

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

**Official Report
of Debates
(Hansard)**

E-12

**Journal
des débats
(Hansard)**

E-12

**Standing Committee on
Estimates**

Ministry of Infrastructure

1st Session
42nd Parliament

Wednesday 27 November 2019

**Comité permanent des
budgets des dépenses**

Ministère de l'Infrastructure

1^{re} session
42^e législature

Mercredi 27 novembre 2019

Chair: Peter Tabuns
Clerk: Julia Douglas

Président : Peter Tabuns
Greffière : Julia Douglas

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



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

ISSN 1181-6465

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 27 November 2019

Mercredi 27 novembre 2019

The committee met at 1545 in room 151.

MINISTRY OF INFRASTRUCTURE

The Chair (Mr. Peter Tabuns): Good afternoon, everyone. The committee is about to begin consideration of the estimates of the Ministry of Infrastructure, for a total of seven hours and 30 minutes, although, as you're well aware, Minister, we may not go all the way to the seven hours.

Interjections.

The Chair (Mr. Peter Tabuns): In case she hadn't been informed, I am taking that step now.

I'd like to take this opportunity to remind everyone that the purpose of the estimates committee is for members of the Legislature to determine if the government is spending money appropriately, wisely and effectively in the delivery of the services intended.

As Chair, I tend to allow members a wide range of questions pertaining to estimates before the committee, to ensure they are confident the ministry will spend those dollars appropriately.

The ministry is required to monitor proceedings for any questions or issues that the ministry undertakes to address. I trust the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised, so that the ministry can respond accordingly. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked by the research officer.

Are there any questions before we start? Excellent.

I am now required to call vote 4001 of the estimates, which sets the review process in motion. We will begin with a statement of not more than 30 minutes by the Minister of Infrastructure, followed by a statement of up to 30 minutes by the official opposition. Then the Minister of Infrastructure will have 30 minutes for a reply. The remaining time will be divided amongst the recognized parties.

With that, Minister, the floor is yours.

Hon. Laurie Scott: Thank you very much, Chair. Good afternoon, committee members. I am pleased to be here to talk about the Ministry of Infrastructure estimates.

I know that I am the last minister to appear before your committee, so thank you for all the hard work over the many months before I came here.

I'd like to start by introducing some of my senior ministry officials here today:

—Deputy Minister Chris Giannekos;

—assistant deputy minister of infrastructure policy division Adam Redish;

—acting assistant deputy minister of infrastructure research and planning division Chris Monahan;

—chief administrative officer Ramneet Aujla;

—director of business planning Luke Hillan;

—director of communications Lisa Legatto;

—director of capital planning and coordination Trevor Fleck; and

—the CEO of Infrastructure Ontario, Ehren Cory.

The Ministry of Infrastructure is working to fulfill this government's commitment to the people of Ontario—specifically, the promise to create and protect jobs, to make Ontario open for business, to restore accountability, transparency and trust, and to do this in a fiscally responsible way so that we can balance the budget.

After all, infrastructure is for all of the people. It's the roads and highways we drive on. It's the OPP detachments that help to keep our families and communities safe. It's the hospitals where we go to get and stay well. It's the Internet and wireless networks that keep us connected to others. That is why infrastructure is at the core of our government's mandate. To that end, over the next decade, our government is investing \$144 billion in infrastructure.

Today, I will discuss MOI's strategic approach in determining which infrastructure projects are taking priority, and how we are delivering on those priorities in a strategic, cost-effective and transparent way. I will highlight how we are ensuring that rural communities get access to broadband and cellular services.

I will talk about how our infrastructure investments and decision-making are strengthening rural and northern communities, as well as municipalities across the province, and how we are leveraging funding from the federal government and using research to make smart infrastructure decisions. This includes the progress we are making through the Investing in Canada Infrastructure Program, known as ICIP.

In all these areas, I will demonstrate how the Ministry of Infrastructure is demonstrating its commitment to maximize the province's infrastructure investments to benefit all the people of Ontario.

To begin with, I would like to talk about my ministry's role as the steward of provincial asset management planning. It is a responsibility that we take very seriously, and I start here intentionally.

Asset management planning is a key part of how we are maximizing value for every dollar spent on infrastructure

in this province. In order to properly plan for and meet both current and future infrastructure needs, we need an up-to-date inventory of infrastructure assets. To achieve that, we are developing tools to consistently track and analyze both current infrastructure assets and planned investments across government.

As part of this, municipalities are required to develop asset management plans. Those plans cover the inventory of municipal infrastructure assets, as well as their condition, cost and the level of service those assets provide to local communities. When we have good data, we can make better use of the assets that we have. It can result in innovative solutions that do not necessarily require building brand new infrastructure.

A good example is in Brantford. In 2012, the city identified the need for a \$30-million waste water treatment plant expansion. But that changed after Brantford collected better data through an infrastructure optimization program. The city discovered that with minor upgrades, its existing waste water treatment plant could serve the city's needs. That's a \$30-million savings that came from collecting and studying better data. It's a solution that is a win for the community and a win for the province.

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This is just one example of the benefits of sound asset management planning. It's a real step to ensuring our tax dollars are spent wisely, responsibly and transparently. Before we spend on something new, let's make sure we are capitalizing on what we already have. That's just common sense, but the value of this work is clear, and it can be daunting.

We also heard from a number of smaller municipalities who said they needed assistance creating their asset management plans, so we launched a new program to do just that. Last January, in the town of Newbury, my predecessor, Minister McNaughton, announced that our new program, AMP It Up 2.0, would immediately help 58 small municipalities develop their asset management plans. That number has now grown to over 125 municipalities, with more signing up each week. This program provides expert in-person assistance from professionals who offer tailored advice on municipal asset management planning and data collection processes. This work is critical to sustaining necessary services such as roads, bridges and clean drinking water.

Asset management exemplifies what this government stands for: investing in the tools we need to collect the data that enables us to make smart, prudent and deliberate infrastructure choices that will make life better for the people. That is part of how we are making infrastructure decisions.

So where are we investing? What are the smart choices? In the time that I have remaining to speak with you today, I can only pick a few initiatives to highlight, and one of those is Ontario's Broadband and Cellular Action Plan. Our plan is called Up to Speed—I thought it was pretty good; I didn't invent it, but it's good, so I'll say kudos to the ministry. This is the first plan of its kind for our province—a plan to get better service into rural, remote

and northern communities that are unserved or underserved today.

In our province, there are still too many homes, businesses and farms that don't have reliable Internet access. This is unacceptable. As an MPP from rural eastern Ontario, I know first-hand that rural residents don't have the same access as urban residents. People can find themselves at risk during an emergency when travelling on those rural roads where cell service routinely drops out.

They also don't have access to reliable high-speed Internet, or if they do, they face higher rates than those living in cities. I know people who must drive to a fast-food restaurant in a small town to get WiFi or take their children to the local library or community centre so they can do their homework or print online content for their school projects. I know small businesses that can't respond to customer emails because of spotty or intermittent service or can't send out invoices or even pay bills online. And when their connection goes down, it's not just for 10 minutes; it can be for days. This means they cannot take advantage of the latest technology to expand their businesses, or that people must turn down job opportunities because they can't work from rural Ontario. In our increasingly digital world, being disconnected means being disadvantaged.

