm, named Wortzman Nickle. They're a law firm that specializes in electronic document discovery. We secured their services, and they did deploy a team of 40 lawyers to assist us in doing this work. That was necessary in order to deliver as much as we could within the time that we could. So that work was undertaken.

**Ms. Dipika Damerla:** How many documents have you turned over so far?

**Mr. Steven Davidson:** I believe, included in yesterday's response, 21,000 responsive records, totalling approximately 76,000 pages.

**Ms. Dipika Damerla:** Approximately 76,000 pages? Now, is this duplication? Does that mean—I'm going to guess half is redacted and half is full. Is that how you come to 76,000, or is it 76,000 times two? That's what I'm trying to understand.

**Mr. Steven Davidson:** There were two complete sets.

**Ms. Dipika Damerla:** So 76,000 times two, right? In terms of the number of pages?

**Mr. Steven Davidson:** Yes. Just to be technically correct, the unredacted set would be 76,000 pages. The redactions, depending on the extent—I just have the minister's transmittal letter to the Clerk here. So just for example, say this was unresponsive, that would be redacted. For example, the entire next page was unredacted. There wouldn't be a blank page. There's a statement saying "Unresponsive content, redacted."

**Ms. Dipika Damerla:** So it's fewer pages.

**Mr. Steven Davidson:** It's more compressed, so I don't actually know, I'm sorry, what the volume—

**Ms. Dipika Damerla:** Yes, okay. So in total there were 76,000 pages given which were not redacted. Would that be correct? And this is just phase 1?

**Mr. Steven Davidson:** Yes, the first installment.

**Ms. Dipika Damerla:** And this involves—how many employees are the 76,000 pages related to?

**Mr. Steven Davidson:** As I said, we did learn through the process about just the physical constraint of what can be processed within a period of time. So the first installment does include responsive records, so the Outlook accounts, including emails, attachments, basically all documents of the most senior individuals in the organization. We began there because we could not deliver everything. So we looked for where the source of the most responsive records might be. So that is, in this instalment, the minister, the minister's chief of staff and the minister's Pan Am policy adviser, and then the current deputy—myself—and my three predecessors.

**Ms. Dipika Damerla:** About 10 people, or seven to 10?

**Mr. Steven Davidson:** Seven, I think.

**Ms. Dipika Damerla:** Seven people, and how many more do you figure you have to still go through to comply with the motion? You've done seven people.

**Mr. Steven Davidson:** Well, we have the entirety of the organization.

**Ms. Dipika Damerla:** So how many more people would that be?

**Mr. Steven Davidson:** Well, there are 58 FTEs—sorry, I can't provide a number, because we need to look at that.

**Ms. Dipika Damerla:** Yes, but it gives us a flavour of how much is left.

I just did a very quick math, Deputy. It takes usually about a minute for a person to read one letter-sized page, so 76,000 pages would take somebody reading every day, for eight hours a day, five months before you could get through just the first set of documents. That just gives us some idea of how much information has been given and how the motion had no scope. If only the motion had a narrower scope, as we had argued—because this just begins to give you an indication of the number of documents and what it would take for somebody. I mean, you've put in so much effort to do justice to that, so that the opposition actually reads it. It would take them five months reading it every day for eight hours. I just wanted to point that out. But I'm curious how much this cost us so far.

**Mr. Steven Davidson:** We haven't received the bill from the law firm at this point, so I can't provide a cost.

**Ms. Dipika Damerla:** All right. Okay. Thank you so much.

Just moving on to another topic, one of the things I've heard is that these games, and the record-keeping around them, have been the most transparent of all games when you compare it to other jurisdictions, including the

Olympics that took place in Vancouver. Could you just give us some idea about why this is the case?

**Mr. Steven Davidson:** As a public servant, I'm hesitant to answer a "why" question, but—

**Ms. Dipika Damerla:** Or what measures you have put into place.

**Mr. Steven Davidson:** What is in place? In this case, I think I would be comfortable saying that it's my understanding that there is a desire that these games be conducted in a transparent way. What are the tools that are in place to achieve that? One of the tools is the application of the Freedom of Information and Protection of Privacy Act to TO2015.

