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(Hansard)**

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des débats
(Hansard)**

A-26

**Standing Committee on
Government Agencies**

Intended appointments

**Comité permanent des
organismes gouvernementaux**

Nominations prévues

2nd Session
41st Parliament

Tuesday 17 October 2017

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41^e législature

Mardi 17 octobre 2017

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Clerk: Sylwia Przedziecki

Présidente : Cristina Martins
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CONTENTS

Tuesday 17 October 2017

| | |
|----------------------------|-------|
| Subcommittee reports | A-291 |
| Intended appointments..... | A-291 |
| Mr. Phil Verster | |

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Tuesday 17 October 2017

Mardi 17 octobre 2017

The committee met at 0900 in committee room 2.

SUBCOMMITTEE REPORTS

The Vice-Chair (Ms. Daiene Vernile): Good morning, everyone, and welcome to the Standing Committee on Government Agencies. Before we begin our intended appointments review for today, our first order of business is to consider a subcommittee report.

Mr. Pettapiece.

Mr. Randy Pettapiece: I move the adoption of the subcommittee report on intended appointments dated Thursday, September 28, 2017.

The Vice-Chair (Ms. Daiene Vernile): Is there any discussion, members? All in favour? Opposed? The motion is carried.

Our first and only intended appointment for today will come after our second committee report. We also have a subcommittee report for Thursday, October 5.

Mr. Pettapiece.

Mr. Randy Pettapiece: I move the adoption of the subcommittee report on intended appointments dated Thursday, October 5, 2017.

The Vice-Chair (Ms. Daiene Vernile): Any discussion? All in favour? Opposed? The motion is carried.

Our third and final report: Mr. Pettapiece.

Mr. Randy Pettapiece: I move the adoption of the subcommittee report on intended appointments dated Thursday, October 12, 2017.

The Vice-Chair (Ms. Daiene Vernile): Any discussion, members? All in favour? Opposed? The motion is carried.

INTENDED APPOINTMENTS

MR. PHIL VERSTER

Review of intended appointment, selected by third party: Phil Verster, intended appointee as member, Metrolinx.

The Vice-Chair (Ms. Daiene Vernile): I would like to now invite our intended appointment, Mr. Phil Verster, to come forward.

You are nominated as a member, Metrolinx. Please have a seat and, for the record, please state your name. Once you begin, the time allotted to you is 10 minutes, and any time that you use will be put against the government side. Please begin.

Mr. Phil Verster: Good morning. My name is Phil Verster. Thank you very much for having me today. It's a great privilege for me to be here in Toronto and to be part of the very exciting program of transit that Metrolinx is delivering and engaged with.

I know that you, as members of this committee, have seen my curriculum vitae, but I'll pick up on a few items of interest.

You'll see from my CV that I have experience in maintaining and delivering train services for a company called Southeastern trains in London. Over a period of time, I have fulfilled roles in Irish Rail as a chief mechanical engineer and deputy CEO. Latterly, I've been a managing director with Network Rail for six years.

During that period of time, I managed infrastructure—the building of new infrastructure, the maintenance of infrastructure—the delivery of train services, and the marketing of those services on a daily basis to customers.

In my approach to running transit solutions, I focus on four big things that are really important:

—a really strong, continuous, all-encompassing focus on safety is the bedrock of what transit systems are built on and how transit systems operate;

—a strong focus is on customer service, and making sure the customers get what the customers are expecting;

—an ethic of continuous improvement in how we build, how we plan and how we construct what we do, and how we pick the right systems and the right methods of work is very, very critical;

—lastly, the fourth item for me is a focus on our people and the engagement of those people.

I spent a lot of time in the last three weeks on our network, meeting with our people, meeting with stakeholders, meeting with our customers. We've got fantastic people in Metrolinx. Continuously figuring out how we improve what we do and how we do it is a core part of what we'll do going forward.