Building broadband infrastructure networks is expensive, and the low population density in rural, remote and northern Ontario makes it even more challenging. Often, it is just not profitable for private telecom providers to build the infrastructure needed to handle growing demands for broadband and cellular connectivity. The result is that consumers don't have access, or the service they have is slow or limited. Again, this is not acceptable. That's why our plan, Up to Speed, includes \$315 million in funding over five years for broadband and cellular projects in unserved and underserved areas.

In May, my predecessor, Monte McNaughton, announced funding to improve cellular and mobile broadband connectivity through the Eastern Ontario Regional Network and to expand broadband service to southwestern Ontario through the Southwestern Integrated Fibre Technology, better known as SWIFT. As part of our plan, we are creating a new broadband fund, beginning next year, with \$150 million. We are using those dollars to leverage more private sector investments as well as support from other levels of government. This will result in up to 220,000 new homes and businesses being connected. We will maximize existing infrastructure programs and provincial assets such as lands, buildings and cellular towers to support broadband and cellular expansion.

We're also committed to addressing barriers to infrastructure expansion by beginning to modernize government regulations and programs to reduce red tape and encourage the private sector to increase access. For example, streamlining approvals for when a road is being reconstructed—we could think ahead to consider whether fibre optic networks can be laid as well, which could save time and money for service providers and communities.

Our provincial investment of \$315 million will leverage funding from the private sector and other levels of government to directly generate up to \$1 billion in total investment over five years. This is an investment in people and in our province's future. That's because when it comes to infrastructure, we are making investments in what matters—and I'm sure all of you are nodding when I say everybody has heard it in every riding that we represent. This investment will improve quality of life, encourage people in rural and northern and remote communities to stay and build a future for themselves and their families, and that's what we all want.

Better connections will make it easier for students to access better educational opportunities. Better connections mean families can stay in touch through email, text or social media. Seniors can see their grandchildren during regular video chats, no matter where they live in the world. Better connections mean access to government and community services: from online renewals to seniors being able to get their medical test results at home to parents signing their children up for swimming lessons—and it means Ontario businesses of every size can truly benefit from the promise of digital opportunity. Better broadband and cellular connections will make our province open for business and open for jobs.

As we continue to invest in people and in our province's future, we are working to identify how the government will proceed strategically. Our long-term infrastructure plan establishes our vision and strategic direction for infrastructure planning and investment across the province. Our plan sets direction on key initiatives across four themes to guide the government's infrastructure decisions: moving people and goods; making the most of our assets; unlocking our economic potential; and ensuring open data and transparency.

Profiled are a total of 16 high-impact initiatives that have already been committed to, as well as some new approaches that, together, will help shape a prosperous future for Ontario. Under the four themes, here are some of the key initiatives:

Under the theme of moving people and goods, we will accelerate the delivery of transit and transportation projects through our historic commitment to build four subway projects, including the new Ontario Line, to deal with congestion in the GTHA and set out approaches for market-driven transit-oriented development, to help get much-needed transit infrastructure built quickly and for less money.

Under making the most of our assets, we will improve how we plan, procure and manage infrastructure to maximize the life, performance, resilience and value of our investments. We will also improve asset management practices across the province to get the most from our current infrastructure and integrate land use planning, growth management and infrastructure planning as a leading consideration for all future capital planning decisions.

Under unlocking our economic potential, we will facilitate private sector participation, foster greater innovation

and help grow our small, rural and northern communities. We will also invest \$315 million over five years through Ontario's Broadband and Cellular Action Plan and continue the Natural Gas Expansion Support Program that will expand natural gas access to rural northern and First Nations communities.

Under open data and transparency, we will report on how infrastructure projects are selected and delivered to restore trust and show respect for taxpayers' dollars. We will also implement a digital and data action plan intended to fulfill Ontario's vision of becoming Canada's leading digital-first province, and make project data available on ontario.ca to inform the people of Ontario how their tax dollars are being spent.

Under our plan, the private sector will play a greater role in infrastructure development and ensure any new investments support economic growth and promote transparency. We're guiding Ontario infrastructure delivery and helping to shape a prosperous future for Ontario.

The Investing in Canada Infrastructure Program, another initiative that I want to discuss, is the work with the federal government investing in the ICIP program. The ICIP program is a \$30-billion, 10-year infrastructure program, cost-shared between federal and provincial governments and recipients, including municipalities, First Nation communities and not-for-profit organizations. Ontario's share per project will be up to 33.33%, or about \$10.2 billion spread across four streams. Those streams are rural and northern; public transit; green; and community, culture and recreation.

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Ontario launched our four funding streams in 2019. The application intakes for rural and northern, public transit, and community, culture and recreation have closed. The intake for green is open, and eligible applicants can submit their applications. These applications will be reviewed across the ministry and prioritized for funding based on criteria outlined in the program guidelines.

With that being the case, today I will focus on the first two streams: rural and northern, and public transit. In particular, I want to talk about how they align with our promise to get Ontario moving.

Over 350 projects have been nominated to the federal government under the rural and northern, community, culture and recreation, and public transit streams, and 82 projects have been approved. Of the over 350 projects nominated, 144 projects were road, bridge, air and marine infrastructure projects that are waiting for federal approval under the rural and northern stream. This amounts to \$115 million in provincial funding for road, bridge, air and marine infrastructure investments. These include investments to enable critical repair or replacement of roads or sidewalks in small towns, replacement of critical bridges to let emergency vehicles get people to safety more quickly, or the addition of roundabouts to improve traffic flow. That's all part of the rural and northern stream.

Under the public transit stream, Ontario has nominated 201 projects outside the GTHA and five projects for the city of Toronto and York region. We are building better

transit in communities across Ontario because better transit connects neighbourhoods to businesses and people to jobs. Less congestion makes it easier and faster for people to get around and have more time with family and friends. It means businesses can deliver their goods and services quickly and save money doing it.

I think we all know how frustrating it can be to get stuck in traffic when you're trying to get to work, school, home or to your family. Those commutes can not only be physically draining, but they also hit people's wallets. The University of Toronto estimates that work commutes of one hour each way cost a person about \$273 per week. That's more than \$14,000 a year coming out of the pockets of those commuters. That's why Ontario is keeping its promise to make sure people can get where they need to go in a safe and efficient way.

Infrastructure investments help businesses to move goods and deliver their services more broadly and efficiently. They create jobs, helping to make Ontario open for business. Our investments will make it easier for people to get to their work, to the hospital, to a store or safely home to their loved ones.

Not counting major investments in the GTHA, public transit projects nominated for ICIP by Ontario so far total up to \$365 million in provincial funding. These investments include projects like building new bus maintenance facilities or the purchase of new buses to allow for transit expansion to meet growing demand in regions like London and Kitchener-Waterloo.

