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Wednesday 15 October 2014

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des débats
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Mercredi 15 octobre 2014

**Standing Committee on
Estimates**

Ministry of Infrastructure

**Comité permanent des
budgets des dépenses**

Ministère de l'Infrastructure

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 15 October 2014

Mercredi 15 octobre 2014

The committee met at 0901 in room 151.

MINISTRY OF INFRASTRUCTURE

The Chair (Ms. Cindy Forster): Good morning, members. We're here to resume consideration of the estimates of the Ministry of Infrastructure. There are a total of two hours and eight minutes remaining, but before we resume consideration of the estimates of the Ministry of Infrastructure, if there are any inquiries from the previous meeting that the minister or the ministry has responses to, perhaps the information can be distributed by the Clerk at the beginning, in order to assist the members with any further questions. Are there any items, Minister?

Hon. Brad Duguid: No, I don't have anything to provide to the committee today, but I can assure committee that we do take their requests seriously, and I've continued to advise the deputy minister to look at those requests to determine if he can identify documentation that could be released publicly, or to committee, that's not commercially sensitive. So he's continuing to work on that and he assures me that he's doing that at the fastest pace possible. Whether that information ultimately gets released to committee or just gets released publicly, either way we'll make sure the members have whatever it is we're able to release. He's doing that work now, and I hope sometime soon he will have some documents that would be available.

The Chair (Ms. Cindy Forster): When the committee adjourned yesterday, the official opposition had the floor. You have 16 minutes remaining in the 20-minute slot. I'll turn it over to Mr. Arnott.

Mr. Ted Arnott: Thank you, Chair.

I would first like to thank the minister and his staff for giving us about an inch of information here, I guess, that arrived on our desks at a previous meeting, including a long list of infrastructure projects. That was a question that I had asked, and I appreciate the work that went into it. Somebody had to stand at the photocopier for quite a while, obviously, to make this happen. Thank you.

But I do have to return to another question that has not been answered—satisfactorily, anyway, to the official opposition—and that is the minister's unwillingness to release the business case that MaRS sent to Infrastructure Ontario when it requested the loan of \$224 million. So I would like to ask the minister this: What is the normal procedure for organizations, perhaps like MaRS, that

want to apply for a loan, apply for money from Infrastructure Ontario? How do they normally go about this?

Hon. Brad Duguid: I think that's a fair question. To be fair, as well, I was aboriginal affairs minister, I believe, at the time—we're talking about 2010—when MaRS would have come forward to advise that phase 2 was challenged. I would expect that MaRS would have done some work to outline what their challenges were. The deputy now is looking into determining what documents may or may not exist with regard to that, and we'd be happy to—you know, as long as those documents aren't commercially sensitive, and I don't know that they would be or wouldn't be. I haven't seen any. But we'd be happy to share those documents should we find something with regard to that.

Infrastructure Ontario has a process that they go through, which they have released. I don't have it in front of me here today, but I'll certainly get it in a moment and outline to committee the process that they go through in terms of their consideration for these types of loan requests.

This was unique. The majority of loan requests that they would have through the program that this was administered under would be for municipalities, for the most part, for infrastructure programs. This was unique, and I can't speak necessarily to the thinking of the minister of the day or the government of the day at the time other than to suggest that when MaRS would have approached us with the troubles they were experiencing in phase 2, we as a government would have had a decision to make: Do we just let phase 2 die and not provide a loan to keep it going, or do we try to support phase 2 and do what we can in a way that's professionally administered? That is, our loan would be fully leveraged in terms of being guaranteed by the value of the property, so the taxpayers were protected.

The government of the day would have made a decision that we thought MaRS was very important to our innovation agenda, very important to our bioscience cluster, and that, given the fact that the government's investment here would be protected by the value of the property, it made sense to allow phase 2 to continue, knowing that there were some risks involved with that but that the taxpayer investment was protected.

So ultimately this would have been put through the Infrastructure Ontario rigour and due diligence that goes into administering these loans, which may well have con-

tributed to the fact that there was full security behind the loan at the time, because they likely wouldn't have approved such an endeavour without that security.

Mr. Ted Arnott: So there must be a business case that was put to Infrastructure Ontario when the loan was applied for. You were not the minister, you said, in 2010, yet you are the minister today and you have to answer for the ministry; that's part of your responsibility, as you know. You were part of the government in 2010, so if it was a government decision, you were around the cabinet table at least. But we still need to see this business case if we're going to be able to do our work as members of this committee, I submit to you. I believe that, given that it is a done deal—it is something that was submitted, apparently, in 2010 or around thereabouts—to suggest that there are sensitive commercial interests at play just doesn't hold water with me and I don't think it holds water, certainly, with the CBC, who have continued to ask for it as well.

0910

Can you go into some more detail? And if you can't answer the question, if you could rely on your staff: What exactly are the criteria that Infrastructure Ontario considers when they're considering a loan application—which you call unique because it's not from a municipality—upon which they make a decision to loan \$224 million of taxpayers' money?

Hon. Brad Duguid: Yes. As I said, I do have the criteria that I'll be happy to share with you that Infrastructure Ontario has used.

I do want to respond, though, because it's important, and I would think that all members respect—all governments of all stripes in all jurisdictions understand that when their ministry advises a minister that information is commercially sensitive that that does have to be respected. It's easy for the opposition to say, "That doesn't hold water." The fact of the matter is if a government starts releasing information that's commercially sensitive they could damage the interests of taxpayers, in particular when we're in the midst of a transaction—in this case we are with ARE—that has yet be closed.

In particular, it's very obvious when you're dealing with real estate transactions. All levels of government do not release commercially sensitive information when it's a real estate transaction. When we're asked questions like that, it suggests that it doesn't matter that something's commercially sensitive—"You should release it anyway"—and it puts government members and the minister in a challenging position. I understand that that doesn't make the opposition uncomfortable in any way, putting us in a challenging position, but we do have to stand up for the public interest here.

The public interest, with the best advice from my ministry, is to ensure that we behave as a responsible, professional government, and that businesses that want to do business with our government know they can do so without having their commercial interests jeopardized because they have a minister who's irresponsible and willing to—it would be easy for me to just say, "All this in-

formation is public; it's here for you." I wouldn't have to take your questions on it anymore. The challenge is that I don't know if there's a business that would ever want to do business with the government of Ontario in the future, so we have to be responsible about this.

What I can do is assure you that I've asked my deputy to look at the documents that we can identify, not all of which would be in the purview of our ministry, because the Ministry of Research and Innovation would have some carriage over MaRS overall—research and innovation is the lead on MaRS overall. We would have carriage over the transactions related to the loan, and we're doing our very best to identify those documents.

You talk about a business case. There would be information, I would expect, that would have come to the government that we would have based that decision on. I have yet to see that. I've asked the deputy to determine what information was available. He will do his very best to do that and will make public what he can. It may be that there is no commercial sensitivity with some of that material and he'll be able to make the entire document public, or it may be that there are some parts of the document he can't. I'm going to do my very, very best, because, frankly, we don't like to be in this position either, where we are accused of withholding information when we need to be responsible. I need to be responsible as a minister and take the professional advice of my ministry and deputy as to what could be harmful commercially if we were to release it.

I know you've got another question; I'll let you go on to it. I do have that information from Infrastructure Ontario that I would be happy to share with you.

Mr. Ted Arnott: Did the original loan deal, whereby Infrastructure Ontario loaned over \$200 million of taxpayers' money to MaRS, include a promise or a provision or a commitment that if MaRS was in default and couldn't make the loan payments that another ministry of the government—in this case, research and innovation—would pick up the tab, which right now is \$450,000 per month?

Hon. Brad Duguid: Correct; yes. And we've been, from day one, very, very explicit about that. That is one of the reasons why we are trying to address these challenges as quickly as possible, because the longer we go without addressing those challenges, that tab will keep running up. But I need—

Mr. Ted Arnott: Do you think that was a smart thing to do?

Hon. Brad Duguid: I need to add that that full amount will be fully recoverable, and is fully within the value of the property. So we expect that full amount to be fully recoverable from the transactions, depending on the decisions we make going forward.

Mr. Ted Arnott: If a bank loans someone money, or a company money, and in the original deal promises to find another way to make the payments if the person receiving the loan can't pay it, what incentive, then, does the person receiving the loan have to make the payments?

Hon. Brad Duguid: Well, in a sense you're calling into question the integrity of the board of MaRS when you say that—

Mr. Ted Arnott: No, I'm not.

Hon. Brad Duguid: MaRS is fully dedicated to fulfilling their mission—

Mr. Ted Arnott: Did the board sign off on the loan?

Hon. Brad Duguid: The incentive for MaRS is to be successful at their mission, and you know the folks on that board: They're very driven; they're very professional; they're very qualified; they're held in high esteem in the business community. And I've rattled off the members of that board; it's a very qualified board. So they have—

Mr. Ted Arnott: So you're saying that the MaRS board signed off on this loan?

Hon. Brad Duguid: What I'm saying—

Mr. Ted Arnott: You're suggesting I'm calling into question their—

Hon. Brad Duguid: Don't put words in my mouth. You're putting words in my mouth.

Mr. Ted Arnott: Well, what are you doing to me? Ever since we started.

Hon. Brad Duguid: What I am saying is that I don't think there was a lack of incentive for MaRS to make phase 2 succeed. They're very committed to doing that. There was a decision, made by government, to ensure that MaRS 2 does not collapse. It was a calculated decision, a decision that we felt is in the best interests of continuing to pursue our efforts to build a strong life sciences cluster and see what has been a success to date continue to succeed. And that was a decision that the government made, and to backstop—if you want to use that word, I guess—backstop the interest payments on the loan. I expect that would have been a requirement for Infrastructure Ontario under their provisions of approving this kind of transaction. That was a decision made by the government as a potential backstop, ultimately, for a very important investment to grow our bio-science cluster.

The Chair (Ms. Cindy Forster): Mr. Arnott, you have two minutes left.

Mr. Ted Arnott: Do you think it was a good idea to include that provision in the original loan agreement, that the provincial government would make the payments if MaRS couldn't make the payments?

Hon. Brad Duguid: I think that at the end of the day, had that provision not have been included, the loan wouldn't have been able to happen. Infrastructure Ontario would not likely have approved the loan and phase 2 would have then been in a state of, likely, collapse. At that point phase 2 was rotting in the ground, frankly, and without making a decision to move forward with phase 2 it would have been a failed project. As it is now, it was a challenged project that we've been able to save, if you want to call it that, with that loan, and now I think we ought to be judged by the results. And the results are not in yet. We still have a decision to make as to how we move forward, and we will be held accountable for that

decision, and ultimately the results will come out in the years ahead as we see how many additional jobs are created; and how many billions of dollars are attracted into the Ontario economy and the life sciences cluster here; and how our life sciences cluster grows. So that's ultimately how I think we ought to be judged on that.