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I do understand that this is, if not unique, certainly unusual. I believe it's the first time that a government host jurisdiction has taken the step to apply freedom-of-information legislation to the games organizing committee. It wasn't the case in Vancouver. That was a step taken, and TO2015 is, through regulation, separately identified as its own institution. It has its own head of the institution, who is independently responsible for responding to FOI requests. That is a transparency mechanism that is in place—and requirements from the provincial government that TO2015 post quarterly its financial reports on its website and that it do that in as full and complete and regular a way as it can.

Just to come back to the expenses piece, there was a strong desire expressed on the part of the government and the minister that TO2015 really review what its practice is and where it wants to set the bar in terms of its compliance with the directive, so it has begun to post the expenses of the senior executives online. There is heightened transparency there that wasn't in place before.

Another piece is, there are a number of critical governing agreements that establish the governance of the games, and roles and responsibilities. One of the most critical is the multi-party agreement, which involves the provincial government, the municipalities, the federal government and TO2015. That and all the other foundation documents are on the Web. There have been efforts made to make as much fully available and transparent as possible.

**Ms. Dipika Damerla:** Thank you. My last question before I turn it over to my colleague is on the topic of transparency: Could you, one more time, just clarify for us—because my sense is, from the very beginning, we have said that the legacy costs are separate from the Pan Am budget. It's something that is borne out in MPP Rod Jackson's own press release, where he acknowledges that the Pan Am village costs are separate. Again, I have a transcript of a radio interview that MPP Jackson did on October 9 where he says, "No, the thing, though, is, it wasn't hidden. I've known for two years it wasn't hidden."

So it's quite clear that we were upfront from the very beginning, but since there seems to be some confusion among some members as to whether it was or wasn't hidden, perhaps you can just clarify that for us.

**Mr. Steven Davidson:** I'll share what I know. As I said, I've been in this position since July, so I can't speak

to communications, but what I do know is that it was articulated in the bid in 2009 that the cost of the village was separate and apart in the budget from the province's investment in TO2015's budget. Most recently, in the provincial 2013 budget, that was articulated again. So I do know those goal posts on either end.

**Ms. Dipika Damerla:** And I understand that the separation of legacy cost was also explained at the technical briefing. If people had attended it when invited, they would have been clear on that issue.

**Mr. Steven Davidson:** Yes, and when we refer to legacy costs, too, we can talk about the \$42-million celebration and legacy strategy which was announced in the summer. It was confirmed at the time of the announcement that it was outside the investment in the organizing committee's budget.

**Ms. Dipika Damerla:** Thank you so much.

**The Chair (Mr. Grant Crack):** Mr. Fraser.

**Mr. John Fraser:** Thank you very much, Mr. Chair, and thank you very much, Mr. Davidson and Ms. Mudrinic—I've got it right. Thanks for coming in.

Just one quick comment before we start. As I was looking to my colleague's questioning in regard to the document disclosure, the searches going on right now, it strikes me that, if you were auditing a firm, the approach that you might take would be more specific and targeted to look at those areas that are of the greatest concern so you could have the most immediate effect. I don't expect you to answer that; that's just a comment.

What I do want to ask you about it is, I want to understand the difference between the TO2015 budget and that of the host jurisdiction. That seems to be an area of some confusion that my colleague just mentioned as well. I just want to make sure that I understand why there's that distinction and what the distinction is.

**Mr. Steven Davidson:** Certainly. If you'll forgive me for referring back to this table; it's just that it's easier for me to talk from. The games organizing committee's budget is \$1.4 billion. That is the top box. You can see the total on the right-hand side. That comprises the \$500-million investment contribution from the province of Ontario, the \$500-million investment from the federal government, the \$73-million contribution from the city of Toronto, \$215 million from other municipalities, and then the games' revenue target, which is owned by TO2015, of \$153 million. This is substantially, but not entirely, to be achieved through sponsorships and also ticket sales, licensing agreements and so on. That makes up the \$1.4 billion. I think there has been confusion that the \$1.4-billion budget for TO2015 is actually a provincial responsibility. In fact, that's not the case. Our contribution to that is \$500 million, so just over a third. That's their budget, discrete and separate.