This government is committed to building infrastructure that makes life better for people across the province. Better public transit creates stronger communities and frees up more time for students to pursue their education and find work, which helps, again, make Ontario open for business.

The 350 projects that have been sent to the federal government for final funding approval are being reviewed by them for eligibility under the ICIP program. Some projects have already received federal approval to begin. This is good news for us and for the people of Ontario, and I'm looking forward to seeing more projects get under way or break ground. All of this is a good start, but there is more work to be done and we're always looking for better ways to do it.

I began by speaking about how proper asset management can lead to better infrastructure decision-making. I'd like to close with another innovative initiative that I'm excited to share with you.

Just last month, Ontario launched its first unsolicited proposals framework, or, as we refer to it, the USP framework. We did this for a few reasons. Despite having a workforce of skilled infrastructure planners, procurement specialists and program designers, we recognize that the government doesn't have all the solutions. I know that's revealing to a lot of people in the room. But we know that there are innovative ideas out there that will improve the lives of the people of Ontario, and we don't want to miss out on them.

When we looked around the world, we saw that other jurisdictions were delivering better services and bringing

new infrastructure online with projects submitted through a USP framework. From metro stations in Australia to highways in Arizona, the ideas generated by the private sector in these jurisdictions were improving people's day-to-day lives. After seeing what happened around the world, and listening to the infrastructure market, we launched our USP framework.

Earlier this year, we conducted a market sounding, with more than 60 local and international infrastructure industry participants. We learned a great deal. But for today's purposes, I want to emphasize that industry experts told us that they had ideas and they just needed a place to send them. They told us that the people of Ontario could benefit from a USP framework.

An unsolicited proposal is any proposal we receive that we have not requested through an existing government procurement. This is important because our USP framework cannot be used to circumvent the rules of an existing procurement.

Turning to the scope of our program, the first thing you should know is that our USP framework is limited to receiving proposals for infrastructure projects only. Typically, that means bricks-and-mortar assets, or hard-wired assets such as utility cabling or piping.

In-scope proposals include those that would deliver transit projects, highways, health care facilities, housing projects, energy projects, justice facilities, broadband projects or any other genuine infrastructure project.

Proposals that are not in scope include those that offer sales or services to government, such as the purchase of business services, IT solutions, equipment and office supplies.

The sale or lease of government land is also not in scope unless the proposed transfer is connected to the development of an in-scope infrastructure project.

We officially launched the USP portal earlier this fall. Once proposals are received, they are reviewed by ministry officials. If an initial proposal is selected for further review, it will advance to the detailed proposal stage. The assessment at this stage focuses on the commercial, financial and technical elements of the proposal. In most cases, the assessment at this stage will be conducted by our agency, Infrastructure Ontario.

The final step in the process is the procurement and transaction stage. We recognize that not all projects are the same, so there isn't a one-size-fits-all procurement model for all unsolicited proposals. We will work with Infrastructure Ontario to design a procurement that is best suited to delivering the project.

That said, whatever model we choose must be in the public interest. As such, we will always try to ensure that the procurement features some degree of competitive tension, which leads me to one of the most common questions I get asked about our USP framework: Can it lead to a sole-source deal?

As I mentioned, we expect competitive tension to feature in any procurement. We would only consider a sole-source situation if the unique character of the proposal necessitated such an approach or the proposal could not

reasonably be delivered in any other way, or if it was otherwise in the public interest.

Turning now to the issue of fees and costs, there is no fee to submit a proposal. However, participants are responsible for their own costs throughout the process.

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The last technical subject I want to cover today is the assessment criteria for proposals. There are six criteria we use to assess proposals.

The first criterion is that the proposal must be a genuine unsolicited proposal. In other words, it cannot constitute a response to an existing, pending or announced RFP under any government procurement.

The second criterion is that the proposal must demonstrate a clear value or benefit for the people of Ontario. I cannot overstate the importance of this factor. As a government, whenever we are considering a policy, our first question is always, “Is it good for the people?” If the answer is no, that is the end of the conversation.

Earlier, I explained that only infrastructure projects are in scope for our USP framework. The third criterion requires that we confirm that the proposal falls within this scope.

The fourth criterion is that the proposal must align with government priorities. As I am sure you can all appreciate, the government has limited time and resources, and we must ensure that our use of these resources aligns with our commitments and our priorities. For example, we have publicly committed to the Ontario Line. A proposal that seeks to replace or delay the Ontario Line would be unlikely to score highly on this criterion.

The fifth criterion is that the proposal must demonstrate commercial, financial and technical viability. In short, the participant bears the burden of proving that the proposal is feasible.

The final criterion is that if the proposal calls for the use of government funds, then the participant must demonstrate value for money with respect to the government’s investment. This government is committed to protecting the people’s interests, and that includes investing their money wisely.

Our USP framework represents an opportunity for our government to be more efficient, to listen to the people who build our infrastructure and to bring new projects to the people of Ontario in innovative and financially responsible ways. It also creates a fair, transparent system that cuts red tape.

I want to thank the members of the Standing Committee on Estimates for the opportunity to share the many exciting things that the Ministry of Infrastructure is working on to benefit the province. I also want to thank the people of Ontario for putting their trust in us.

Together, we are making a better province. We are doing it through asset management. We are doing it by expanding access to broadband and cellular services. We are doing it by leveraging funding from the federal government for transit, northern and rural projects, green initiatives, and expanding community, culture and recreation opportunities. We are doing it by cutting red tape to

create more opportunities for Ontario’s people to be heard, including its business leaders. Our market sounding and unsolicited proposal framework are two great examples. Together, we are making Ontario an even better place to live, to help grow our children, our grandchildren and all the people of this great province.

I’ve probably, Madam Chair, almost fulfilled—

The Acting Chair (Ms. Judith Monteith-Farrell): You’re close

Hon. Laurie Scott: I was close. So I thank you for the opportunity and look forward to the engagement.

The Acting Chair (Ms. Judith Monteith-Farrell): Thank you, Minister.

Official opposition: MPP French.

Ms. Jennifer K. French: Thank you, Minister Scott. It’s nice to have the opportunity to catch up, as we will, over the next three and a half hours or so. I’m sure you’re looking forward to my half-hour statement. I hate to disappoint, but since we are limited for time, I’m just going to get right into the questions.

As you have just been talking about leveraging the federal dollars coming in, I have some specific questions around the federal-provincial infrastructure programs. According to the interim actuals for 2018-19, shown in the briefing book on page 38, the provincial government failed to disburse over \$300 million in budgeted funds last year.

My question is, why did the government fail to disburse these funds to municipalities? Is it a matter of announcing, but a hesitancy to spend it? It looks like the government has taken a break for a year or so from funding and letting that infrastructure money flow. Can I have clarity on that, please?