The Chair (Ms. Cindy Forster): Thirty seconds, Mr. Arnott.

Mr. Ted Arnott: I asked you a question earlier, I guess the first day that the hearings commenced, and I asked if you were advised, or the government was advised, that it could have foreclosed on the original loan to MaRS and acquired the property without any further bailout. That's based on a published report by iPolitics. And I would ask you again, since that question has not been answered, were you, or was the government, advised that it could foreclose on the loan without any further payout to the American partner?

The Chair (Ms. Cindy Forster): Very short answer, Minister, and then we're moving to the third—

Hon. Brad Duguid: That would have accomplished nothing because—

Mr. Ted Arnott: Just say yes or no.

Hon. Brad Duguid: It would have accomplished nothing because ARE still would have been in the way of being able to move those leases to market rent, which would have been a barrier to potential profitability for the project.

0920

The Chair (Ms. Cindy Forster): Thank you.

Mr. Hatfield: 20 minutes.

Mr. Percy Hatfield: Thank you, Madam Chair.

Good morning, Minister. Welcome back.

Hon. Brad Duguid: Good to be back again.

Mr. Percy Hatfield: I think when most people think of Infrastructure Ontario, they think of financing combined with tendering to build specific infrastructure projects. But we're discovering that IO has a loan program that provides loans in situations where Infrastructure Ontario played no tendering role and it wasn't for new infrastructure projects that they were involved with. The MaRS loan, I guess, is an example of that kind of a loan. Is that correct?

Hon. Brad Duguid: I believe so, yes.

Mr. Percy Hatfield: So I guess the distinction I'm making is that IO wasn't involved from day one; it was asked to provide a loan to bail out a failing project. Correct?

Hon. Brad Duguid: I couldn't confirm that IO wouldn't have been consulted prior to the loan proposal being brought forward. That was when they would have been definitely engaged. IO has a great amount of respect and expertise in commercial matters, so it is possible, and I don't know for sure, that the minister of the day may have asked IO for some opinions as they were looking at the information that MaRS would have brought forward to the government at the time. But I can't confirm that. I really wouldn't know.

Mr. Percy Hatfield: Am I correct in saying that the Auditor General is taking a close look at these loans and the oversight around those loans? Is that correct?

Hon. Brad Duguid: That's my understanding, yes.

Mr. Percy Hatfield: How many similar-type loans has IO made of this sort, say in the past three years?

Hon. Brad Duguid: I have that information. Since 2003, Infrastructure Ontario has provided \$6.3 billion to companies or individuals to help support \$11.3 billion in infrastructure development. That includes over 1,800 projects being delivered to over 350 companies across Ontario.

That's the information I have. For more details on that, I can certainly refer to the ministry and see if they have with them some greater details to respond to your question, if you like. There's a lot.

Mr. Percy Hatfield: Well, the question was to loans where IO wasn't involved in the tendering.

Hon. Brad Duguid: I'm sorry?

Mr. Percy Hatfield: Where IO was not involved from day one in the tendering of the project.

Hon. Brad Duguid: I'm not sure I understand your question.

Mr. Percy Hatfield: IO gets involved and makes loans available for projects that are going out to tender or that have been tendered out; people are getting involved and they're building infrastructure. But there is also the Infrastructure Ontario loan that goes out, in this case, to a project that was failing. I'm just trying to figure out how many times Infrastructure Ontario, if you will, helped bail out a failing project.

Hon. Brad Duguid: This program often is used in partnership with municipalities, in particular smaller municipalities that have a higher cost of borrowing for capital projects. So for the most part—I certainly may ask for some assistance from the ministry folks that are here to verify this, but my understanding of this program is that it has been utilized at great length over the last 10 years, particularly by smaller municipalities, to gain access to more affordable capital borrowing to pay for the capital projects that they bring on. Bigger municipalities would have access to comparable borrowing rates, so I don't believe, for instance, the city of Toronto would have accessed this. But I can't say for sure.

Mr. Percy Hatfield: No, but these municipal projects—that would have been for projects from the ground up. What I'm getting at is, MaRS 2 was up and running since 2010, right? It wasn't going anywhere. So IO stepped in and said, "We'll help you."

Hon. Brad Duguid: I couldn't say for sure that that would be the case. It's a program that's available for municipal borrowing, but—

Mr. Percy Hatfield: Okay. There's no municipality attached to MaRS, though.

Hon. Brad Duguid: But it's not restricted to municipalities. That being said, there's no question in this particular instance that the MaRS loan was an extraordinary circumstance, and this program was utilized by the government for its professionalism and its ability to ensure

that it could administer the loan in a professional way. I haven't been through the decision-making process because I wasn't minister at the time, so I can't say unequivocally, but I would expect the decision was made by government that this was an important investment to make to ensure our bioscience cluster continues to do well and ensure that MaRS 2 succeeds, and then determine that the best way to proceed with implementing that decision is by utilizing the professionalism that exists in terms of administering these kinds of loans with Infrastructure Ontario. I say that, recognizing that I wasn't there at the time.

Mr. Percy Hatfield: Right.

Hon. Brad Duguid: I am in some ways speculating on how I would have anticipated that decision to be made.

Mr. Percy Hatfield: Minister, perhaps somebody else at the table can provide more complete information on the Infrastructure Ontario loans that are given where they are not tendered out for projects; they just come in after the fact.

Mr. Giles Gherson: Essentially, Infrastructure Ontario has two programs. One is the AFP program, where it is essentially involved in the construction of the project, and that's using alternative financing, a financial process that we've talked about at the previous sessions.

The other sort of program it has is its loan program, where it provides loans to largely municipalities, as the minister said. I think over 235 municipalities have received loans. As the minister said, those are for projects that are not AFP financed. They would be regular realty programs.

And then about 30% of its loan portfolio is with universities and not-for-profits—mainly, I think, universities for projects there. This particular transaction fell within that 30%.

Mr. Percy Hatfield: Does cabinet approve all the loans that Infrastructure Ontario makes?

Hon. Brad Duguid: Let me just, in a very short time—the statement released by IO, I think, provides a pretty good response for you. It just outlines the process that they use and that would have been used in this case.

"The loan application for MaRS phase 2 followed the vigilant checks in underwriting that all loans go through, including third party due diligence that takes place before the loan is reviewed by IO. The loan application was then reviewed by IO's credit review committee and the credit and risk management committee of the board of directors of Infrastructure Ontario, which ultimately approves the loan."

I don't have information as to whether that kind of approval would go to or has gone to cabinet, but let me check with the ministry to see if they can answer that question now for you.

Mr. Percy Hatfield: Does cabinet approve all of the Infrastructure Ontario loans?

Mr. Giles Gherson: No, it's done through the IO board.

Mr. Percy Hatfield: Through the IO board.

Mr. Giles Gherson: Yes. There are broad criteria that I think have been made available publicly that are reviewed by the board to ensure that loan applications meet the credit risk assessment of IO.

Mr. Percy Hatfield: But who gives the oversight, Deputy, after the loan is approved by the IO board? Where does the oversight come in on that?

Hon. Brad Duguid: There have been multiple audits done, I believe, every year of these programs, so the programs are audited. Of the 1,800 projects, I believe it is, that have been delivered through this, my understanding is there is only one municipality that was challenged and wasn't able to repay the loans. So the record has been very, very stellar in terms of doing their due diligence and ensuring the loans are done in a good manner.

Mr. Percy Hatfield: MaRS is not a municipality but it's a registered charity. Have other registered charities received loans from Infrastructure Ontario?

Hon. Brad Duguid: I don't have that information; I couldn't say that there is or isn't. I don't know if the ministry would have any information about that.

Mr. Giles Gherson: As part of IO, there is a credit risk review committee that reviews loans overall, so that's a second sort of—beyond the board itself. Then there are the annual published business plans of IO itself, so information is made public every year.

0930

Mr. Percy Hatfield: Did MaRS tap into a municipal loan program, or is there another side program that's available to charities, not municipalities?

Hon. Brad Duguid: Again, I would have to check with Infrastructure Ontario to see just how unique this was, but I know it was a unique circumstance. I think we've been clear about that, and I've said this already. This was a unique circumstance and my understanding—I wasn't there at the time, but my understanding, thinking back, would be that we had a challenge here and a decision to make as to whether phase 2 ought to just be scrapped, which would have been really challenging for MaRS in terms of everything, all the work they're doing—

Mr. Percy Hatfield: Who initiated the loan? What's the background on—was there a cabinet decision not to let MaRS fail before there was any internal discussion of an IO loan to MaRS?

Hon. Brad Duguid: I'm hesitant to give you a—I can find that out for you in terms of, I'm just trying to think back now, and it would be very difficult for me—2010—to recall if and when cabinet made a determination on this. I can tell you the government did make a decision, and I'll verify for you exactly how that went through cabinet and when, but government would have made a decision that they didn't want to see phase 2 fail and that this is something that we would want to continue to invest in. The program would have been seen as the best vehicle to administer it.

Mr. Percy Hatfield: So the loan was the implementation of a cabinet decision not to let MaRS fail?

Hon. Brad Duguid: The decision to actually move forward with the loan, I expect, would have been—the loan still would have had to qualify and be approved by Infrastructure Ontario. I believe the decision as to whether to provide assistance for phase 2 and look to IO for their expertise on this would have been made by the government. Whether that would have been made as a cabinet decision or not—I would have to go back and check the record.

Mr. Percy Hatfield: So you're not familiar with whether cabinet made a second decision and approved the loan, or if not, who actually made the final approval around the MaRS loan?

Hon. Brad Duguid: I'm not familiar with the process that would have been used at that time. I'd have to go back and check the record to see what may have or may not have gone to cabinet.

Mr. Percy Hatfield: And you can give us that at the first opportunity?

Hon. Brad Duguid: Sure.

Mr. Percy Hatfield: What kind of information would have been contained in the submission document for approval?

Hon. Brad Duguid: Again, I couldn't speculate on that. I haven't seen it.

Mr. Percy Hatfield: All right. We've heard before about almost a revolving door of senior execs at MaRS. Is it true that there is going to be another change coming in September?

Hon. Brad Duguid: Again, I—

Mr. Percy Hatfield: The decision has been made that—was it Dr. Treurnicht? Is that how you say the name?

Hon. Brad Duguid: I'm sorry; Doctor—

Mr. Percy Hatfield: T-R-E-U-R-N-I-C-H-T.

Hon. Brad Duguid: Oh, Treurnicht. Okay, that's who you're talking about. No, I'm not aware of any such decision at this time.

Mr. Percy Hatfield: So the province or cabinet hasn't made that decision?

Hon. Brad Duguid: No.

Mr. Percy Hatfield: It could have been a MaRS board decision, if indeed one has been made.

Hon. Brad Duguid: I'm not aware of any decision with regard to the CEO's position at MaRS. The CEO has been there for some time. I think you referred to it as a revolving door. I really don't see it that way. The CEO has been there for a very long time. I don't know how many years, but many years.