The bottom table there is the inventory of host jurisdiction responsibilities. When I was speaking, I was maybe rather clumsily breaking it into two sections, the ones at the top being substantially around legacy investments, overwhelmingly, the largest being the \$709-million investment in the Pan Am village; but also in

there in the middle, of course, is the secretariat, the challenge function, oversight and accountability, the \$49 million. The others are legacy investments that will be of value during the games, but also of lasting benefit afterward.

The ones down at the bottom, transportation and security, are the ones where planning is still under way, with a high degree of interdependence between the on-the-ground operational planning by TO2015. Those are proceeding, and these are current projection numbers, not final numbers. The total there, you'll see, is just over \$1 billion.

**Mr. John Fraser:** Yes; so in actual fact, when you take a look at the actual provincial investment in that—

**The Chair (Mr. Grant Crack):** Time is up, I apologize. You'll have another 10 minutes.

We'll move over to the Conservatives. Mr. Leone.

**Mr. Rob Leone:** Deputy, I notice there were a lot of questions asked from the members over there who just asked some questions regarding accountability and transparency and meeting the requests of the committee. I noticed you prefaced your remarks by suggesting that the Ontario public service is—maybe you didn't use the word "delighted," but it's part of your responsibility to help the minister provide and perform his or her accountability functions. Is that correct?

**Mr. Steven Davidson:** Yes.

**Mr. Rob Leone:** That task is an ongoing function of the Ontario public service, correct? You're always helping the minister answer whatever questions that need to be—

**Mr. Steven Davidson:** Absolutely.

**Mr. Rob Leone:** —and providing that information on an ongoing basis.

One of the things that I found very interesting in the line of questioning that I have heard from the members across the way is a seeming ignorance, I think, to your constitutional obligation to help the minister answer questions of a particular sort. I want you to spend a bit of time explaining, perhaps, what your role is in terms of informing the minister of exactly what's happening in the department. Could you spend a couple of minutes to outline that relationship, how you prepare the minister for questions that might happen, how you prepare the minister before he comes to a committee of the Legislature, and how he or she obtains the information necessary to answer questions when we ask those questions in the Legislature? Could you spend a couple of minutes talking about that?

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**Mr. Steven Davidson:** Sure, I'd be happy to. I think the principle that I would state first—and I know that you know this; I will just state it—is that the role of the public service is, of course, to provide the minister with objective, analyzed advice based on evidence, based on a knowledge of stakeholder interests, based on an understanding of financial implications, legal implications, communication sensitivities. It is absolutely not to give him advice of a partisan nature of any sort. So he re-

ceives that advice, which, I would say, complements the advice from his own political staff in his office. So the role that we play is to provide him with support and advice.

I'll use the example of a cabinet committee, and I'll use the example not of his own item, because that he'll be championing and driving, but let's say that there's an initiative of another ministry, where it may intersect or impact on his portfolio interests. It would be our job to provide him with a good, solid analysis of what the impacts and implications of that initiative would be from his portfolio perspective.

There may, in addition, be, of course, constituency interests and that sort of thing, and that would all be provided by his own staff.

**Mr. Rob Leone:** So in the process of developing our motion in the estimates committee to provide some documentation—I don't want to speak for Mr. Jackson, but I know my interest is certainly understanding more of that analysis of how we actually develop an understanding of how budgets are created. I'm assuming that your analyses, when you're creating and briefing the minister on various items, include financial analyses that develop budgets for particular items. Is that correct?

**Mr. Steven Davidson:** Generally, that would be correct.

**Mr. Rob Leone:** Generally?

**Mr. Steven Davidson:** Well, I'm not—the ministry has a budget. There's, of course, our estimates budget, and that's constructed through an annual process called results-based planning. It involves leadership from the financial CAO—chief administrative officer—function within the ministry, and involves all policy and program areas coming together and, ultimately, coming forward with a recommendation to the minister in terms of what we would recommend he take forward to the treasury board to recommend the ministry's budget. So that's writ large and most formal. On specific items that he and I might discuss at our weekly meeting, those may or may not touch on financial interests or financial implications. It would depend on the circumstance. That's what I meant by "generally."