Hon. Laurie Scott: I think some of it can be explained—it’s a building ministry, right? So money flows when projects are at certain stages. I think some of what you would be seeing is the fact that the municipalities are involved and can only build—you get seasonal, you get RFPs, you get many projects going on at once. With infrastructure, I’m learning, there’s the ebb and flow of construction dollars that—

Ms. Jennifer K. French: So right now, the last year has been a \$300-million ebb?

Hon. Laurie Scott: I’ll pass it over to the deputy for some more details, if I could.

Mr. Chris Giannekos: If I may, just for purposes of clarity, what page exactly are you looking at in the estimates?

Ms. Jennifer K. French: I’m looking in the briefing book, page 38, under the federal-provincial infrastructure programs. It’s the interim actuals for 2018-19.

Mr. Chris Giannekos: Right.

The Acting Chair (Ms. Judith Monteith-Farrell): Excuse me. Deputy Minister, could you please introduce yourself?

Mr. Chris Giannekos: Certainly. My name is Chris Giannekos, and I’m the deputy minister at Infrastructure Ontario.

The Acting Chair (Ms. Judith Monteith-Farrell): Thank you.

Mr. Chris Giannikos: So you're looking at an interim actual of 350-odd million dollars in 2018-19, and you're looking at estimates for the 2019-20 year of \$444 million. We're actually looking at—

Ms. Jennifer K. French: No, it was last year, the interim actuals for 2018-19. The way I read it, it failed to disburse over \$300 million last year. I was just wondering—

Mr. Chris Giannikos: Perhaps I can ask—

Hon. Laurie Scott: This is under ICIP. It's under 2018-19, is what you're looking at, just so we can maybe get some clarity.

Ms. Jennifer K. French: It's the federal-provincial infrastructure programs, interim actuals 2018-19. I'm happy to come back to it, if needed.

Hon. Laurie Scott: We can get it, but just hold on. We just might be able to do it.

Ms. Jennifer K. French: Okay. I'll read the second question, then, because it's on the same page.

On page 38, again, of the estimates briefing book, we can see a very clear reduction in federal contributions. It's about \$210 million, give or take. I'm also curious about that, because in the 2018-19 public accounts, that bucket, shall we say, of federal contributions wasn't entirely spent by the province. In fact, it looks like the government left \$248 million of that money unspent.

I have questions about all of these things. If we stick with the first one, what I see is a failure to disburse over \$300 million—if that's just a matter of the natural ebb and flow or if there's something else?

Mr. Luke Hillan: Sorry, so it's—

The Acting Chair (Ms. Judith Monteith-Farrell): Could you please introduce yourself for the record? Thank you.

Mr. Luke Hillan: Yes. Luke Hillan, director of business planning for the Ministry of Infrastructure. The budgets are based on the expected flow of federal funding from the federal government. So those are set jointly between the ministry and the federal government about the expectations around how quickly projects would be approved and rolled out. But as the minister pointed out, the disbursements are ultimately based on how quickly projects are approved and the progress that municipalities primarily make in delivering on the projects, and then the funding is reimbursed. So that piece is primarily a result of timing challenges with federal approvals related to both the federal election as well as the timing of the provincial election.

Ms. Jennifer K. French: Thank you. Then further to that, still on the same page—what I had just started talking about with the reduction in federal contributions, \$210 million, plus or minus. In the 2018-19 public accounts, as I said, the total federal contributions weren't spent by this province. We left \$248 million of that money unspent. I'm wondering if the failure to spend that \$248 million—if that was one of the reasons why planned federal contributions were reduced by \$210 million for 2019-20? I'm asking if there's a correlation there because that makes sense, from where I sit, as being an option.

Hon. Laurie Scott: It is a 10-year program. It is over 10 years for the ICIP program, right, so it's \$30 billion over 10 years. There are so many years that they have to actually build it. So a municipality might even get approvals, but might not have put an RFP out for a couple of years.

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Ms. Jennifer K. French: So the federal contributions, that massive reduction, then—I'm asking if there's a correlation. Because that \$248 million that was unspent, and then we see the significant reduction of \$210 million for 2019-20—that's not because, "Well, you didn't spend it; therefore, you can't have it"?

Mr. Chris Giannikos: No.

Ms. Jennifer K. French: Okay.

Mr. Chris Giannikos: If I may just take a crack at that, what you're looking at is a point in time. As the minister said, this is a 10-year program and the estimates are basically a forecast over 10 years. So anything that you wouldn't spend in this particular year, whether it's provincial or federal—and the two go together, actually. It's 40% that's federal and there's 33% that's provincial, and then there is a municipal share as well. These are all cost-shared.

If in any particular year, for whatever reason, be it that a construction season is more difficult than a previous one due to climatic changes or whether the projects themselves, depending on the complexity of the projects, take more time to process, you don't lose that money. That just gets passed on over the 10 years. At the end of the day, the province is going to get \$30 billion. Now, whether it's spent in year three or four or six or seven depends on the ebb and flow of the construction of the project.

Ms. Jennifer K. French: Okay. Thank you.

The briefing book also shows \$4 million in funding this year for the Community Hubs Capital Program. It says budgeted funding in 2018-19 estimates was zero, but we checked and it wasn't zero. It was \$40 million, and that was in the actual 2018-19 document. So the 2019-20 estimates tabled by this government refers to the Community Hubs Capital Program but, frankly, uses the wrong number. It says it was zero. When we printed out last year's, it wasn't zero; it was \$40 million.

The program, then, has actually been cut by 90% as compared to last year's estimates. Why does this year's briefing book show incorrect numbers for last year's community hubs' funding, and did any community hubs lose expected funding as a result of that 90% cut?

Hon. Laurie Scott: Okay. Which financial wizard would like to take this?

Mr. Luke Hillan: I can speak to the technical issue around the \$40 million. The reference on page 38 is in reference to a specific department in the ministry, infrastructure policy and planning. The community hubs, that \$4 million of that budget, was moved to that department. The \$40-million reduction you're speaking of does show up in the estimates briefing book on page 13. There was the previous estimates amount for the \$40 million that shows for the community hubs capital initiative, and that

adjustment was in the 2019 budget to zero, but \$4 million of that was retained. But it was moved within the ministry.

Ms. Jennifer K. French: Okay. I will untangle that when I have a little bit of time after this. You're saying it's not a mistake; it's just on a different page?

Mr. Luke Hillan: It's a reallocation within the ministry.

Ms. Jennifer K. French: A reallocation from page 38 to page 13.

Mr. Luke Hillan: It was between departments. So just the way the book shows, the pieces in the back speak to the detailed breakdowns of the different parts of the ministry, whereas the summary page on page 13 is for the ministry as a whole.

Ms. Jennifer K. French: Okay. Thank you. If I take you at that, and I appreciate the clarification—that is saying that all of the money is accounted for and there's not a 90% cut?

Mr. Luke Hillan: So I'm going to speak to the community hubs piece—yes, sorry.

Ms. Jennifer K. French: What I'd like to know is if there are community hubs that were affected—at more than first blush here, what I came in with appears to be a funding decision. Are there hubs that are receiving funding or that lost funding that they'd been receiving, expecting funding but didn't receive any? I'm curious to know about the actual impacts or ramifications for projects in the community. But if all of the dollars are there and there wasn't a cut, can I have that clarification?