Mr. Ted Arnott: Four CFOs in five years.

Mr. Percy Hatfield: I'm hearing from the opposition that there has been four CFOs in five years.

Hon. Brad Duguid: Well, again, I have no comment in terms of why a CFO might want to leave. People come and go from jobs from time to time—

Mr. Percy Hatfield: But you're telling the committee that you are not aware of any decision made by the MaRS board—

Hon. Brad Duguid: No, and the MaRS board itself has been a very steady group of sure-handed people. When you go through the people on the board, from John Evans, who was a founder of the board, to Gord Nixon to John Manley—

Mr. Percy Hatfield: Would it be possible for you to check with some of the people that you know on the board, to see if they have made a decision on somebody leaving and a replacement already being named?

Hon. Brad Duguid: Well, the board is independent. The board will make decisions as they see fit with regard to their CEO. You can check with the board yourself if you like, but I've heard nothing that would suggest that, at this point in time, the board has made any decisions.

Mr. Percy Hatfield: When the legislation was passed that set up Infrastructure Ontario, it allowed for loans to municipalities. Do you know how and why the legislation got changed to allow for a loan to charities such as MaRS?

Hon. Brad Duguid: Again, the mechanism of how—I would have to refer back to 2010 to determine exactly how that was done. I would fully expect, as you would, that it was done in an appropriate manner and that—

Mr. Percy Hatfield: You don't recall who initiated the changes?

Hon. Brad Duguid: No. As I said, I was aboriginal affairs minister at the time, so I really would not have been directly involved in any of those decisions, other than as a member of cabinet.

Mr. Percy Hatfield: But that would be public information, right? That could be given to this committee?

Hon. Brad Duguid: I don't know if that information even exists.

Mr. Percy Hatfield: Well, it must exist—

Hon. Brad Duguid: You're asking me to speculate on something—

Mr. Percy Hatfield: If the legislation was changed from just loans to municipalities to loans that would also be given to charities—if charities weren't mentioned in the original legislation—there has got to be a public record of how the legislation changed.

Hon. Brad Duguid: If there was a regulatory or a legislative change, there would definitely be a public record of that change.

The Chair (Ms. Cindy Forster): Mr. Hatfield, you have about two minutes.

Hon. Brad Duguid: If you're interested in seeing what that regulatory change was, it certainly would be something that would be available.

Mr. Percy Hatfield: You're about to go down to Windsor for part of the weekend. You're going to be going along the Herb Gray Parkway, I would think, at some point. What's the latest on the infrastructure deadlines on that parkway? Are we on time, on budget? When is it going to open?

Hon. Brad Duguid: I appreciate that question. I know it is one that's very important to you. Again, the Ministry of Transportation is the lead on that particular project. I'd

be happy, though, on your behalf, to get an update for you on the project.

My understanding is that things are proceeding, but I don't have a more thorough update for you than that, so I'd be happy to undertake to get that for you—

Mr. Percy Hatfield: Yes, sure. Thank you.

Hon. Brad Duguid: —at the earliest opportunity, from the Ministry of Transportation.

Mr. Percy Hatfield: I know that Infrastructure Ontario has been heavily involved with it—

Hon. Brad Duguid: Yes.

Mr. Percy Hatfield: —and the financing of it, so I just thought that there might be some information at your disposal, because they'd have to deal with the bankers, the lenders and so on, and they'd have to keep them apprised of where the progress was on that project.

Hon. Brad Duguid: In the past, as you know, the Minister of Infrastructure was also the Minister of Transportation, so it was the same minister you would have asked, either way. But I'm happy to undertake to get that update for you. I know it's an important project to you and Windsor.

The Chair (Ms. Cindy Forster): Thank you. We'll turn it over to the government members for 20 minutes. Ms. Hoggarth?

Ms. Ann Hoggarth: Good morning, Chair. My colleague Mr. Ballard reminded me this morning that this is the 60th anniversary of Hurricane Hazel.

Mr. Percy Hatfield: Hazel McCallion?

Interjection: Different hurricane.

Ms. Ann Hoggarth: Yes.

Hon. Brad Duguid: She's been around longer than that.

Ms. Ann Hoggarth: In that hurricane—it was the number one hurricane in Canadian history—81 people were killed. These kinds of disasters—ice storms, flooding, extreme weather—seem to be happening more frequently all around the world. What action is the government taking to make water systems, roads, bridges and buildings more resilient to climate change? Thank you.

Hon. Brad Duguid: I think that's a question that is being considered globally today by governments and businesses, from the insurance industry, which obviously has to take a great deal of interest in this, to businesses in general, to governments right across the continent, right around the world. There's no question that climate change appears to be having a significant impact on weather conditions, the severity of storms, flooding and weather changes that are causing us to have to take a look at everything that we do from an infrastructure perspective.

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They talk in technical terms of 20-year storms and 30-year storms and 50-year storms. I don't know what Hurricane Hazel was. It's something that I think we have to recognize is going to happen with some greater frequency, certainly across North America and probably around the world, which means we've got to plan for it. That's one of the reasons why the Premier appointed a

minister of the environment responsible for climate change: to ensure that, as government plans, whether it's planning our infrastructure investments or planning a number of other things that we do from an environmental perspective, we've always got our eye on that changing environment and that the infrastructure we're building is now taking into consideration the severity of climate change and the disparity of weather, everything from snow to rain to flooding to winds—all of that has to be taken into consideration.

We want to make sure that we get ahead of this. Most jurisdictions, I would argue today, are just coming to grips with the issue. We want to make sure that Ontario not only comes to grips with the issue but gets ahead of this, so we're making smart decisions when we're building everything from bridges to roads to developments. It's important for us to put this into our growth plan, which is part of our estimates today but ultimately won't be the responsibility of my ministry; it has moved over now to the Ministry of Municipal Affairs and Housing.

I'll give you an example of planning ahead with climate change being a significant factor. Here in Toronto, the Don Valley Parkway has been flooded a number of times in recent days. I'm not an expert on the Don River, but it would appear that that's a problem that is getting worse. Whether that's climate change related or not—I don't have the expertise to comment on that. When we are building development down in that area—and we've got the Parapan Am Games going there. It's opening the door to housing developments. That's a regenerating part of the city of Toronto, attracting billions of dollars of investments and some really exciting residential, commercial and office-type developments that are taking place in and around those areas. One of the investments we had to make was to build a very large berm at the side of the Don River, because we have to plan now for that potential flooding, and it's only wise to do that. You don't want to be investing the \$130 billion over 10 years that we're investing in infrastructure only to see a 30-year, 40-year or 50-year storm occur to destroy what we've invested in. There may be some additional expenditure in terms of infrastructure investments related to this. I think, though, that if that kind of thinking goes into the planning of these projects, at the beginning, that expenditure for the most part can be mitigated in better planning for these projects.

The reality is, we're living on a planet that has changed significantly in the last 50 years, and I think it's important for all governments to recognize that.

I'm really pleased that we have a member of cabinet whose eye is always on that ball, who's looking to the best information available globally, on behalf of our government—and that's Glen Murray—to ensure that the decisions we're making are smart and that the billions of dollars we're investing in infrastructure—and again, whether it's roads, whether it's bridges, whether it's water or waste water, which also can be impacted by that.

I know Councillor Balkissoon has done a lot of work on works issues in Toronto through the years—a very

significant impact, whether it's the preservation of our water table, which is so important, because these floods sometimes can intermingle runoff water with our fresh-water supplies, and we don't want that to happen.

So just about every piece of infrastructure we work on has some impact, potentially, by climate change in the years ahead.

I very much appreciate that question. I think it's really important that we continue to try to be leaders in that area.

Ms. Ann Hoggarth: Thank you, Minister.

The Chair (Ms. Cindy Forster): Government members: Mr. Ballard.

Mr. Chris Ballard: Thank you very much. Thank you again for some more enlightening information that you're putting on the table for us today.

I wanted to change gears slightly and talk about something that's near and dear to the hearts of residents in my riding of Newmarket–Aurora. As a town councillor in Aurora, I certainly heard time and again residents' concerns and questions about growth. It's a real hot topic.

I grew up in the area of Aurora. I remember when it was 5,600 people. It's now 56,000 people, heading for about 70,200, I think, by 2020. The other community in my riding has seen at least, I think, about a 70% growth since 1965, and it's heading to record heights: about 96,000 people in the coming few years. So there has been quite a lot of infrastructure that both municipalities have had to put in the place, the region has had to put in place and, of course, the province has put in place in order to accommodate that growth.

With the implementation of Places to Grow in our two communities—an excellent piece of legislation, I think, from a municipal councillor's perspective, coming from where I come from. It has allowed the communities to concentrate that growth instead of allowing for continued urban sprawl.

I guess the overall question I have, though, for you today is about the status of the Growth Plan for the Greater Golden Horseshoe. I'm wondering what you can tell me today about its status and where we're at with that.

Hon. Brad Duguid: The Growth Plan for the Greater Golden Horseshoe came into effect in June 2006. There's a provision in that act that triggers a review every 10 years, which is not that far away, when you think about it: That's 2016. That review needs to be under way no later than 2016. We're in 2014 today. We're less than 24 months away from that. So I think the member is wise to start working with his community—because I know Newmarket–Aurora is very interested in the growth plan because they're still growing areas.

I remember, when we initially came forward with the plan, a lot of the discussion was with municipalities that understood the need to strike the balance between curbing urban sprawl but allowing municipalities to also grow and, from a municipality perspective, expand their assessment base at the end of the day. So they were at times competing interests that for generations had no real

governor to bring it into a balance. The Ontario Municipal Board was there and there was a provincial policy statement in place, but at the end of the day, there wasn't an overall plan for growth.

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We know that the greater Toronto area is going to grow significantly over the decades ahead and we need to prepare for that growth. If we were to just allow it to go into uncontrolled sprawl, it would be hugely impactful from an environmental perspective. It would be hugely costly, from an infrastructure perspective, to municipalities, and ultimately perhaps even to the province, because we fund some of that municipal infrastructure.

It was a challenge, when we brought that in, to strike that balance. We consulted greatly with municipalities like Newmarket and Aurora, and they participated in those discussions. You were a councillor at that time, I believe, but I don't—

Mr. Chris Ballard: Yes, roughly.

Hon. Brad Duguid: So you would likely have been engaged in some of those discussions and having to strike that balance that's in the interest of sensible, planned growth without significantly harming a municipality's ability to grow their assessment base and to plan their communities as they would have wanted to plan.