If you look at my background, you'll see that I've always had challenging managing-director roles, very often about innovating, doing interesting things and finding ways to deliver complicated transit solutions in a better, more effective way.

In Metrolinx, I see a challenge that is very exciting. We have a very ambitious capital program which we have to deliver on time, and when I talk to our customers, it's very clear that some of our services are running at capacity, and even over capacity. Our communities can

benefit greatly from the enhanced connectivity we will get from the investment program that is out there.

We will have to adjust our organization. If we are going to run 6,000 trains a week rather than the 1,500 we run now, it's a fourfold increase, and we need to figure out what shape the organization needs to take in order to be able to deliver that.

A third and very important priority in what we have to continuously do as Metrolinx is to work very closely with our cities and our communities, and to make sure that we have good plans for the future. Long-term plans such as our regional transit plan up to 2041, which captures all of the next wave of initiatives we'll have to do to meet the growth projections in the GTHA, are important, but so are all of the other things in between, such as fare integration, finding a really good trajectory for the growth of Presto, and continuously improving what we offer the GTHA.

I thank you for listening to that as an introduction, and I welcome any questions.

The Vice-Chair (Ms. Daiene Vernile): Thank you, Mr. Verster. Our first questions for you will come from the opposition side.

Mr. Randy Pettapiece: Good morning.

Mr. Phil Verster: Good morning.

Mr. Randy Pettapiece: I just have one question, and then my friend will take over and put a question to you too. Do you have any ideas concerning the coordination of Metrolinx and municipal transportation agencies within the GTHA, such as the TTC?

Mr. Phil Verster: Sorry, sir. Could you just ask the question again? It wasn't really clear.

Mr. Randy Pettapiece: Do you have any ideas concerning the coordination between Metrolinx and municipal transportation agencies within the GTHA, such as the TTC?

Mr. Phil Verster: When I think of stakeholders, partners and municipalities in the GTHA, I group all of those in a column of people and entities that I think are really important. We need to find ways to collaborate on whatever agenda and whatever priorities those entities do have.

For me, when I approach any decision on how we collaborate and how we coordinate activities, I always put the customer first. I always focus on listening to what the requirements are and overcoming those difficulties that could interfere with delivering for customers. In the end, our role as transit authorities is really about making sure that we provide services for the end customer.

I think that there are always ways that we can overcome all of the difficulties and challenges that we face. If you look at integrated fare solutions, for example, that's an intricate, complex challenge, which has got both a technical challenge to it as well as very difficult decisions one will have to make in terms of subsidy and in terms of choice of mechanism. You can only make those decisions if you have that singular focus on the customer at the end of the line, and the customer service that we have to deliver.

Mr. Randy Pettapiece: Okay, thank you. Sam?

Mr. Sam Oosterhoff: First of all, Phil, thank you very much for taking the time to come in today. It's appreciated. I must say that I've had the opportunity to ride the transit system in the UK a fair number of times, and it's a pleasure to be able to go on the Tube, I must say, specifically on the Cambridge/London corridor that you mentioned. I spent quite a bit of time commuting in between that for a few weeks last year—or I guess that would be the year before now.

0910

The question I had today was actually about some concerns that have been raised in the last couple of months regarding a situation where we have our Minister of Transportation, and in his riding, Kirby station. There's a proposed GO train station that will be going there, although the staff of Metrolinx has said in a 2016 case study in a business review that they found major issues with this proposal.

Currently, the Standing Committee on Public Accounts has asked that the controversial Kirby and Lawrence East GO stations be examined by the Auditor General because of these concerns. I'm just wondering if you could speak to that, how you think we could ensure that these are not following partisan lines—I don't want to call it gerrymandering, but that potential. How can we ensure that gerrymandering does not occur when it comes to transit, and what would you say the solution is to avoid this sort of situation in the future?