**Mr. Rob Leone:** Okay. That's fair enough. I just wanted to make sure that that was clear, because, certainly, I expected the kinds of questions that we would be asking today would be to further understand what's going on with the Toronto Pan Am and Parapan Am Games. I wanted to make sure that everyone understood the function of your ministry, in terms of providing the information necessary to get things done.

Our simple request, although complex in terms of providing and being responsive to that request, is to have a further understanding of where we get the numbers. I think everybody would be in a better position if we had full knowledge of what was going on, and I don't think it's an unreasonable request to ask those sorts of questions.

Before I hand it over to Mr. Jackson, Deputy, I would like to ask a question about—I know you provided some

comparisons with other games. You've listed the Vancouver 2010 games, the London 2012 games and the Glasgow 2014 games. I'm assuming that might be the Commonwealth Games in Glasgow?

**Mr. Steven Davidson:** That's correct.

**Mr. Rob Leone:** Okay. When was the last time a Pan Am Games was exhibited—or how do you say that? Presented? Played?

*Interjection.*

**Mr. Rob Leone:** Held, thank you.

**Mr. Steven Davidson:** Held, yes. It was held in Guadalajara—when?

*Interjection.*

**Mr. Steven Davidson:** In 2011.

**Mr. Rob Leone:** In 2011. My question is: Why is that not part of the comparative analysis?

**Mr. Steven Davidson:** I'll let Nancy speak to that.

**Ms. Nancy Mudrinic:** We certainly searched for that information, but it was just not—

**Mr. Rob Leone:** It's in Spanish.

**Ms. Nancy Mudrinic:** No, I wouldn't say that. It wasn't available to us in a format that would be meaningful for comparisons. We tried to provide, in this chart, the most complete information that we could find and the things that were good comparables. It was difficult for us to understand the scope of their budget and who was responsible for what to provide those meaningful examples.

**Mr. Rob Leone:** Thank you.

**The Chair (Mr. Grant Crack):** Mr. Jackson.

**Mr. Rod Jackson:** How much time is left, Chair?

**The Chair (Mr. Grant Crack):** Two minutes.

**Mr. Rod Jackson:** Okay. It doesn't leave much time.

In your technical briefing this morning, you talked about—in fact, did quite a reasonable job, I think, of providing an answer to a question I've been asking for almost two years now: What is the total cost of the Pan Am Games to the taxpayer? There's one taxpayer. I think it's a fair question to ask, and I appreciate your efforts to do that. We do have a much better idea of what the real total cost is.

If I had asked you that question three or four months ago, would you have been able to give me the answer you gave in the technical briefing today?

**Mr. Steven Davidson:** It's a difficult question for me to answer because it's hypothetical. I would have just arrived. I would have been in the midst of briefings myself. So I'm going to give you a personal answer, which would be: I likely would not have had a comfort level, at that juncture, to—

**Mr. Rod Jackson:** Okay. Let me rephrase it in a more fair sort of way. Would the same information have been available a couple of months ago as was available in the past—I imagine—several days that you put the briefing together?

**Mr. Steven Davidson:** The information that is on—again, sorry. I apologize for going back to this table, but it is an inventory of the investments. The information about the host jurisdiction responsibilities was all publicly available at that time. As I understand, the Hamilton

stadium and Goldring centre: Those provincial investments, I believe, were announced in 2011. The games secretariat budget is in the ministry's estimates book, and the celebration and legacy strategy was announced in the summer.

What was not public at that time were the planning numbers for the other host jurisdiction responsibilities: transportation and security. These have moved over time. They've been higher; they've been lower. This is a point in time where they are right now. For something like that, it is always the purview of the government—as with the elements of the celebration and legacy strategy—to determine when it wants to make an announcement. It would not be my authority to do that. Hence, I haven't talked specifically today about the other elements of the legacy package that have not yet been announced.

So for these numbers, which are fluid still, it would not have been within my authority to have told you unless the government had made a decision that these were—because they could change, right?