There were things like intensification targets that have been put in place. Municipalities found that challenging in the early days. Let's be clear: This was a piece of legislation that challenged us to do better. Municipalities, for the most part, have adapted well to the new legislation, which has been great to see. Ultimately, Places to Grow, our Growth Plan for the Greater Golden Horseshoe, has been seen North-America-wide as a model for growth plans. It works with other significant plans we've put in place that I know Mr. Ballard is aware of because he would have seen these come through in his municipal days, some of them right in his community: the Greenbelt Plan, the Oak Ridges Moraine Conservation Plan, the Niagara Escarpment Plan. Collectively now they are known as the greenbelt plans. They have come in during different periods of time.

The Big Move on transit is an important part of this as well. I know people think, "Well, that's transit. That's not growth planning." If we're not planning for transit, then we're going to run into the same problems. We're not prepared for the growth and our roads are going to be packed in and out of our communities.

It's also important to protect agricultural lands, resources and the environment.

That's what this act has done and continues to do. I know the member was involved and was aware of these from the municipal perspective back in 2005-06, and it's interesting now that you're here at Queen's Park and you are now part of a government that was, I think, able to strike the balance with municipalities, keeping in mind the need to curb urban sprawl and at the same time promote well-planned, good, sustainable communities.

Mr. Chris Ballard: Thank you. I know that one of the things we appreciated at the municipal level, especially

about population targets, was that there was some flexibility allowed. So our community of Aurora was not happy with the higher level, but we were able to negotiate, and both the region and the ministry allowed us to drop our numbers by 4,000 or 5,000 people, which made everyone happy. Similarly, in Newmarket there was that flexibility allowed.

I mentioned at the outset that the implementation of the Places to Grow Act has really focused our community of Aurora on revitalizing its downtown core, because it's on the major transportation routes. So we tie together that transportation that you mentioned—you can't have growth without adequate transportation. We tied that together with the Places to Grow, the intensification. In my humble opinion, and I'm a little biased, I think that our secondary plan that the town of Aurora put in place—we titled it the Promenade study because it's as much a vision for revitalizing the downtown core, utilizing the planning tools that the province has put in place. Personally, I think it's the best plan I've seen in terms of implementing the Places to Grow Act. Along with the employment retention legislation this government put in place many years ago, I think it's one that has really saved the bottom line of a number of smaller municipalities that were moving to move employment lands to residential lands. I know it has given our two communities a very strong ability to say no when a developer or an interested party wants to flip employment lands to residential.

So those are two key pieces of legislation that we were happy to see.

I know 2016 seems like a long way away, but we know 24 months will go by in a flash. We're looking forward to starting the thinking, at our end anyway, in our riding—

The Chair (Ms. Cindy Forster): Mr. Ballard, two minutes left.

Mr. Chris Ballard: Okay—in order to be prepared when the ministry comes forward.

Hon. Brad Duguid: I want to commend you and your colleagues who serve on council in those communities.

One of the advantages of having a son who plays Junior A hockey is that from time to time you have an excuse to travel from town to town and see some of the great things happening in some of our towns, in particular around the GTA and those around southern Ontario. The Aurora Tigers have a terrific facility there, so I have seen some of the construction in Aurora a couple of times last year. You can see that—

Interjection.

Hon. Brad Duguid: I think the Tigers beat them pretty badly the couple of times they went. Hopefully this year will be different.

Mr. Chris Ballard: Sorry about that.

Hon. Brad Duguid: Well, somebody has to win and somebody has to lose.

It's great when you go into a town and you see that revitalization happening.

I remember having a bit of a time getting around in the downtown core because there was so much construction

going on. That might be inconvenient, but it's a sign of revitalization.

Congratulations to you and the good people of Aurora and their council for the good work they're doing.

The Chair (Ms. Cindy Forster): Thank you, Minister.

We'll turn it over to the official opposition. Mr. Arnott, 20 minutes.

Mr. Ted Arnott: At the conclusion of the previous round that our caucus was allocated, I raised the issue of an article which appeared in iPolitics, by a writer named Mitch Wolfe. It appeared on June 6, 2014. The headline reads, "MaRS Scandal Shows Ontario Liberals Haven't Learned a Thing." Mitch Wolfe is a writer on Canadian politics. Interestingly, he was a political organizer for Senator Ted Kennedy and Senator George McGovern in the United States. I don't think anyone would accuse him of having Tea Party sympathies if he worked for Senator McGovern and Senator Kennedy.

In his article, he says:

"Due to the failure to attract tenants, the \$234-million loan to MaRS and its partner, a private American group involved with the construction and leasing of this MaRS ... tower, is in default.

"One of the options presented to the Wynne government was for Infrastructure Ontario to foreclose on its loan and take over ownership of the property. That would allow the government to sell the building and recover the taxpayers' investment.

"But, as in the gas plants scandal, the Wynne government chose to protect its own interests, its brand, its reputation and the reputation of its flawed MaRS program at taxpayers' expense."

Again, I ask the minister: Were you advised by your staff that you could foreclose on the loan without continuing to pour additional money into this money pit?

Hon. Brad Duguid: First off, I think it's unfair for the member to use a Kennedy connection, considering I named my son Kennedy. I think that's an unfair tactic—I say in jest.

I've responded to this question and am happy to expand on that response. We had a decision to make. One of our options would have been to foreclose on the loan and watch phase 2 fail. The challenge would have been that ARE would still be there in the mix and would still have the full rights to prevent us, when we foreclose and take ownership of the building—to bring down the potential leases to market rent. That building's value goes up exponentially as it is filled with tenants. The challenge is what's kept the value, and we've got appraisals at the current—you know, we have appraisals that we've shared the numbers with you on that range from \$303 million to \$330-some-odd million. Those are appraisals that are done before the tenancies are filled, which is at the lowest ebb of value for the building.

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So the advice that we've received from the panel that we set up—Michael Nobrega and Carol Stephenson—the advice that I've received from the professional real estate

experts, Infrastructure Ontario and my ministry and, frankly, the advice I've received from everyone that I've consulted, other than your party, has been that the wise thing from a public interest perspective is to acquire ARE's interests to enable the government to then pursue all of the other options and maximize the public benefit that will accrue from whatever decision we make, whether that be to sell the building outright, which we can do, whether that be to lease up the building and sell it at a greater value, which will be an option that Michael Nobrega and Carol Stephenson, I expect, are looking at, or whether it be to maintain ownership of the building and allow phase 2 to proceed in keeping with the vision of MaRS originally and the vision of your previous government and our government as to what we wanted to achieve through MaRS's mission.

So those are some of the options. There may be others that Michael Nobrega and Carol Stephenson may bring forward or recommend to me, but that's really why we would not have just sold off the building at that point, at its lowest ebb in value, without removing ARE from the equation.

Mr. Ted Arnott: I didn't say "sell it off." I said "foreclose on the mortgage."

The article goes on, "Until the election was called, the Wynne government was proceeding quietly and secretly to pay the unnecessary sum of \$70 million to MaRS's American partner for its equity interests, which the Wynne government had the legal right to foreclose on without payment. Another \$100 million in public money would be required to fix up the building for new tenants and carry its operating losses for the next several years.

"When confronted by this very embarrassing secret deal, Wynne tried to pass off the deal as a means to consolidate Ontario government office space downtown."

That contradicts what you just told me in your answer.

Hon. Brad Duguid: I'm sorry, how so?

Mr. Ted Arnott: Because the article suggests that they could have foreclosed on the deal and bought out the American partner.

Hon. Brad Duguid: Sorry, we could have foreclosed on the loan?

Mr. Ted Arnott: Foreclosed on the loan.

Hon. Brad Duguid: And bought out the American company?

Mr. Ted Arnott: And the American partner's interest would have been set aside.

Hon. Brad Duguid: Well, no. That's incorrect. How could that happen? You can't just buy out a loan and have a third party that has an interest in the project see their interest just disappear. When you have an—

Mr. Ted Arnott: You're saying this article is incorrect?

Hon. Brad Duguid: Yes. If that's what the article is saying, it's incorrect.

Mr. Ted Arnott: Okay. Now, you continue to say that the MaRS concept has generated billions of dollars of investment and thousands of jobs. You used the figure \$3 billion of investment. How much of the \$3 billion of in-

vestment that you talk about is related to phase 1 of MaRS and how much is related to phase 2? How many of the thousands of jobs that you say have been created are related to phase 1 of MaRS as opposed to phase 2?

Hon. Brad Duguid: Well, phase 2 isn't in operation yet. Because of the challenges that it's faced, phase 2 hasn't really gotten off the ground. So what MaRS is referring to when they talk about the \$3 billion that they've generated in terms of economic activity—I believe they say 6,500 jobs that they've helped to support or create or generate over their time. They talk about, just in 2013 alone, \$451 million in venture capital that's been raised to support start-ups and companies here in Ontario. That's all—to the best of my knowledge, they're referring to phase 1. Phase 2 is not yet at a stage of completion to contribute to that, and that's part of why the government made the decision it did to not allow phase 2 to just collapse, because there has been success in phase 1, and we're confident that, over time, phase 2 will also be successful. It got hit by the recession; it changed the dynamics of its business plan—there's no question. We could have just let it fail. We decided that that would not be in the public interest, to do that. Certainly, we expect to be held accountable ultimately for that decision. We would hope, though, that before we're held to account for that decision, there will be some allowance of seeing what the results are of that decision.

Mr. Ted Arnott: So phase 2 has been a failure to date?

Hon. Brad Duguid: Phase 2 had some challenges, and it would have failed had the government not supported it.

Mr. Ted Arnott: I want to ask about a few local infrastructure projects in my riding, and bring these to your attention. I assume you're informed of the various infrastructure projects that are before the government's consideration: the Groves Memorial Community Hospital, the new hospital that we're planning for Centre Wellington township, which we hope to see built before 2018, which is the government's commitment.

There is a need for sewage treatment in the communities of Erin and Hillsburgh, in the town of Erin—the built-up areas of Hillsburgh and Erin, with approximately a combined population of 4,500 people. We're hearing estimates that proper sewage treatment for those two communities would be upwards of \$58 million, which the community can't afford on its own. They're going to require support from the provincial government to proceed with that project. I'm certainly going to support whatever application comes forward by the town of Erin.

Of course, the Morriston bypass that you may be aware of because I've raised it in the House many times: We were very encouraged during the special summer sitting of the Legislature when the Premier, in response to a question from my colleague the interim Leader of the Opposition, mentioned—I don't want to paraphrase her words inaccurately, but I believe the gist of what she said was that it was an important priority. We're very encouraged to hear her say that. Obviously, if it's some-

thing that the Premier is going to reference in the Legislature as an important priority for the province, we would expect to see that, then, put on the five-year plan, the southern highways program for the Ministry of Transportation. We would ask for your help and support in that respect.

But I also need to reference the cancellation of the Connecting Link Program, because that's been a huge issue for many small-town communities and larger communities across the province. In fact, for the township of Centre Wellington, there is a bridge over the Grand River in downtown Fergus called the St. David Street bridge. It needs substantial repairs and renovations. The township had it on its plan. They were planning to do the work. They anticipated and expected, because the Connecting Link Program had been there forever—going back to 1927, I believe—that the provincial government would make good on support, being part of that project, up to 90% of the costs. The bridge project is estimated to be \$2.6 million, and it really needs to be done within the next two to five years. The cost of the additional work would be \$1.2 million.