Hon. Laurie Scott: I think we're working on getting the actual details for you, that we can see the specifics. But we can get it to you later on, if you want.

Ms. Jennifer K. French: Yes, thank you. Because if I misinterpreted that and all of the money is there, all of the community projects and the community hubs—no one lost funding and everything is good—I would be glad to hear that. But I'd like to know that for sure.

Mr. Adam Redish: Hi., My name is Adam Redish. I'm the assistant deputy minister for policy for the Ministry of Infrastructure.

I think there's a multi-part answer to that question. After the government was elected, the government undertook the line-by-line review, as I think people know. The decision was made, through the line-by-line process, to discontinue the intake for community hub programs. However, we had approved about eight, I think it was, transfer payments to various projects. Those transfer payments were honoured and continued. They have all, but one of them, been completed now.

As Luke commented, we moved some of the administrative resources from the community hubs group to the people who work on the ICIP program. So we're bringing the principals from the community hubs program into some of our other programs, particularly the community, culture and recreation program, where one of the streams focused on large, multi-service, co-located facilities.

Ms. Jennifer K. French: So you're transferring the principals—and thank you for that answer. The community hubs projects that might have received funding or, with

this change, no longer were receiving funding under that umbrella, so to speak: Have all of them been, I'm going to say, taken care of under these other streams or in other capacities? Any of those projects that were originally expecting funding: Have any of them—they're just out of the mix now?

Mr. Adam Redish: The ones where we had made the transfer payment agreements with—those were continued and have been completed, with the exception of one in Ottawa. The other ones had the ability to apply under the community, culture and recreation stream.

Ms. Jennifer K. French: And have all of them applied? Are there any that have applied and not been successful?

Mr. Adam Redish: That stream only closed a week ago now, I think.

Hon. Laurie Scott: Yes, I was going to say: We're still going through the applications. But the hubs that have contacted us were given direction to certainly apply; they were given the specifications of how they qualified. There are federal parameters. That was all, certainly, open to them, as well as, of course, it's public knowledge. But those that called for assistance to say, "What stream and what might I qualify for under the ICIP CCR?" were given that opportunity.

Ms. Jennifer K. French: With the different streams, and I'll talk more about that in a bit, I think we would all appreciate knowing if there is a list of those that have applied, if that can be made available to this committee, those that have closed. But I'll get there in a moment. Thank you for that.

In March 2018, the provincial government signed an agreement with the federal government renewing its infrastructure partnership for another 10 years, as we've been talking about. There are four funding streams: public transit; green infrastructure; community, culture and recreation; and rural and northern communities. Minister, I know you've talked about that. But in the briefing book, I can see the rural and northern stream but not the other streams. Are they in here? Did I miss them? Are they also on page 13?

Mr. Luke Hillan: I can speak to that. It is based on the timing of how those programs were rolled out. The rural and northern stream was the first program to be launched, so the funding for the 2019-20 piece was moved into the ministry's allocation. The funding for the remaining streams sits centrally with Treasury Board Secretariat, so it would not show up in our estimates book.

Hon. Laurie Scott: Can we speak to the rollout—

Ms. Jennifer K. French: I'm clear on that, because I figured that public transit would presumably be handled by MTO, and for the others, I wasn't sure what was up—if they are still centrally from Treasury Board. Just so I'm clear, when will they show up? Tell me when they make the move to this ministry.

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Mr. Luke Hillan: That is subject to the provincial budget process, but it would be based on the timing of when those were rolled out. The community, culture and recreation stream launched this year, and—

Ms. Jennifer K. French: Is it based on the launch, or based on the application—

Mr. Luke Hillan: It's based on the launch.

Ms. Jennifer K. French: Okay.

Mr. Luke Hillan: It's based on two pieces: the launch timing, and also the expected rollout and spend for the projects. There are estimates developed through the provincial budgeting process about how quickly we expect municipalities to spend the funding. That is then moved into the ministry's allocation through the annual budgeting process.

Ms. Jennifer K. French: Thank you.

Hon. Laurie Scott: It goes by case-by-case, and the rural and northern begin early. We've nominated, between the funds that have been opened and closed, 350 more to come from the feds—

Ms. Jennifer K. French: No, I'm clear on that. I just wasn't clear without that conversation.

Hon. Laurie Scott: Okay.

Ms. Jennifer K. French: In September, the provincial government announced that it was accepting applications under ICIP's community, culture and recreation stream.

We've been talking about this. Does the fact that it isn't here mean that there is no money that's expected to flow under this program in 2019-20? It's not in here, based on the timing of the launch and expected rollout and spend, but does that mean that I can interpret it as there is no money in 2019-20?

Mr. Chris Giannekos: No. To be clear, the way that the government is budgeting for these programs shows up in the Ministry of Infrastructure's books, depending on the launch and the actual applications and the receipts that municipalities are putting in to get reimbursed.

The money is held centrally, most of the time, with Treasury Board. Each year, depending on our estimates of what we think will be spent by municipalities, ourselves and the federal government, it is placed into estimates. So you don't see the full allocation in the ministry's books at any one time.

Ms. Jennifer K. French: Have we ever?

Mr. Chris Giannekos: Have we ever—sorry?

Hon. Laurie Scott: Like for federal funds or for ICIP right now?

Ms. Jennifer K. French: I will admit that there is a learning curve with all of this. If the money is there, and it's in Treasury Board, but I, a member of the public, don't see it in estimates, then how would I know that it is indeed going to flow? I get that it's based on applications, it's based on receipts and it's all of this stuff, but there is no allocated chunk—

Hon. Laurie Scott: So you're saying, with the \$10.2-billion piece from the province—where is it being held?

Ms. Jennifer K. French: Why on earth would I trust that that is indeed going to be the case, if it's not in this year's estimates? There is not even an estimate of the amount. Isn't that the point: anticipated spending? I understand that you won't have an exact figure, because you don't have the receipts yet, and the applications and

whatnot. But an estimate is just that, isn't it? Am I missing something?

Mr. Chris Giannekos: No, I think this speaks to the larger fiscal management of the provincial budget, and the way that the Ministry of Finance and Treasury Board budget for these. It requires the ministry to come in with specific estimates. At that point in time, it releases the funds.

What you do see, given the large amount of money that's involved, is the government wanting to see more scrutiny of this, and it requires the ministry to go in and get the funds allocated, when appropriate, during whatever year. They've decided to make that decision, and the money doesn't sit with us and it's a central—

Ms. Jennifer K. French: Okay. So the money doesn't sit with you, but we also can't see it because—could we call it a guesstimate, then, if it's not an estimate? Anticipated applications?

Is there a cap on the other side of it? The Treasury Board says, "When you come to us once you've launched this—you've got your applications and your invoices, but you can't"—is there a maximum? I want to see the numbers.