Mr. Phil Verster: I'll take the first half of the question first: The work we're doing currently on Lawrence East, as well as Kirby, is part of what is generally best practice in any jurisdiction when you evaluate business cases. Programs and projects should have business cases that mature, and about three or four business cases should mature during the life cycle of a program as you get more information at your disposal and the needs and the costs of the proposed solution become clearer and become better developed. Benefits are identified accordingly with each part of the investment you make.

To have business cases that mature over time is exactly the right way to do things, and that's what we're doing with Kirby and Lawrence East, as well as with the other stations on the short list that we've identified. The process will mature into an answer that we present in February or March of next year, which will be really clear on what the viability of all the choice and the cost-benefit analysis of each of those stations are.

In terms of the broader question of the role of Metrolinx, it is very important that Metrolinx continues to provide fact-based options to elected officials and to government, and it's important that government, in the end, and policy-makers make the decisions on what to do with those policies, because in the end it's our elected representatives who are accountable to the electorate for the expenditure that is made on these programs. We will continue to do that.

The Metrolinx Act is very clear. It sets up an independent board. I answer to the board, and so does my team, and I think we will continue to fulfill that role.

Mr. Sam Oosterhoff: On a different note, what would you say the greatest challenge facing Metrolinx is going to be, as we see this explosion of growth in the GTHA and really across Ontario? We've seen a lot of people moving into the province. We've seen a lot of growth in the province, from a population perspective, and as you mentioned, this puts a strain on the system. What do you think the greatest issue is going to be for you, coming into this role, and how do you plan to address it?

Mr. Phil Verster: I would say we have three major challenges in this program. The first challenge is we have to elect, select and implement the right contracts, the right supply chains and the right method of buying these big contracts, because these are complicated contracts and these are great initiatives and a great investment program. But in order to deliver a complex program such as this that involves communities and involves regulatory choices, we have to come up with solutions that are really innovative for the communities.

The second bit which leads from that is to get the buy-in and participation of communities so they understand what it is we are offering and delivering for them and that we develop our transit solutions in sync with the developments, within the municipalities and the cities themselves. Transit solutions cannot exist in isolation, and they do exist as part of communities and how communities operate, think and enjoy these facilities.

The other evening, I was at Mount Dennis at Eglinton at a community gathering—just talking to people on the street, people who are going to experience the Eglinton service. There are many different perspectives of how transit can affect the town centres, how it can affect their behaviour and stuff like that. A really important part of transit is to listen to our communities.

The third and last aspect to the question would be, we are going to significantly increase our service pattern. I just think we've got fantastic people in our organization, but our organization will have to adjust and it will have to change, and it will have to do things slightly differently because we will, more and more, be running high-intensity services all day. We'll have opportunities to offer different products and services to people; we can take our already good, excellent Presto card and innovate further with that and get to contact lists, for example, and develop our products and services that we offer customers, and I think that's a very exciting future. But I think those are the three biggest challenges we've got.

Mr. Sam Oosterhoff: I will turn it back to my colleague.

The Vice-Chair (Ms. Daiene Vernile): One minute to go.

Mr. Randy Pettapiece: I'll just make a statement here. I'm from rural Ontario, and we've lost most of our train service out there. I know this doesn't concern you at this point, but at some point, maybe we could get some advice on how to get things going back out to rural Ontario.

Distances are a major concern when people are travelling out there. Our population has actually decreased a

little bit. It's something I do hope that your solutions—you focus on the customer; I think that's very important, and I do hope that you're successful with this new position. But maybe you can throw a few good ideas to us in rural Ontario at some point.

Mr. Phil Verster: Thank you very much, sir.

The Vice-Chair (Ms. Daiene Vernile): Our next set of questions for you, Mr. Verster, is from the third party. Miss Taylor.

Miss Monique Taylor: Thank you for being here. Good morning.

Mr. Phil Verster: Good morning.

Miss Monique Taylor: I am a member from Hamilton, so you will, I'm sure, know that we are moving ahead with an LRT system within our city that has come at great debate, but we're hoping to get shovels in the ground.