The town of Halton Hills had a five-year capital program which included \$9.3 million in needed projects along their connecting link roadway, which is Highway 7. But the government, by arbitrarily and surprisingly cancelling the Connecting Link Program, left a whole bunch of small municipalities high and dry. I know that your answer is most likely to be the new infrastructure programs that you have introduced for small and rural municipalities, but, quite frankly, the needs are far in excess of the money that you have set aside for the small and rural municipalities, in my view. I've got a significant number of projects in my own riding that would eat up much of that money—just in my riding alone—and the application-based process isn't going to cut it.

What are you prepared to do to help these small, rural municipalities to receive the infrastructure funding that they're going to need to do the projects that are necessary in small communities across the province, including Wellington—Halton Hills?

Hon. Brad Duguid: I appreciate that question. It's one of the challenges we faced when we came into office in 2003. We had a huge infrastructure deficit across this province. One of the problems was that the previous government just failed municipalities abysmally when it came to downloading onto municipalities, increasing their costs, which very much cut into municipalities' ability to fund their own infrastructure projects, because they were too busy trying to backfill for the dollars that the province had taken from them.

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I know that for a fact, because I was a city councillor in Toronto at the time. Billions of dollars had been taken from the city by Mike Harris at the time, a very challenging time. There's no question that municipal infrastructure was set back during that government, which pulled out of important infrastructure projects like public transit

entirely. We're really working hard to try to catch up now.

It's 10 years later. We've invested \$100 billion in infrastructure—record amounts—in partnerships with municipalities. In some cases we've gone it alone; in other cases we've had some federal partnership, which has been helpful. I think the most important thing we can do today when you look, going forward, at the programs—including the \$100 million per year that we've recently committed at AMO for municipalities for important projects like roads, bridges and important municipal infrastructure—is to encourage our federal colleagues to ensure that we have a viable federal partnership.

We're investing \$130 billion over 10 years. The federal government is investing, including in their own buildings—if you take away their own buildings, they are investing in the range of \$40 billion, I think it is—

Mr. Giles Gherson: Forty-seven.

Hon. Brad Duguid: —\$47 billion in infrastructure projects across the country. So \$130 billion from the province of Ontario in Ontario, and \$47 billion from the federal government. That's woefully inadequate, and challenging for us.

So I agree that there is a need for more investment in municipalities. It wouldn't be the province that's not investing enough. We're investing record amounts, more than any other jurisdiction, certainly in Canada, if not North America. But there is a need for the federal government to come to the table. If you include the federal buildings themselves, that puts them at about \$70 billion, compared to \$130 billion over 10 years, with that \$70 billion being right across the country, not just in Ontario.

So I know the member is going to work hard with his colleagues in Ottawa over the coming year, especially with this being an election year, to see if we can turn up the pressure on our respective federal parties to make commitments in the federal election to properly fund infrastructure in Ontario.

Mr. Percy Hatfield: We're with you. We're there already.

Hon. Brad Duguid: You are?

The Chair (Ms. Cindy Forster): Mr. Walker, you have about five minutes.

Mr. Bill Walker: Thank you very much. Minister, a pleasure to be back and have some chats with you again.

Hon. Brad Duguid: It's great to have you back.

Mr. Bill Walker: You referenced making some travels across the province with your son for major junior A hockey. I hope that when you're coming to Owen Sound, to the Attack, you'll give me a shout, because I'd love to tour you around.

I'll be able to show you that Markdale Hospital that I talked about last week. I'll be able to show you the Georgian College marine emergency duties program. I'll be able to show you the Wiarton Keppel Airport, the broadband issues, and the roads and bridges. We're in excess of about 180 bridges, just in Bruce and Grey counties alone, that are all of that vintage and need to be replaced. Any time that you're coming up there with your

son to watch hockey, I'd be pleased to tour you around and personally give you a tour of all those needs in our area.

Minister, I believe my colleagues, in the last number of days, have been asking you the questions. I'm going to try, just as a new face, to ask you if there is an upper limit for the MaRS building, and, if so, what is that dollar value?

Hon. Brad Duguid: Well, in the estimates there is an amount that was estimated as \$317 million. That was what was estimated as what could be the costs over time, but we've been clear that that was an estimate.

I've outlined from day one the investments that have been made: the loan of \$225 million—I'll get the exact figures for you; the amount that is ongoing, which is the amount that the Ministry of Research and Innovation has to pay for the interest on the loan; and the amount, which I think is in the \$16-million range, for the land itself, which I understand is valued much, much higher than that—just the land, without the building. There's another area too that I think I've—the debt service payments, which research and innovation would be responsible for.

Mr. Bill Walker: You have estimates—and I don't mean this in a smug way. You also estimated \$40 million for a gas plant which ended up being a billion dollars. I continually hear about that in my riding. The reason why I continue to hear that is people are not getting the services, whether it's in social service, which I am the critic of now, or in health care in a lot of cases. So my concern is if you reach whatever that north limit is that you say it is and it still escalates, like the gas plants, are you going to prepare to go back to Treasury Board and cabinet and ask for more money? If you are going to do that, will you be forthright with the people of Ontario and tell them what services and programs are not going to be available to them at the front-line of health care? Because you've got to take it from somewhere. You're running a \$12-billion deficit already. You can't just keep going back and borrowing and borrowing.

Again, one of the concerns I have is how much we're already borrowing against our children and grandchildren's future. It's great to hear you say you're spending \$130 billion over 10 years, but that's not money you have in the bank. That's borrowing against it. My concern is where, if you go over that limit—and again your track record is not exactly stellar with that: eHealth, the gas plants, Ornge; you know, I could go on for a couple there that certainly you estimated and it was a much different figure at the end of the day that was paid by the taxpayer. My concern there is that you could have, as my colleague said, used a foreclosure clause. Again, I believe there was one of those in the gas plants that was not triggered, which cost the taxpayers a billion dollars. So I'm very concerned.

The other piece I just want to put on record is that it's interesting to me that you would move Public Health Ontario, four floors of an infectious disease lab, into the most populous part of our province. You're talking about the building is valued—and this Ernst and Young letter

that we've got here this morning says current value, yes, you're on target, but if you bring infectious diseases—you can bring things like SARS, you can bring in the West Nile virus and do studies, you can do lab tests and those types of things. You're doing it in the most populous area. Who in Ontario or even outside of our jurisdiction is going to move into that building? So that resell value: What's the impact if you bring that there, then you want to, somewhere down the road, resell it? What's the value of that resell value when you've brought infectious disease labs—four floors of it—into that building and what's the other reality of the probability of even getting people to look at that building? It just seems to me very interesting that you would bring that type of an operation into downtown Toronto, the most populous part of our province. Have you thought, with those valuations, and as Ernst and Young looked at that, what the real reality will be when you try to resell it or re-lease it or even lease it to new tenants who may actually say, "There's not a chance, if you're playing with things like West Nile virus, that I'm bringing my staff or my staff's family into that type of a building." I have really big concerns there.

The other piece, I guess, that I've heard is you're actually lowering a lot of the leases. Are you at least going back to Public Health Ontario and renegotiating their lease to save them some money, which I trust is mostly funded from your government?

The Chair (Ms. Cindy Forster): Minister, you have one minute.

Hon. Brad Duguid: All good questions, and I encourage you to ask them again in the next round, assuming we have another round today—I assume we do—because many of them merit fulsome answers.

Let me just, in my 30 seconds left, caution you on the Public Health Ontario information that you have. It's incorrect. Public Health Ontario has very, very extensive protection when it comes to the work they do. We're talking about space that will be used for labs, and that's exactly what the space is made for, whether it's private sector, whether it's university research, whether it's Public Health Ontario, and they have given full assurances that there is absolutely no impact on safety in that building as a result of the work they're doing. You've had colleagues who have speculated on that, and I would suggest they're doing the public interest a huge disadvantage, because when they put out misinformation on that—and you didn't; you're asking me a legitimate question—that does potentially scare off tenants, because they're being misinformed. So—

The Chair (Ms. Cindy Forster): Thank you, Minister.

Hon. Brad Duguid: I'll just close. I strongly recommend that perhaps Public Health Ontario—maybe yourself or your critic might want to just update themselves with Public Health Ontario to get the assurances they need, because that information by and large is incorrect.

The Chair (Ms. Cindy Forster): Mr. Hatfield, 20 minutes.

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Mr. Percy Hatfield: Thank you, Madam Chair.

Minister, if I can go back—I'm still a little bit unclear on the answers to my question on the legislative changes back in 2010 that allowed MaRS to access a program that previously was only for municipalities. I'm just wondering if you have an expert in the audience, any official who has knowledge of these changes, who could come to the table and answer some specific questions on those changes?

Hon. Brad Duguid: I'll certainly refer that to the deputy.

I've been very clear and upfront about this. I think there's no question that this was a unique circumstance. It was something that the government determined was important for us to do to ensure that phase 2 could succeed. We had a decision to make: to let phase 2 just collapse, or, as a government, to look to find some way to support the challenges that they were going through in a determined fashion, to help phase 2 succeed.

The results of that decision are not yet known. Ultimately, we're awaiting some good advice from our expert panel in terms of what next steps to take. Based on that, that's where we'll be able to determine where the results are going.

Now that the deputy has had an opportunity to think about your question a little bit more, I'll refer it to him to see if he has any further information for you.

Mr. Giles Gherson: There were two regulations that have been passed pertaining to the IO loan program. The first one set out a list of criteria of eligible entities to receive an IO loan—to make an application for an IO loan. Those entities included: a municipality; a university; a federated or affiliated college of a university or other post-secondary educational institution; a corporation incorporated under the Municipal Act, 2001, or the City of Toronto Act; a corporation incorporated under the Electricity Act—so you can start to see the kinds of organizations that were deemed to be eligible for the IO loan program. I won't go through the whole list.

A second regulation—

Mr. Percy Hatfield: Well, was a charity or the MaRS Discovery District—

Mr. Giles Gherson: Yes, there were a series of types of not-for-profits that were set out in the regulation as eligible entities: a not-for-profit organization that benefits the public, for example, and so forth—

Mr. Percy Hatfield: Which act or regulation of the act? Was that changed? You mentioned—

Mr. Giles Gherson: There was a subsequent regulation that then allowed MaRS to become an eligible corporation—

Mr. Percy Hatfield: What date would the subsequent regulation have come in?

Mr. Giles Gherson: I believe it was—

Interjection: In 2010.

Mr. Giles Gherson: In 2010.

Mr. Percy Hatfield: Do you know the month?

Mr. Giles Gherson: I'll just get that for you.