Mr. Chris Giannekos: I guess what I'm saying is that the government is committed to the 10-year infrastructure program. It is \$30 billion. There is a liability there for the government in terms of the provincial share and the federal flow-through, and that shows up periodically in the government's books, depending on how it fits into the overall fiscal plan. They've decided to keep a central portion of it at Treasury Board within the contingency fund and they provide us the funds in-year or periodically as we go back with refined estimates. So the money is definitely there because there's a liability and it's provided to us on an as-needed basis.

Ms. Jennifer K. French: Okay. Thank you.

Mr. Adam Redish: Sorry, if I could just add one thing. I think the implication of the deputy's comment is that in next year's estimates you will start to see those numbers appear in the ministry's books, because as we move forward and close intakes and approve projects, then we will get approval for the money to flow back into our ministry. I expect next year you'll start to see some and it'll grow over the next 10 years per the minister's comment about it being a 10-year program.

Ms. Jennifer K. French: Okay. I'm going to take a couple of steps away from the specifics of the finance because I feel like my—yes. I want to focus a little bit more on how come the government waited a year and a half, then, after the ICIP agreement was signed before opening this funding stream.

Hon. Laurie Scott: We only got elected as a government in June 2018.

Ms. Jennifer K. French: I remember.

Hon. Laurie Scott: Do you remember that? Okay.

Ms. Jennifer K. French: I was there.

Hon. Laurie Scott: I'm just refreshing. So yes, you can ask the question why the previous government didn't develop a program earlier because—

Ms. Jennifer K. French: I can ask lots of questions about that government—

Hon. Laurie Scott: We can chat about that if you want.

Ms. Jennifer K. French: —and about this government. Here we find ourselves.

Hon. Laurie Scott: We came in in June 2018. We had to take inventory of setting up a program, working with the municipalities for timing and, of course, all in conjunction with the federal government. The province designs the program based on federal parameters. The previous minister, when we took office, had to do the assessment. We got the rural and northern infrastructure program application out in—would you say February?

Mr. Adam Redish: It was in March.

Hon. Laurie Scott: March? So March 2019, and you have to do it in pieces; right? Because municipalities have to have time to go to their councils, figure out what their priorities are and then there's always the time of building. You can't build it all at once, either. That is the timing. Should it have been done before? Yes, it should have. The previous minister and the ministry did it as quickly as they could, doing due diligence of the needs and priorities. Happily, I'm seeing, as a rural member—rural and northern—the component stream was opened up. As you can imagine, over-application for needs—there's a lot. Through that, 144 projects, with a total provincial investment of more than \$116 million, were submitted to the federal government through different stages, some under Minister McNaughton and the remainder, up to 144, under myself when I was there as minister.

So 62 of these projects have received federal approval, and I have already been in contact with the new Minister of Infrastructure federally to say, "These are on your desk in the office." I think ministries, both provincially and federally, have been working even through the federal election to try and make sure all the questions are asked or any outstanding concerns are done because we have obviously municipalities in much need and then we—

Ms. Jennifer K. French: We do.

Hon. Laurie Scott: —inside the GTHA and outside the GTHA—

Ms. Jennifer K. French: I'm going to cut you off soon.

Hon. Laurie Scott: Can you? Chair?

Ms. Jennifer K. French: Thank you.

Hon. Laurie Scott: Can she do that? Does she have the authority to do that?

Ms. Jennifer K. French: I can. I'm trying to do it politely. I thank you for that.

I know my next question is sort of the same answer, but I just wanted to be clear. Is it the same answer why the government waited 19 months after the ICIP agreement was signed before opening the funding stream for green infrastructure? Kind of the same—you had a mess to clean up after the Liberals sort of—

Hon. Laurie Scott: And there is the timing. There's just the realistic timing of what municipalities can build; right? You can't have them—there's the competitiveness. There's their process, their budgets and who's around to do all these buildings. So you have the rural and northern

going. You have inside the GTHA and outside the GTHA and transit, and since we were able to launch as quickly as we could when we got into government, then there is the component of the same municipalities looking at applying for the CCR stream, and now that we've just closed that, there was a little bit of an overlap. Now they're looking at the green stream—

Ms. Jennifer K. French: And that's what I would like to talk about, that green—well, clean and green and all of the things, because, as you said, municipalities have a lot of needs. There have been many articles recently about municipal water systems and lead pipes. Municipalities rely on funds from the Ministry of Infrastructure to upgrade their water systems and keep the water supply safe.

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The opposition has been asking questions about whether this government will help municipalities get the lead out of their current problematic pipes and infrastructure.

On page 38 of the infrastructure estimates briefing book, we see that the province is cutting its contributions to the Clean Water and Wastewater Fund by 100% this year. I'd like to know why.

Mr. Chris Giannikos: Maybe I can start with that. It goes back to the original concept of the fact that you've got a 10-year plan and that some of the money is held centrally and is provided to the ministry on an ongoing basis. So that is actually not a \$65-million cut to \$1,000 at all.

Ms. Jennifer K. French: I'm relieved to hear that.

Mr. Chris Giannikos: It isn't. As part of the overall fiscal plan, we have a 10-year liability to provide and cost-match federal funds. Over the course of those 10 years, depending on the government's fiscal strategies, sometimes there is a fiscal strategy that says that part of the money will be provided in-year after the ministry has looked for as much funding as it can in-house to be able to pay for part of this liability. For what we can't pay for, we'll go to Treasury Board and get the rest of the funds. It's a way of managing as specifically as you can to ensure that you can make sure that you're providing funds when they need it, but in a way that's looking under every stone and under every cushion, so to speak.

Hon. Laurie Scott: The programs are paid out at the end of the fiscal year, as the deputy has said. The projects are still funded. No agreements have been rescinded. A lot of these questions are the financial accounting that you're asking for.

Ms. Jennifer K. French: But if there's no money under the mattress, then you go to Treasury Board.

Hon. Laurie Scott: Yes. Just on the Clean Water and Wastewater funding list: This is all a public document, but that is the list of projects.

Ms. Jennifer K. French: Is that something that I can have, that the committee—

Hon. Laurie Scott: We can probably have—it's all online too. It's all public—yes.

Ms. Jennifer K. French: Okay.

Hon. Laurie Scott: It's 1,162 of 1,300 Clean Water and Wastewater Fund projects that are under way. The majority of the projects are scheduled to be concluded—

The Acting Chair (Ms. Judith Monteith-Farrell): You have one minute.

Hon. Laurie Scott: —on March 31, 2020.

The federal and provincial governments have paid approximately \$595 million to recipients so far.

Ms. Jennifer K. French: But there's no hesitation to spend the money right now? Our concern, obviously—and I give the minister fair credit. I think we all recognize that when it comes to lead, there isn't a safe amount, and when it comes to timing, the longer things take, the more negative impact we have.

When we're looking under the mattress for money, or whatever it is that we're doing, is there any reason that we can't get that money flowing to clean up the pipes and the infrastructure when it comes to lead? Is there anything with this fiscal strategy that puts the brakes on it?