**Mr. Rod Jackson:** Right.

**The Chair (Mr. Grant Crack):** Thank you very much. We'll move to the third party: Ms. Sattler.

**Ms. Peggy Sattler:** Thank you. I know that you said that your expertise is not on the security side. I did note that in this document, the highlights document, it does indicate that security guards will not be given police powers. Rather, they will be providing event security, similar to security guards you see at the Rogers Centre.

We do know that there was a regulation filed that effectively gives security guards the same powers as police. That's in place until 2016. If the security guards are going to be performing event security just like they would at the Rogers Centre, why was it necessary to put that regulation in place? Also, why is it in place until 2016? And I do understand if this is not something that you can answer right now.

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**Mr. Steven Davidson:** Yes, there's a technical answer to that question. I don't think I'm competent to give it to you, but certainly the individuals at MCSCS would be pleased to, I know. So if you would like, I can ensure that that happens.

**Ms. Peggy Sattler:** Okay. On another aspect, you had mentioned earlier in one of my questions about the other ministries involved—you mentioned MEDT and the number of B2B opportunities. Can you tell us a bit about the tendering process and how it's being administered in terms of these business opportunities that are available through this project?

**Mr. Steven Davidson:** Through the games themselves?

**Ms. Peggy Sattler:** Yes.

**Mr. Steven Davidson:** This is early, early days. There has been no tendering or procurement of any outside services at all, that I'm aware of, to support the B2B opportunities made available through the games. They are a participating partner and will be working with us to develop those opportunities and identify them. Some may

be in coordination with—I use the example of the tourism sector. One of my ministry's agencies, the Ontario Tourism Marketing Partnership Corp.—I mean, there may be partnership opportunities. We're at the two-year-out juncture, so it's still very early days in planning. So in answer to your question, there's nothing formal out there in terms of a procurement of a particular service against a particular activity. I believe that's right.

**Ms. Peggy Sattler:** As you go forward with some of these legacy projects, are there contingency plans in place if deadlines and completion dates are not met? Can you tell us a little bit about what contingency plans are there?

**Mr. Steven Davidson:** Certainly. Let's be clear: When we talk about the capital projects, there are the ones that I've identified as legacy investments by the province, so that's the athletes' village, the Hamilton stadium, the Goldring centre. But when we talk about contingencies against delivery, it may be helpful also to talk about the venue construction and refurbishment that Infrastructure Ontario is also delivering. Those, of course, are up in the top table, and those are under the responsibility of TO2015. So you've got two sets of capital projects.

What's common to both is that Infrastructure Ontario, as part of its model, includes contingencies within its budget for every single project. So there is a contingency individually allocated for each individual project. Each project right now is on time and on budget.

**Mr. John Vanthof:** Yes, mine is a very simple question, I think.

**The Chair (Mr. Grant Crack):** Mr. Vanthof.

**Mr. John Vanthof:** Thank you. The same chart you're always pointing at—it's a good chart, actually. Close to the bottom, we've got health at zero. At the end, it's zero. Is that just a misprint?

**Mr. Steven Davidson:** No, that's not a misprint, and that's a good point to flag. Health is there. I referred to them earlier as one of the partner ministries, consistent with the whole-of-government approach and the direction that we all look at ways that we can contribute. So there was, through the earlier stages in the planning process, a number there. It was anticipated that there might be a financial pressure against health services required to be delivered during the games. The Ministry of Health has now determined that it is able to offset those from within its base budget. So for full transparency, because we had been identifying that as a possible risk or pressure, we left it on, showing a zero. But that means it's zero as an incremental cost, to be absorbed and offset from within the Ministry of Health's core budget.

So, again, coming back to the transparency question, disclosure of that would be through the Ministry of Health's estimates, recognizing that this is a core government business and a whole-of-government approach to delivery. To the extent that any of us can make a contribution, whether it's value in kind or finding an offset from within by adjusting our delivery of services in that delivery year, that's what we're trying to do: deliver as cost-effectively and efficiently as we can.

**Mr. John Vanthof:** Further to that, in any contingency reserve there would be no reserve for a health care crisis during the games; that would be absorbed within the ministry's budget?