Then, having—

Mr. Percy Hatfield: That was before the loan was—

Mr. Giles Gherson: Correct.

Mr. Percy Hatfield: It wasn't a retroactive kind of thing?

Mr. Giles Gherson: No.

Interjection.

Mr. Giles Gherson: The loan was issued in 2011.

Mr. Percy Hatfield: Can you tell me who initiated the changes?

Interjection.

Mr. Giles Gherson: It's a cabinet decision to change a regulation. So cabinet made that decision.

Mr. Percy Hatfield: In 2010, you found out that MaRS was in trouble. Cabinet, I guess, decided to make a change in regulations. Was it done just for MaRS, and all these other things that were listed, or were these things going to be—the regulation was going to change anyway, and as an afterthought MaRS was added into it? Who initiated the fact that changes needed to be made in order for IO to issue loans to other than municipalities?

Mr. Giles Gherson: Just one second.

So at the time, the Minister of Infrastructure brought forward that proposed regulation to cabinet.

Mr. Percy Hatfield: The Minister of Infrastructure brought it forward just on the MaRS—

Mr. Giles Gherson: For that second regulation, yes.

Mr. Percy Hatfield: For the second regulation for MaRS?

Mr. Giles Gherson: Yes. The 2010 regulation.

Mr. Percy Hatfield: Who was the minister back in 2010?

Mr. Giles Gherson: I was in a separate ministry at the time.

Mr. Percy Hatfield: Was that Bartolucci? No, Chiarelli?

Mr. Giles Gherson: Yes, I understand it was Minister Chiarelli.

Mr. Percy Hatfield: Chiarelli, right. And how many loans have been offered to non-municipalities under this program?

Mr. Giles Gherson: I believe 78 not-for-profits.

Mr. Percy Hatfield: Seven to eight?

Mr. Giles Gherson: Seventy-eight.

Mr. Percy Hatfield: Seventy-eight. Not-for-profits?

Mr. Giles Gherson: Not-for-profits that have received loans from Infrastructure Ontario, totalling around \$950 million.

Mr. Percy Hatfield: And they've all been—none of the ones other than MaRS have been in default?

Mr. Giles Gherson: I believe that's correct, yes.

Mr. Percy Hatfield: On another issue, I guess, what studies or evaluations have been done that provide a, if you will, statistical assessment of the economic benefits of MaRS? Could you please provide the exact names of the studies and table them with this committee.

Hon. Brad Duguid: Those are studies that MaRS would have—may have completed, or may have commissioned. I would expect that if that's the information

you're looking for, it's information that you may be able to obtain either on MaRS's websites or through MaRS, but it's not information that I would have in my ministry, certainly not—

Mr. Percy Hatfield: If you pick up the phone this morning or this afternoon—

Hon. Brad Duguid: The Ministry of Research and Innovation could have done some work on that; I honestly couldn't say.

Mr. Percy Hatfield: I'm just thinking that if you pick up the phone and ask for those documents, you're more apt to get them for this committee than I am.

Hon. Brad Duguid: They put out an annual statement every year, and often that type of information is included in their annual statements. Just recently, they've published information on some of their successes to date and that included the \$3 billion that they've estimated that they've brought into the economy and the thousands of jobs they've created and the 1,400 start-up companies that have come through. So that's the kind of information that MaRS would produce.

Mr. Percy Hatfield: I'm not trying to throw mud here at all, but my information is, or my understanding is, that the success stats that were on the website initially, on the MaRS website, were substantially changed when questioned by the media. To substantiate those statistics, all of a sudden that part of the Web came down and new pages went up with less than glowing statistics than were originally posted.

Hon. Brad Duguid: I haven't seen any statistics that would suggest that MaRS has not been successful. I do recall there being some information that was questioned by some with regard to MaRS, but to be frank, that's an issue that MaRS was dealing with on their own and probably a matter of opinion. But at the end of the day, we know MaRS has created thousands of jobs, we know that there's been 1,400 start-up companies that have come through there. I have testimonies with me today from many of those companies that have succeeded and given much credit to MaRS and their programs for their ability to go from a start-up to a business. And we do know that they've generated billions of dollars in economic activity. Whether it's \$3.14 billion or \$2.78 billion, to me the fact of the matter is that they have been value-added in terms of the bioscience cluster.

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The vision for MaRS: As I've said before, we can take credit in taking it into action and implementing it, but it was a previous government that participated with many in the community, including the federal government of the day, in actually founding it. There are very few people who would say MaRS has not been successful. There are people who might argue about different ways we could—

Mr. Percy Hatfield: It's MaRS 1 we're talking about. Right?

Hon. Brad Duguid: Yes. There are different ways we could have achieved similar success. At the end of the day, MaRS is there. They've accomplished a lot, and

we're proud of what they've accomplished. I'm less inclined to quarrel with whether it's 6,500 jobs created or 6,300 jobs created. At the end of the day, they're doing some good work.

Mr. Percy Hatfield: And funding over the years—correct me if I'm wrong—has been based on economic benefits flowing from the MaRS investment, as confirmed by the studies and the reports. Is that correct?

Hon. Brad Duguid: Well, funding over the years—there were the initial investments made in MaRS. There are a number of different ways the government would have partnered with MaRS, or agencies of the government would have partnered with MaRS. In many cases it would be partnerships. MaRS has done a lot of work that's independent of government funding as well. They've really done a good job in terms of stimulating venture capital, where they've brought in a lot of private sector capital to leverage for start-ups. I think they set up a clean tech fund that's largely independent, if not entirely independent, of government funding.

I would have to go back and look at the different areas where the government may have contributed some funding to MaRS over the years, but much of it—I'm speculating here—would have been on a project-by-project basis. It may well be that the Ministry of Research and Innovation may well have some more detailed information about some projects they may have participated in. But a lot of what MaRS does they do independently as well.

Mr. Percy Hatfield: I guess I'm looking at, if indeed the results of the MaRS projects were less than what most people believed, then funding for MaRS projects would have been somewhat diminished because the reports wouldn't have been as glowing. Is that not a possibility?

Hon. Brad Duguid: I would suggest that the consensus that I have seen, and my conclusions in seeing how MaRS has succeeded, would lead me to conclude that the investments that have been made in MaRS have resulted in a great deal of job creation and a significant private sector investment in our economy, particularly in our bioscience cluster.

When I travel abroad, and I do as part of my economic development portfolio and I did when I was in this post before, one of the first topics that comes up internationally is that people want to know about MaRS. It's one of, I believe, six organizations globally doing this kind of work. It is seen internationally as a model. When people from abroad travel here, that's one of the first things on their list to visit and to look to do in other jurisdictions.

There are always different opinions on everything, I'm sure, but my conclusion is that MaRS to date has been successful in championing our bioscience cluster in Ontario. We want to see it continue to succeed because that is very much an important part of our next-generation economy. As our economy goes through a transition, that's a sector that we ought to continue to focus on.

Mr. Percy Hatfield: That's why the decision was made not to let MaRS 2 falter, if at all possible. The government would step in. Right?

The Chair (Ms. Cindy Forster): Mr. Hatfield, you have three minutes.

Mr. Percy Hatfield: Thank you.

Hon. Brad Duguid: Yes. There's no question, the importance of growing our bioscience cluster: That's what the investments we've made are all about. I think your party has been supportive, more or less, of those types of investments, because that is investing in that next-generation economy, the jobs of the future, and staking our claim in North America as a very significant, globally significant, cluster for bioscience development.

It's not by accident that we're a global leader when it comes to regenerative technologies and medicine. It's not by accident that we're a leader when it comes to medical equipment technology. The work that we see happening in our colleges and universities—the University of Toronto is one of the top six publicly-funded universities in the world for research—happens because we're stimulating, working with the public and private sectors to grow a very significant research cluster here. That's important.

Mr. Percy Hatfield: I don't disagree.

Hon. Brad Duguid: We agree on that.

Mr. Percy Hatfield: My final question would be, has there been any evidence whatsoever in any internal evaluations that the success metrics used publicly have been inflated, presumably to keep the government funding tap going?

Hon. Brad Duguid: No, I've seen no evidence of that at all.

Mr. Percy Hatfield: None at all?

Hon. Brad Duguid: No.

Mr. Percy Hatfield: Thank you, Minister.

The Chair (Ms. Cindy Forster): We move to the government members. Ms. Kiwala.

Ms. Sophie Kiwala: As a new member, I've been giving considerable thought to the management and planning of infrastructure projects. I have thoroughly enjoyed the learning and, in fact, have been most intrigued by the conversation in this committee. I don't need to tell anyone here that infrastructure planning is critical to the viability of our communities in the future.

In order to underline that fact, I would like to illustrate just two points. We have an old school in Kingston that has asbestos in the walls. They've got lead in the pipes. They've got a janitor who comes in at 7 o'clock in the morning to run the water. Fortunately, we do have two new school projects that are coming under way in the near future, and we're looking forward to that investment in our community.

The other infrastructure project that is critical in our community—I know you can't comment on specific projects, so that's fine; I'm not going to ask you that. I will later, though.

Hon. Brad Duguid: Go ahead. Everybody else does.

Ms. Sophie Kiwala: I'm going to respect the rules here.

It's the third crossing in our community. We have a causeway that separates the central part of Kingston and the Islands from the eastern part. Whenever there is a situation on the 401, the 401 is closed, and depending on where that accident might happen, traffic is rerouted through the city. Our downtown core is very small, and we are instantly paralyzed. I shouldn't be talking about paralyzed traffic in a place like Toronto, but in Kingston, we're not well geared up for it, and it's very, very difficult to cope with. Emergency vehicles have a problem getting through. It can be quite serious.

I can't express how important it is, and I know you know, obviously, how important setting this infrastructure framework is for our future. Since 2003, we have invested \$100 billion in infrastructure spending, including hospitals, schools and transportation. In addition to that, we've committed to \$130 billion in more spending over the next 10 years.

I'm so glad that you've touched on the importance of a solid federal partner in our infrastructure planning and investments. With my federal political background, I'll always be looking for ways that we can create positive relationships in that regard to maximize what we get for our communities.

But I was wondering if you can tell me what is happening with Ontario's long-term infrastructure planning. Is it time for an update?

Hon. Brad Duguid: Thank you for that. I'm happy to respond. I want to begin by acknowledging how, as a rookie MPP, it's obvious that you're not a rookie when it comes to local issues in your community. I think the work that you did before, working at the federal level, has probably provided your constituents with a great deal of good experience and knowledge on the ground of some of the important priorities in your community.

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We talk a lot at Queen's Park about the larger issues. At the end of the day, an important part of our job is understanding the priorities in our local communities and doing what we can here to ensure that government decisions and government programs address those challenges. Without that kind of local input, it's very possible for a government infrastructure program to sometimes miss the mark and not address some of the priorities that local municipalities, for instance, may have.