The Acting Chair (Ms. Judith Monteith-Farrell): On that cliffhanger, the time for the official opposition is done, and now the minister has 30 minutes to reply.

Hon. Laurie Scott: It's over to me again now, Chair? Thirty-thirty.

Thank you very much. It was a pleasure to share the information, as much as we could, in the time we had. I'm sure it can be ongoing, that we can follow up.

The Ministry of Infrastructure is working to fulfill the government's commitment. As you can see, there are lots of programs and there are federal programs and there's overlapping of times and project deliveries, so you have to take that all into consideration. I think that everyone came to the table to look at all of the estimates pages and decipher the accounting practices.

But we're certainly committed to fulfilling the government's commitment to infrastructure—especially to create jobs, protect jobs, make Ontario open for business, and restore accountability and transparency and trust. We do this, of course, in a very fiscally responsible way so that we can balance the budget. As we have heard, money is—I know the member opposite said it's under the mattress, but it is stored and protected until we have due diligence and projects either from municipalities or the provincial government so that everything is accounted for and transparent in detail.

As I said, infrastructure covers a lot of areas—certainly, the highways we drive on and the hospitals that our loved ones go to. It's the OPP detachments that keep our families and communities safe, it's the Internet, the wireless networks that keep us connected to others. Those are the investments in infrastructure that are so important for us and our families and for all the people in the province. That's why infrastructure is a marquee part of our government's mandate. Over the next decade—and I stress that again—over the next 10 years, we're investing \$144 billion in infrastructure.

Earlier this year, we announced five of the most significant transit projects for the GTHA in a generation. We're building the Ontario Line, a brand new subway line linking Ontario Place to the Ontario Science Centre; extending Line 2 of the Toronto subway to Scarborough; extending Line 1 of the Toronto subway to Richmond Hill;

we're extending the Eglinton Crosstown LRT west to Pearson airport; and we are extending the Sheppard line of the Toronto subway network east to Scarborough. In addition to that, we are building new hospitals, courthouses, police stations, community centres, highways and bridges. It's a very ambitious agenda, and I look forward to telling you more about how we are achieving these and other successes.

At the start, I discussed MOI's strategic approach in determining which infrastructure projects are taking priority. We are delivering on those priorities in cost-effective and transparent ways. I highlighted how we are ensuring that rural communities get access to broadband and cellular services through our Up to Speed program, and I also discussed how this government's infrastructure investments and decision-making are strengthening rural and northern communities as well as municipalities across the province. This includes requiring and helping municipalities take and maintain an accurate inventory of all their infrastructure assets, and to develop an asset management plan. I also shared how we are leveraging funding from the federal government and using research to make smart infrastructure decisions. This includes the progress we are making through the Investing in Canada Infrastructure Program.

In all these areas, I demonstrated how the Ministry of Infrastructure is showing its commitment to maximize the province's infrastructure investments to benefit all the people of Ontario, and how we are doing it in a way that fulfills our election promises. These are incredibly important initiatives, but there is much more that the Ministry of Infrastructure is doing to meet the government's commitment to the people of Ontario, and we are doing it in a very strategic way.

I'm going to share more on this strategy and the results we're achieving quickly and efficiently. I will talk about how we are leveraging the insight of the best and brightest infrastructure experts in the province to deliver infrastructure in better, more innovative and cost-effective ways. That includes strengthening and capitalizing on private-public partnerships, or P3s, to deliver infrastructure on time and on budget.

MOI's agency, Infrastructure Ontario, or IO, is key to enabling the government to use the P3 model. I will talk about how we have expanded IO's role outside of Ontario to make Ontario open for business, and I will share how we have improved the rules for P3s in Ontario to make sure that we are getting the best deal and the most innovative outcome for the taxpayers of this province.

IO is deeply connected to these pieces and the success this ministry has in delivering on this government's mandate. Infrastructure Ontario is a provincial agency that supports Ontario's initiatives to modernize and maximize the value of public infrastructure. They have a very well-established track record of delivering our biggest and most complex projects, and frequently that has been done through the public-private partnerships, or P3s, that I've already mentioned.

Our government believes in the private sector's ability to deliver large infrastructure projects efficiently. By

working strategically with the private sector on major projects, we are growing our economy and creating jobs. Evidence from around the world shows that P3 projects are on time and on budget more often than other models. Our projects are no exception. The P3 Awards has named Infrastructure Ontario agency of the year for the past three years. Ehren and your team, congratulations. Infrastructure Ontario's track record is well above industry standards, with 95% of projects coming in on budget and 69% built on time.

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To date, \$21-billion worth of projects have been completed. This includes more than 40 new or expanded health care facilities, totalling more than 10 million square feet of new health care space. This is key to us delivering on our promise to end hallway health care.

IO has also completed five P3 courthouses throughout Ontario, 18 provincial police facilities, as well as several highway and public transit projects. That includes expanding Highway 401, one of the widest and busiest highways in North America. Working with Metrolinx, IO delivered a brand new rail link between Toronto's international airport and the city's bustling downtown. For those of us who live in the city and those who are visiting for business or pleasure, the Union Pearson Express provides a quick transfer every 15 minutes, seven days a week.

Ontario's P3 pipeline is among the busiest in the world. In fact, Ontario currently has 32 P3 projects in procurement and pre-procurement, worth \$65 billion. I will discuss IO's pipeline in greater detail in just a bit, but what I first want to emphasize is that very few entities can deliver the types of unique public-private partnerships that IO manages. They have a best-in-class service offering, which is why the ministry was happy to announce in March that IO would be piloting its strategic advisory services around the world. This provides the world with the opportunity to access the same services we use to build our infrastructure and learn from our expert P3 agency. This represents an expansion in Ontario's approach to building business relationships across Canada and internationally. It's another example of how we're making Ontario open for business. This is a very exciting change for our government. Infrastructure Ontario has built a solid business case for providing their services to these potential new clients. This move increases opportunities for Ontario companies in international markets. Stronger international relationships forged through the services also help attract investment to the province.

By green-lighting this Infrastructure Ontario consulting service, MOI is once again helping to make Ontario open for business. The idea came from Infrastructure Ontario itself. All the ministry had to do was listen and help the experts do what they do best. Now, that is something this government can take credit for. This government has actively sought out those kinds of expert ideas, and I'd like to tell you more about it.

As the Minister of Infrastructure, I know we cannot rest on our laurels. We can and should always look for ways to improve the models we use. We saw a unique opportunity

when we were voted into office last summer to ask key questions about how we were doing things and how we can do them better. We wanted to know and continue to explore how we can increase competition, attract interest from global market participants and optimize risk allocation. To that end, one of the first things this government did was to go out to the market and speak to the actual people who construct, design, maintain and advise on Ontario infrastructure projects. This government wanted to know what worked and what did not. We call this our market sounding initiative. Over a 10-week period we met with 60 market participants. They included infrastructure investors, lenders, technical and financial advisers, and construction and maintenance contractors.