One of the major concerns still outstanding is who will own and operate the system as we move forward. You spoke very clearly about the importance of people and the buy-in of the communities. My community wants to be able to have it publicly owned and operated. What is your feeling on that?

Mr. Phil Verster: Thank you very much, MPP Taylor, for that question. One of the things I'd like to do is I'd like to engage with Hamilton on your ideas on how to do the operations and maintenance. Clearly, in terms of a contractual structure, we have adopted the AFP model, alternative financing and procurement model, through IO. I think there are ways in which Hamilton can offer and be part of a bid, for example, by a consortium, and provide those services. I think there are ways that we can manage the procurement that can achieve that.

It's really important to keep in mind that the procurement model for these contracts is a big factor in the stability and the strength of that transit solution over time. Therefore, it's really important to focus on that model and to find a way to get that model to work, as well as to get the ambitions of Hamilton met. I think that's possible. It just needs a conversation. I'm in the process of setting that up with Hamilton, and I'll be keen to have that conversation.

Miss Monique Taylor: Good. Our ATU workers have been running our system in the many different ways that it has been—we have had rails on our road previously and the hookups to the lines, all of those things. For over a century, our ATU members have been running our public transit within our system. It would be really unfortunate not to see that continue, or the great work and the heart that they have in our community. I hope that you'll consider that as you move forward throughout your new position.

0920

Mr. Phil Verster: I think with any transit operation, when there's passion from people to run it and to run it well, you're halfway there towards a solution. I think there's a great opportunity to talk and to consider how we can find a way forward.

Miss Monique Taylor: Good. I know that the bus drivers and service providers in our community really go

over and above, and there are many stories that you could see. If we had the time, I would love to be able to share them, but unfortunately we don't have that time.

Mr. Phil Verster: Very good.

Miss Monique Taylor: But please understand that, when you go to meet with them, and know that they really do go over and above their call of duty.

Mr. Phil Verster: I will. Thank you.

Miss Monique Taylor: I'm not sure how much history you know here within Toronto and the TTC, but there is something called the "Webster effect." That's what it has been called. It's the story of Gary Webster. He was fired as the head of the TTC after he refused to manipulate facts and evidence to support the unfortunately late Rob Ford, who was the mayor at the time—his less-than-comprehensive transit plans. This firing seems to have affected the ability of Toronto staffers to provide independent, non-partisan, fact-based evidence, a phenomenon that's known now as the Webster effect.

How will you combat things like the Webster effect, especially coming into an election? How will you be able to keep control of the political manipulation, compared to the actual needs of the citizens of Ontario when it comes to transit?

Mr. Phil Verster: Thank you again for that question. The best way that I can answer that is just to say it as it is. I'm a fairly straightforward and simple person. My objectives are really simple: I deliver for our customers, and I deliver for our stakeholders and our partners.

The Metrolinx Act is really clear. There's a Metrolinx board that is set up. That board is independent, and I answer to that board. We have a mandate, and we have a letter of direction from the minister. Whoever is in government would give us the direction and the steer of what we need to do.

For us, it is then really important to provide options. We need to provide elected policy-makers with options about transit. Our expertise is in how we run transit. I think that's really important. Then those options have to be exercised.

I will always work, obviously—always—with strong dedication on the direction of my board. That's how I work.

I hope that answers the question.

Miss Monique Taylor: The board has been around for a few years now, and we have seen effects possibly not in the best interests of the public at all times. I hope that you will be able to find your way through that, and that you will be able to put people first. We need that back in this province again. It's something that has been missing for quite some time. So I challenge you.

I give you my best wishes, truly, when it comes to moving forward with that, because I'm sure it won't be an easy battle, as it hasn't been here for years. You definitely have your work cut out for you.

One of the other concerns raised by my party is the fare by distance and what that would mean to folks who travel, say, from Scarborough, which is quite some distance. People count on that system.