Part of why we've designed the community infrastructure fund program the way we have—that being, at the request of municipalities, to have a formula-based approach as opposed to just a grant-based, merit approach to infrastructure—is so that municipalities could begin establishing their own priorities and having their local priorities dealt with, because, frankly, they probably know better. With the exception of the local member, they would know better than Queen's Park what's really important in their particular community.

So we're trying to move towards that formula-based approach, so that a municipality will get an allocation and be able to use it for whatever.

You mentioned some projects in your area that are priorities. The challenge there is, we want to make sure that the dollars that we're investing are indeed going to the important projects that are in the public interest. That's not to say we don't fully trust our municipal partners, but some are more ahead than others when it comes to asset management planning. That's kind of what you're talking about there: asset management planning with aging infrastructure, which is so important. We are working very closely with our municipal partners to increase their capacity for asset management planning, which will give us the confidence going forward to do even more formula-based funding, where we can transfer money over to our municipal partners and say, "Go to it. Get those infrastructure projects that are your priorities done."

There may be envelopes that say, "We want to focus on roads, bridges, water, waste water or core infrastructure," and allow municipalities to do their work with some of the other areas that may not be seen as core infrastructure. That's open for discussion in the coming years and is subject to federal-provincial funding requirements as well. We try, as much as possible, to have a federal partner when it comes to infrastructure spending. Those programs, when we match funding, are twice as impactful if we have a federal government that's matching funding with us—and they do, in some of the municipal programs, to give them some credit.

The problem, as I've talked about before, is that, overall, their contribution to infrastructure, across the country and here in Ontario, is woefully inadequate. The numbers speak for themselves. I'll repeat them because they bear repeating. We're spending \$130 billion over the next 10 years, here in the province of Ontario, for roads, bridges, public transit, water, waste water and other important infrastructure—energy infrastructure and others. Federally, when you include even their investment in their own buildings, they're spending around \$70 billion. That's such a small amount, and that's Canada-wide; that's not even just in Ontario. We'll only get a fraction of that. So it's obvious that we need a stronger federal partner to address some of the concerns you very articulately outlined to the committee.

You talked about education infrastructure. That's really important. It's an important priority for our government. This is the government that, frankly, took our education system from a struggling system to one that's now seen as potentially the best in the world. We take a great deal of pride in that, but we can't rest on our laurels. We have aging infrastructure. Many of our schools were built in the 1950s and 1960s and have become very challenging for our boards to maintain, so we need to continue to work with them, and we are. We're providing \$11 billion over 10 years for education infrastructure funding. That includes \$4.2 billion to help address school repairs, which is really important. We all have schools in our area. I have some in my area that I'm told have mildew-type problems, and that's a serious

issue because that impacts the health of young people. So these are important investments.

We've set aside \$750 million over four years for capital funding to support school consolidations. I have one of those going on in my area now, and others probably do as well, where you have schools that are side by each. It doesn't make sense if you've got two aging-infrastructure schools that are real drains on school board budgets. It makes sense to build a brand new, state-of-the-art school, fully equipped with the technology that we can put in classrooms today, and to give that community and those students a brand-spanking-new school, painful as it sometimes is to change schools, because nobody likes to see schools—even if they're consolidating and the school is not really closing, but consolidating into a new building, people are still sometimes tied to the old schools that they went to.

But at the end of the day, the interest has got to be the students. I think that's a passion that this government has had over the last 10 years. Frankly, that, along with the good work done in our classrooms by our teachers, has provided our graduates with some of the best tools they can possibly have in going off into that workforce.

I look at my own kids. One of them—we talked about playing hockey—when he goes down to the US trying to apply for a US hockey scholarship, they boost his Ontario marks by upwards of 7% to 10%, right off the bat. “You graduated from an Ontario school? We're going to give you a 7% to 10% boost.” Often it's 10%. You're getting a 78%? That's an 88%. You're getting an 85%? That's a 95%.

Mr. Percy Hatfield: Do they make them taller, too?

Hon. Brad Duguid: That would really help, because he has my height issues. But it just shows that, outside of Ontario, our system is really recognized.

At the same time, while the quality of our teaching has improved, we have to continue to ensure that our teaching environment remains sustainable. That's managing those assets well and making those investments. That \$4.2 billion to address school repairs over the next 10 years, I expect, will be of help, but it doesn't belie the fact that there are ongoing, significant challenges out there.

Ms. Sophie Kiwala: Thank you.

The Chair (Ms. Cindy Forster): Government members? Mr. Balkissoon?

Mr. Bas Balkissoon: Thank you, Madam Chair.

To the minister, we've had some discussions personally, and I just want to compliment you and say that you made the right decision on Rouge Park, protecting all the good work that some of us at the municipal councils did, and some of us at the conservation authority and out of province. As you know, a large portion of my riding is part of that park.

But next to the park is something very interesting that a lot of stakeholders in my area are very concerned about, because they want to know the infrastructure that is going to be built, how it's going to impact on the eastern part of

Toronto, and what would be the outfalls in terms of transportation and all the other things.

In 2006, the government issued a development plan for the Seaton lands. Since then, we've had the Oak Ridges moraine plan, the growth plan, the other plan that goes around the GTA. The Seaton lands—I think a lot of it has shrunk from when it was originally planned way back, but I'm wondering if you could tell me much about where the government is at with those plans and what is your infrastructure vision that's going to come into that area.

That's a real concern to some of my stakeholders, because it abuts a sensitive area in Rouge Park. They are very concerned about the environment there. Some of my residents are very concerned about traffic infiltration from the east. And as you know, Steeles Avenue has been a battle ever since I've been elected 26 years ago, and it will probably continue for another 26.

Hon. Brad Duguid: This is an issue that strikes home with me in two different ways. One is that Councillor Balkissoon—Mr. Balkissoon used to be Councillor Balkissoon; sometimes we still think of ourselves in our old jobs—has been a very committed and passionate defender of the Rouge Valley and the Rouge lands and the importance of maintaining the environmental integrity of those lands.

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Yesterday, in fact, I had an opportunity to sit down with Jim Robb, whom I know the member knows well, Gloria Reszler and other representatives to continue to ensure, as we deal with the federal government on the Rouge Park issue and their efforts to, frankly, put forward legislation that's incredibly weak in protecting that park—surprisingly weak, given their commitment—that we're on the same page with those important stakeholders that have been there in that park from day one and worked with many of us, even before we were elected to office, to work on that very important natural treasure in the east end of Scarborough. It's something that we just cannot afford to take any risks on, in terms of passing over land to a federal government that is planning to put forward a park without attention being paid to what they call environmental integrity. That has to be part of that legislation. We have to have those assurances.

I commend the groups that are fighting with us on this for their good work. They're doing a lot of work on this. They want to see a national park there. They know that there are opportunities to get some revenue from the federal government, through that park, to continue to invest in some of the good work going on to protect those important lands. But they, like us, are not willing to place at risk the environmental integrity and the future of that park—to a weak piece of legislation that just does not deliver the protections that need to be there. The protections that currently exist today, which this province and this government is very proud—and previous governments have been very proud to have upheld and protected, from the Peterson days.

That gets me back to the Seaton lands. I was an assistant here, between 1987 and 1990, in the Peterson government. I recall that in those days, the Seaton lands were being discussed. When I had my first go-round in the Ministry of Infrastructure, I've got to tell you, I was a little bit surprised that the Seaton lands issue was still being discussed. I thought back then that it wasn't far away from being realized.

This is a significant undertaking. It will be a very well-planned community from all corners. Efforts are being made to ensure that it is sustainable development. It's not a surprise to anybody. It has been planned since the 1980s, and it has gone through a significant amount of two steps forward, one step back. There have been significant consultations with municipalities and environmental stakeholders and others.

Just to give you an idea, they're now looking at completing two land exchanges that delivered on the promise to protect more than 2,300 acres of environmentally significant lands. I don't have all the details on that with me today, but there is a significant amount of lands that will be protected as part of that central Pickering development area.

Funding of studies to support Seaton's development is something that we've been involved in, and that includes a Highway 407 corridor for economic development. I think most would argue that where Highway 407 goes through is probably a prime job-generating area that is good for growth. Of course, it has to be done in an environmentally sensitive way, as everything we do, all of our growth is to be done.

We're committing about \$135 million for the implementation of regional services, including water, waste water and certain roads that will be in that community. I know that the planning is under way for that. In fact, it's a good way under way. I'm expecting that the government will be moving forward very soon, finally, with the realization of the beginnings of the Seaton community.

This will be an exciting new community that has been under way since the 1980s. It's exciting, certainly, for the Pickering region, the city of Pickering and the region. I fully expect and I think we want to ensure that all stakeholders are involved, that significant attention is paid to ensuring that, as this community is being built—it's on the books; it's going to be built—that all efforts are made to ensure it's very sustainable and that there are little, if any, impacts at all on surrounding environmentally sensitive lands.

The Chair (Ms. Cindy Forster): Mr. Balkissoon, you have one minute left to wrap up.

Mr. Bas Balkissoon: Okay. Minister, quickly, maybe you could comment on the new announcement by the federal government on the Pickering airport and how it would affect this area, because most stakeholders believe that once those Pickering lands were sold off partially and some of it was given to national parks, that the airport was not going to be there. But the previous Minister of Finance announced that the airport is going to be back on the books and it had a date for implementation.

Hon. Brad Duguid: It's very difficult to follow the federal government's logic on this. They really have not been clear what kind of an airport it would be. There's talk about it replacing Buttonville, that it wouldn't be a huge airport or—I don't know what they call it—commercial airport or whatever the term is. It doesn't appear that it has been well thought out at this point. One of the things that I continue to raise with the federal government, and I think our environmental stakeholders have as well, is the amount of land that they're setting aside for this airport is much greater than they're going to need—significantly greater. That lends an opportunity for more land from the federal side to be dedicated to potentially Rouge Park-type uses, if they do intend to move forward with Rouge Park.

I think there are opportunities there from the federal side. Two thirds of the land in the Rouge Park area has been provincially owned land. We've stepped up. Federal government has opportunities to do so, and for some reason, they seem to continue to hesitate.

The Chair (Ms. Cindy Forster): Thank you, Minister.

We have about 12 minutes left—four minutes per party. We're going to hold you to the four minutes, because then we only have maybe five minutes at the end to get to the votes.

I'll turn it over to Mr. Walker.

Mr. Bill Walker: Minister, I'm going to continue a little bit on the special facilities for Public Health Ontario. Where I guess I'm trying to go here is that I realize they'll need some special accommodation—you referenced safety, and certainly that is exactly what we'd want—but again, I have concerns. What's the cost to make it that safe and to have that type of facility in downtown Toronto? My understanding is they're leaving a facility currently in Etobicoke, so part of it would be, why would we go there. When you're building these, again, what's the cost? Are there limits on what the cost will be to do that? And then if—because you keep using terminology that it's a good investment; we've got as much into it as what we paid for it—we were to resell it, can you resell that building if you put infectious control after spending all that money? And what other tenant other than someone like Public Health Ontario is going to want that specialized type of facility?