**Mr. Steven Davidson:** This is at the current point in time, in terms of planning. Again, I'm not an expert in health planning either, so I don't want to speak on behalf of my colleagues. But with information informing current planning assumptions, the answer is that there is no pressure for incremental costs, and that it can be accommodated within the Ministry of Health's budget. Obviously, the government is not going to expose citizens or visitors to any risk.

**Mr. John Vanthof:** I'm assuming that would also be based on experience at other large-scale events.

**Mr. Steven Davidson:** Yes.

**Ms. Peggy Sattler:** Do we have time?

**The Chair (Mr. Grant Crack):** Two and a half minutes, Ms. Sattler.

**Ms. Peggy Sattler:** Okay. I had another question, just to clarify—I've been taking copious notes as you've been speaking. In response to a question that was put by the official opposition, you mentioned a legacy fund that was announced two years ago—

**Mr. Steven Davidson:** No, two weeks ago.

**Ms. Peggy Sattler:** Yes, two weeks ago. That's what I've written down. It's to be managed by the Toronto Community Foundation. What is the value—how much is in that fund?

**Mr. Steven Davidson:** Seventy million dollars.

**Ms. Peggy Sattler:** Seventy million?

**Mr. Steven Davidson:** Back to the chart, if you look at the third line down on, it's a \$65-million contribution from the federal government and a \$5-million contribution from the provincial government.

**Ms. Peggy Sattler:** Okay. That's the post-games venue support?

**Mr. Steven Davidson:** Right, for the velodrome, the Pan Am aquatics centre at the University of Toronto Scarborough and the athletics centre at York University.

**Ms. Peggy Sattler:** And that was only just announced?

**Mr. Steven Davidson:** Sorry, I thought I had brought the release with me, but I didn't. It was not last week, but the end of the week before.

**Ms. Peggy Sattler:** So if we had gotten this tabled three weeks ago, there wouldn't have been a budget line for post-games venue support?

**Mr. Steven Davidson:** It certainly would have been there in terms of—absolutely, it would have been there. That's been a funded initiative throughout. Again, coming back to my comment that it is the purview of the government of the day to publicly announce at a time of its choosing, this was announced, and it was coordinated, obviously, with the federal government, too, and the Toronto Community Foundation. That was the public announcement date, but absolutely, it has been part of the \$1.4-billion budget of TO2015 right from the start. It's

one of the elements that is laid out in the multi-party agreement. It's one of those foundation pieces.

**Ms. Peggy Sattler:** Thank you.

**The Chair (Mr. Grant Crack):** Thank you very much. There are 27 seconds left.

Ms. Damerla.

**Ms. Dipika Damerla:** Thank you, Deputy, for being here for so long with us today. I want to begin by addressing something that MPP Leone brought up, which is the issue of a member's right to information from government and a bureaucrat's responsibility to provide this information. I actually happen to support him completely in that. The issue I was trying to bring to light is judgment in using that privilege and judgment in using that right to information. That's where I think there seems to be a lack of understanding.

The vastness of this motion—I'm just looking at it: 76,000 pages just for seven people, and another 40 people or so to go. Just the 76,000 pages is going to take somebody five months to read. What purpose is being served?

I recall MPP Leone once saying that as an MPP he had unfettered access to information, but I don't think we have the unfettered right to waste taxpayers' money.

That's my concern, and that's where I was going when I asked, in the last round of questioning, how much would this have cost, and you suggested that at this point, you don't have an estimate. But I hope that at some point in the future, you will be able to provide us with this information, because I think it is very, very important. I still do believe that the purpose of this committee would have been well served with a more focused motion and then, based on that, we could have asked for more information.

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There is some irony in the fact that we have you here, Deputy, for questioning; meanwhile, we have reams of paper that nobody has yet read. The 76,000 pages, which if perhaps the opposition would at some point end up reading, might make questioning you more meaningful. It's a little ironical that we are asking these questions without doing the homework, after asking for all of this information. So my plea to you would be that at some point, perhaps we can get some estimates of how much this endeavour would have cost the taxpayer in the end.

But, in the meantime, I just want to ask you a very, very quick question, which is going back to the idea that this is unprecedented, in the sense that so far the games have been on time and on budget in terms of delivery, and I just wanted you to speak a little bit about how we have managed to do that so well, because most games have a reputation of going way over budget.