What are your thoughts on the fare by distance?

Mr. Phil Verster: Fare by distance is one of the four options that are currently being considered as part of the fare integration strategy. We also have the zonal, we have the hybrid, and then we have a modification of the existing fare structures that are combined with discounts in selected places.

I think this is part of what makes the fare integration debate so intricate and so intense, and pertains to the first question about how we work together as transit organizations to figure out what is equitable. You raised a really important point. There is equity, and that is really important to people. Different people have different requirements, and affordability is really critical when you consider what solution you adopt. Obviously, when you make decisions on affordability, that affects decisions on subsidy, and these are complicated choices.

I can only make my comments today at the obvious level of strategy and policy proposal. Intuitively to me, it does feel like in the confines of the city itself, something that is closer to zonal works better. We currently have this one big zone for the TTC, so a zonal aspect to the final solution feels right for the confines of the built-up area of the city and the surrounding municipalities.

But then, if you think of transit as an integrated solution with the RER service, then fare by distance does make sense—obviously, the farther you travel, the more different the fare is. But what you'll find with fare systems in other jurisdictions is that in many cases, it is a rough comparison to fare by distance for longer-distance services, and short distances in built-up areas are more zonal in nature. But the options that we are considering currently in those four different fare structure proposals are what we continue to consult on and discuss.

The Vice-Chair (Ms. Daiene Vernile): You've got about 15 seconds.

Miss Monique Taylor: Okay. Just keep in mind that we are in a time of precarious employment here in the province. People are working two or three jobs and still finding it very difficult to make ends meet, especially in the city of Toronto.

The Vice-Chair (Ms. Daiene Vernile): Thank you very much, Miss Taylor. Our next questions for you are coming from the government side, and you have five and a half minutes.

Mr. Granville Anderson: Thank you, Phil, for being here, and welcome to Ontario.

Mr. Phil Verster: Thank you, MPP Anderson.

Mr. Granville Anderson: I had the pleasure of touring the maintenance facility with you on Friday. It was a wonderful tour. It's quite an impressive facility. Having toured that facility, how would you compare that facility to the ones in Europe?

Mr. Phil Verster: When you look at the Whitby facility, it is a superb facility in many senses. I would compare it to being best in class, in comparison with other maintenance facilities throughout Europe.

The fact that there's such a focus on effective and efficient working—natural light in the facility is

prioritized, and small details such as when you look at the inside of the roof structure, the wall structure, all of it is painted white to give that sense of a workplace that is welcoming and bright. That's just really positive.

So I'm very excited about the Whitby facility and the extensions that we can still make to the facility, to add more storage capacity for equipment and rolling stock in the time to come, as we ramp up our services. It's a great facility, and I think it will serve us well.

Mr. Granville Anderson: That's right. It's a state-of-the-art facility, and it's \$1.1 billion. That's quite an investment in transit, and it's in the Durham region. I'm very, very happy that it's there.

Having said that, you're well qualified, and we're lucky to have someone of your calibre in Ontario, so thank you again.

Mr. Phil Verster: Thank you, MPP Anderson.

Mr. Granville Anderson: And good luck with transit.

The Vice-Chair (Ms. Daiene Vernile): Are there any more questions from the government side? Okay. Thank you.

That concludes the time allocated for this interview. We want to thank you very much for being here. You may step down.

We're now going to consider the concurrence for Mr. Phil Verster, nominated as member for Metrolinx. Would someone please like to move the concurrence? Mr. Qaadri.

Mr. Shafiq Qaadri: I move concurrence in the intended appointment of Phil Verster, nominated as member, Metrolinx.

The Vice-Chair (Ms. Daiene Vernile): Any discussion? Those in favour? Opposed? The motion is carried. Congratulations, Mr. Verster.

As we have no other business this morning, members, we stand adjourned. Happy trails to all of you.

The committee adjourned at 0930.

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