I'm a little concerned with how much money you might spend to get it to that safe state. Obviously, I want safety for our people. If you're going to bring it into Toronto, I want state-of-the-art safety, but I'm a little concerned. You're using the analogy that this a good investment, a wise investment in that building, and it's going to increase in value. Well, if you bring an infectious disease centre in, is that value truly going to be there down the road if you had to liquidate and utilize those assets, which I don't think you're going to do? So I'm getting a little concerned or maybe confused in regard to using it as an asset, in some cases, with no intent to sell it. If you do think you're going to sell it,

why are you putting this type of money in and how much is it going to cost us?

The Chair (Ms. Cindy Forster): Two minutes, Minister.

Hon. Brad Duguid: Well, I think it's really important to note that the MaRS phase 2 building was designed to support research and innovation—that's what it was designed for—and accommodate highly specialized laboratory facilities exactly like the Public Health Ontario laboratory. The new laboratory at MaRS is specifically designed to ensure laboratory staff, visitors and other occupants, the public and the environment are safe. I really caution putting out information that would be contrary to that because it's not factually correct. The building would be safe. This is a tenant that would be like many other tenants that would be going in that building; it's designed exactly for that use.

That Public Health Ontario facility has been there since 1964 and—I've said this—I was two years old when it was built. The SARS commission has said that one of the principles of their 21 lessons on SARS, and the recommendations, was the creation of an Ontario centre for disease control, which would support the Chief Medical Officer of Health. That's exactly what this is actioning. It's part of a SARS commission report that goes back many years, and we want to make sure that we follow those recommendations, which is why Public Health Ontario is moving facilities, renewing their facilities and modernizing their office operations in a safe and secure way. So I can assure you, it is safe. Public Health Ontario will provide you with whatever information you need, technical information, whatever, to give you that assurance.

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But I caution you about speaking publicly to the contrary, because it's not factually correct. That misinformation could be harmful, potentially, to the value of the building, or it could be potentially harmful to attracting other tenants if it's incorrect information.

The Chair (Ms. Cindy Forster): Thank you. We'll move on to Mr. Hatfield. Four minutes.

Mr. Percy Hatfield: Thank you, Madam Chair.

Back a little bit, Minister, we talked about legislative changes that were made in 2010 that ensured that MaRS did not fail and a loan from IO was then possible for charities and not-for-profits. I'm still waiting for the date of that, because I'm not sure if the minister at the time was Minister Chiarelli or Minister Wynne, who was infrastructure minister in 2010 or around that time, if I'm not mistaken. Or was she transport minister? I want to find out who initiated the changes to change the regulations which allowed MaRS to qualify for the loan from Infrastructure Ontario that, prior to that, was only available to municipalities.

Hon. Brad Duguid: Sorry, the deputy was whispering in my ear there. Could you just repeat the last part of your question?

Mr. Percy Hatfield: Sure.

Hon. Brad Duguid: My apologies.

Mr. Percy Hatfield: I'm trying to find out who initiated the change to the regulations that was quietly passed that allows MaRS to qualify for a loan that previously was only available to municipalities.

Hon. Brad Duguid: The regulation, and the deputy has confirmed this, would have been brought forward by the Ministry of Infrastructure. Going back, I'm trying to think—I may well have been in the post at that point in time, but I'd have to go back and check the records. I served as infrastructure minister for about six months, I think.

Mr. Percy Hatfield: I would like to know what date, who initiated it and why it was done.

Hon. Brad Duguid: Yes. But in terms of the reasons for the regulatory change, again, I'd have to go back and determine—some of the work that would have been done in terms of encouraging our investment in research and innovation would have likely been through the lead of the Minister of Research and Innovation at the time.

Mr. Percy Hatfield: But it was brought forward by the infrastructure minister.

Hon. Brad Duguid: But the infrastructure minister would have been responsible for bringing the regulation forward. I can certainly confirm—it may well have been myself at that point. I'd have to go back and check the schedule. I don't recall—

Mr. Percy Hatfield: I guess the email chain or the paper trail would lead us to somebody somewhere who said, "Okay, we've got to do something to save MaRS. How do we do it? Well, you've got to make the change in the regulation."

Hon. Brad Duguid: Yes.

Mr. Percy Hatfield: "Who's going to launch the change? How are we going to get it through? We can't do it just for MaRS; we're going to have to let other non-profits qualify as well." I'm thinking that's the way it works.

The Chair (Ms. Cindy Forster): One minute, Minister.

Hon. Brad Duguid: Yes. I mean, the program has been a very significant success. It's helped stimulate a lot of growth in infrastructure and it's attracted—

Mr. Percy Hatfield: I know: \$950 million; 78 not-for-profits. I'm just trying to get to how we got to the MaRS equation.

Hon. Brad Duguid: Yes. The reason why the government would have been open to expanding the program is that it's been successful in building infrastructure. So the thought process behind that would be, "Well, if it's been successful in the projects we've done, let's expand the eligibility for the program so that others could qualify for it." We've had 77, 78—

Mr. Percy Hatfield: Seventy-eight.

Hon. Brad Duguid: —non-profit groups that have taken advantage of that.

Mr. Percy Hatfield: But MaRS was the first. Right?

The Chair (Ms. Cindy Forster): Actually, thank you, Minister. Your time is up. Mr. Hatfield.

Hon. Brad Duguid: I can't confirm that they were the first.

The Chair (Ms. Cindy Forster): Government members, four minutes: Mr. Dong?

Mr. Han Dong: Madam Chair, we would like to offer our time allotment to the minister for his statement.

The Chair (Ms. Cindy Forster): That's not actually permitted under this committee.

Hon. Brad Duguid: Ask me something.

The Chair (Ms. Cindy Forster): We have to split the time between the three, if you don't have a question.

Mr. Han Dong: Sure. Minister, yesterday you talked about creating a regional transit hub, and I appreciate the information. For my riding, the downtown dwellers, transit and gridlock is a big concern. Can you speak specifically to the government's plan in transit infrastructure for the city of Toronto?

Hon. Brad Duguid: I'm pleased to do that, because it was an important part of our campaign. It's an important part of the municipal campaign that's going on right now in Ontario and certainly in the Toronto and greater Toronto area. It's something that is uppermost in people's thoughts. We've made a significant investment to date in public transit and we see the results of that.

I think people forget, but in 2003 we inherited an environment in here where a government had just said, "Public transit doesn't matter. We're not going to invest in it anymore. We're pulling our investments from public transit." You know, they buried a TTC station that had been built. So they had really pulled the rug out from under capital investment in transit, and we paid a huge price for that.

In fairness, you could go back a number of years even before that where the investment wasn't what it needed to be since our initial public transit build in this part of the world and this part of Ontario. So we've tried to make up for that. We've invested in a number of projects that are under way, including the Spadina-Vaughan line that is under way now and will be a very significant contributor to helping to move people around.

People often ask, "Why that line? Why was that line the first priority?" People in my community ask that because—I mean, Mr. Balkissoon and I have been strong supporters of a Sheppard subway line eventually one day going out and linking up. That's something that is still open for discussion these days. But extending the RT from Kennedy up to the Scarborough City Centre—because our priority has always been to have that rapid form of subway-type transportation to our city centre to open up opportunities for economic development in one of the fastest-growing areas' city centres in Canada.

Without having that—you know, there has been some good growth there but there's no question it could have been better if we would have had that first-class transit to the Scarborough City Centre. We've been fighting for that for 30 years.

The Chair (Ms. Cindy Forster): Minister, could you wrap it up?

Hon. Brad Duguid: Oh, I was thinking I had my 20 minutes again.

So we will be investing \$29 billion over the next 10 years in the GTA in terms of public transit—I should say \$29 billion in public transit, roads and bridges, and \$15 billion of that will be in the GTA for a number of projects that we've outlined. It's an exciting time, again, for transit infrastructure in Ontario. We're determined to get this done.

The Chair (Ms. Cindy Forster): Thank you, Minister.

Mr. Ted Arnott: On a very brief point of order, Chair, the minister graciously challenged me—as well as, I think, Mr. Hatfield—to participate in the ALS challenge, the ice bucket challenge, late last summer. I'm pleased to report to the minister that this is a picture of me, if I can get it, and my staff dumping a bucket of ice water on my head. That took place on September 5. I want to thank him for issuing that challenge.

In return, I want to challenge him—

The Chair (Ms. Cindy Forster): That actually is not a point of order.

Mr. Ted Arnott: —to attend the largest ALS walk in Canada, which takes place in Georgetown each year. It's on June 6, 2015, and we'd be delighted if he could join us at that walk.

The Chair (Ms. Cindy Forster): Thank you.

Hon. Brad Duguid: I would love to walk with you in that if I can, for sure.

I didn't see your face in that. Are you sure you didn't—did you have Walker subbing in for you?

Interjections.

Mr. Ted Arnott: Well, this is an official committee exhibit now, which I'll table with the Clerk.

The Chair (Ms. Cindy Forster): Okay, we have to take the vote.

Hon. Brad Duguid: You're going to have to do it again so we can verify it was you. Mr. Arnott, thank you for doing that.

Interjections.

The Chair (Ms. Cindy Forster): There is no such thing as personal privilege.

Anyway, I want to thank the minister and the ministry staff for being here on the hot seat for the last 10 hours. This concludes the committee's consideration of the estimates of the Ministry of Infrastructure.

Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote? Yes?

Shall vote 4001 carry?

Mr. Ted Arnott: Recorded vote.

Ayes

Balkissoon, Ballard, Dong, Hoggarth, Kiwala.

Nays

Arnott, Hatfield, Walker.

The Chair (Ms. Cindy Forster): The motion is carried.

Shall vote 4003 carry?

Mr. Ted Arnott: Recorded vote.

Ayes

Balkissoon, Ballard, Dong, Hoggarth, Kiwala.

Nays

Arnott, Hatfield, Walker.

The Chair (Ms. Cindy Forster): The motion is carried.

Shall vote 4004 carry?

Mr. Ted Arnott: Recorded vote.

Ayes

Balkissoon, Ballard, Dong, Hoggarth, Kiwala.

Nays

Arnott, Hatfield, Walker.

The Chair (Ms. Cindy Forster): The motion is carried.

Shall the 2014-15 estimates of the Ministry of Infrastructure carry?

Mr. Ted Arnott: Recorded vote.

Ayes

Balkissoon, Ballard, Dong, Hoggarth, Kiwala.

Nays

Arnott, Hatfield, Walker.

The Chair (Ms. Cindy Forster): The motion carries. Shall I report the 2014-15 estimates of the Ministry of Infrastructure to the House?

Carried.

Thank you. We're adjourned. See you next Tuesday.

The committee adjourned at 1113.

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