**Mr. Steven Davidson:** Thank you very much for that question. The area that host jurisdictions are most often challenged by is the delivery of the capital infrastructure, the venues, and this is—and I'd say, you know, I wasn't there, but perhaps credit to my predecessors and others in making the decision that Infrastructure Ontario would be responsible for delivery of all major capital projects. I

believe it's over 80% of the venue projects are under the management of Infrastructure Ontario. Those that are below quite a small threshold—I forget what it is—are being directly managed by TO2015.

I'm sure you're all aware, and I don't want to sound inappropriately like a cheerleader, but I think one of the benefits to us, and to me in my position, is that the model that Infrastructure Ontario applies does give us more certainty than we would otherwise have around cost and delivery timelines. For the village, for example, there's a fixed-rate contract with the contractor—that's \$514 million—and that does ensure that if risks materialize, as they sometimes do in capital projects, we are not exposed, that the provincial government is not exposed. That is part of the negotiated agreement.

So by transferring risk to the private sector developers across all of these projects, and also by—I believe Infrastructure Ontario, back to the earlier question about contingency, it is very much part of their model that projects have a contingency allowing the accountability to rest with them for successful delivery. It's a model that has proved really successful in this case.

So, for the capital piece, I think we're in really, really strong shape, particularly in comparison to some other jurisdictions, where it's often—not often—when it goes badly, it is so conspicuous.

I would want to say, though, and I mentioned this at the beginning, that these games are complex. It's a large geographic footprint, and it involves multiple players, multiple municipalities, three orders of government, so in terms of operational delivery, there are risks that do need to be vigilantly managed. That's why my colleague Nancy and her team work hard every day to ensure that we're on top of those in real time and that there are strong mitigation strategies applied against them.

So we're in good shape. We're two years out, and I think we're well positioned.

**Ms. Dipika Damerla:** I did want to follow up on the question from the third party on security. My understanding is that the information they are presenting is incorrect, and I was hoping you could clarify. I was under the impression that the regulation change gave police the power to hire security guards to perform security work similar to what you would see at the Rogers Centre—and not give them police powers. I was also under the impres-

sion that these security guards would be licensed and trained. Would you be able to clarify this for me?

**Mr. Steven Davidson:** Again, I'm really hesitant to speak out of turn on this. I would encourage you to invite or speak directly to the experts on security planning. I apologize; I'm really hesitant to agree or disagree with either of you because I just don't know.

**Ms. Dipika Damerla:** Okay. Did you have any questions, John or Donna? All right then. Thank you so much. We're done.

**Mr. Steven Davidson:** Thank you.

**The Chair (Mr. Grant Crack):** Thank you very much. Madam Clerk, I believe that's—

*Interjection.*

**The Chair (Mr. Grant Crack):** Oh, point of order. Yes, Ms. Sattler.

**Ms. Peggy Sattler:** I just wanted to talk about the next meetings of the committee, on November 25 and November 27, related to auto insurance.

**The Chair (Mr. Grant Crack):** Okay. I don't think it would be necessary that we would request that the delegation continue.

On behalf of the Standing Committee on General Government, I'd like to thank the two of you very much for being here this afternoon and providing us with very detailed information.

**Mr. Steven Davidson:** Thank you very much. It's been a pleasure.

**The Chair (Mr. Grant Crack):** Okay, Ms. Sattler, we'll deal with your point of order concerning the 25th and 27th.

**Ms. Peggy Sattler:** We wanted to continue with the hearings on the 25th, but we would like to move to report writing on the 27th—so Monday, the hearings, and the report writing on the 27th, with a first draft of the summary of presentations also on the 27th, from the research officer.

**The Chair (Mr. Grant Crack):** Any other questions or comments concerning the issue that's been—

**Ms. Dipika Damerla:** We're fine with it.

**The Chair (Mr. Grant Crack):** So is there unanimous consent? Carried. It shall be done.

Any further business? If not, I believe there will be a vote in the House very shortly. This meeting is adjourned. Thank you very much, everyone.

*The committee adjourned at 1737.*







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