Surprisingly, we learned this level of market consultation has rarely been done in our jurisdiction. But as a new government with an exciting open-for-business mandate, we saw an opportunity and we seized upon it. The results have been amazing. Our industry partners were extremely candid in letting us know what was working and what was not. They gave us frank assessments. We learned a lot through the process and have so far mapped out many potential reforms, but there are two key themes I want to highlight for you today.

First, despite our past successes, Ontario needs to refocus on creating opportunities for innovation on P3 projects.

Secondly, the Ontario market would benefit from more competition.

With that in mind, the ministry designed market changes, because we want to attract investment and expertise from around the globe. We believe competition is good. It leads to value for taxpayers, especially on large projects like our P3s, which start at around \$100 million and stretch into the billions.

So this is what we've done: We opened Ontario's P3 system to account for international experience in project delivery. Local experience is important, and knowledge of and experience with local regulations is a key part of successful project delivery. But we need to recognize that successful major project delivery is an accomplishment that crosses borders.

Competition drives value. I truly believe it is a force for good in the market. It also gives the best performers an opportunity to prove their advantage. But they cannot do that without opportunities to innovate. We heard this clearly from market participants. They want outcome-based specifications, so we have acted.

In addition to rebalancing the scoring sheet to recognize international experience, we have rebalanced Infrastructure Ontario's system to give more value to innovations. We have asked Infrastructure Ontario to reduce the amount of prescriptive output specifications.

These changes, we believe, will open projects up to true innovation by the private sector. We want to return to an outcome-based model. We will tell developers where we want to go; they will tell us how to get there.

Private sector innovation can add significant value to projects, but only if there is leeway to do so.

These changes are in addition to the unsolicited proposal framework, or USP, that I told you about earlier, which also came out of that market sounding.

To recap: The USP allows the private sector to submit their ideas for innovative infrastructure that don't fit into a traditional request for bids. It cuts red tape and makes Ontario open for business.

We believe that with the right conditions—the conditions we are creating with the changes we are making—industry will find opportunities, through design or construction methods, to create infrastructure in a different way, all while complying with our province's extremely high standards.

That's where these two themes I've been talking about—competition and innovation—come together.

I will repeat what I said earlier: Even USPs will have an element of competitive tension.

We have a positive investment climate for business; we have opportunities to invest; and we have one of the best places in the world to live, work and raise a family. Now we've tweaked our world-class model to create the right conditions for more investment, including international investment. We want these changes to act as a catalyst for more investment, because more investment means a more competitive marketplace, which leads to greater value for public investments and, ultimately, the people. It also leads to world-class infrastructure. It's a virtuous cycle and everybody wins.

With that in mind, in the time remaining for me to speak today, I hope to emphasize how important these kinds of changes are. I want to do this by sharing with you some of the many projects that Infrastructure Ontario has in its pipeline. I hope that with every project, you will take a moment to think to yourself, "Each of these represents an opportunity to make a real difference in the lives of the people of Ontario."

Innovation through change, as I've mentioned, is part of making that happen. In fact, before I talk about the pipeline itself, I want to mention one more thing that came out of our market-sounding initiative.

In many of these meetings, we were told that stakeholders wanted more information and more transparency about Ontario's P3 program and pipeline. So I was pleased to announce in September that, going forward, the pipeline will be updated not once per year but four times per year.

Major pipeline updates in the spring and autumn will show changes in the project list, procurement times and delivery models. Updates in the summer and winter will update procurement timelines only.

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I want to also explain why it took so long for us to release this year's pipeline. We fully recognize that it was a long time coming. As you may know, the government did not release a pipeline last year. We would have liked to do so, but as a new government, we needed time to get our fiscal and capital priorities in order, and over the course of the last year, we completed this work. I'd like to thank Infrastructure Ontario, my cabinet colleagues, my team at the Ministry of Infrastructure and my predecessor

Monte McNaughton for their hard work in finalizing the pipeline.

Now, without further ado, I would like to highlight some of the key parts of the 2019 market update for the estimates committee. As I mentioned earlier, this year's pipeline contains a total of 32 projects, worth more than \$65 billion. This represents the single largest commitment to P3 infrastructure in Ontario's history. The pipeline now includes four of our marquee transit projects, which I mentioned earlier, maybe a few times—and maybe again: the Ontario Line; extending Line 2 of the Toronto subway; extending Line 1 of the Toronto subway; and extending the Eglinton Crosstown LRT.

We also have a number of other transit projects in the pipeline, such as GO expansions along the east and west corridors. The pipeline also contains nine new hospital projects, in addition to seven that were in the previous pipeline. These 16 hospital projects will expand health care service to communities across Ontario, including Windsor, Ottawa, the Niagara region, Toronto, Kingston and Moosonee. This includes the redevelopment at the Centre for Addiction and Mental Health, a new health campus for those living and working on Moose Factory Island and in Moosonee, and a new patient tower at the Hospital for Sick Children.

This year in the pipeline, we also included a new section called "Projects in Planning." These represent projects to which we, the government, have publicly committed but are still too early in the planning stages to assign a delivery model or procurement timelines. We included this as part of our commitment to transparency and to underscore our commitment to a robust pipeline in the coming years.

This includes important projects like the Grandview children's treatment centre—and I know the member from Oshawa is quite—I almost saw applause—

Interjection.

Hon. Laurie Scott: Oh, thumbs up—and the Ottawa Children's Treatment Centre. Another project in planning that I spoke of earlier is our commitment to extending the Sheppard subway.

The projects in this pipeline are a key part of Ontario's future prosperity. They are the roads and rails we will use to get to work and that our children and grandchildren will use to get to school. They are the places where our loved ones will be treated if they fall ill, and they are the routes by which Ontario goods will be shipped to market. Their construction will generate thousands of jobs in the skilled trades, engineering and design sectors, and once they are built, they will employ thousands more people, for whom they will become a new place of work.

Our 2019 market update is a challenge to the best in the industry—big and small, local and international—to team up, partner with Ontario and successfully deliver the high-quality infrastructure that our province relies and depends on. Thanks to the feedback that we received in our market sounding, we can approach many of these and other projects in more innovative and cost-effective ways. That includes scoring that recognizes international experience or encourages innovation.

I can't emphasize enough how important that market sounding has been for us. As I look at the Chair and say that I'm probably near the end of my remarks, I want to thank all those who participated in sharing their expertise out of a desire to make better, more cost-effective infrastructure. It's a desire that I share, and I hope that I have made this clear today. I'm proud of the work my ministry is doing to contribute to the government's commitment to the people of Ontario. We are creating and protecting jobs and making Ontario open for business through our infrastructure investments. We are cutting red tape, restoring accountability and transparency by making changes based on our market sounding and other initiatives. And we are doing this in a fiscally responsible way so we can balance the budget.

Madam Chair, I think I'm close to ending my time. I will close my remarks and thank you again for the opportunity.

The Acting Chair (Ms. Judith Monteith-Farrell): Thank you, Minister. Now we'll divide the remaining time between parties, and we'll start with the official opposition. You have 20 minutes.

Ms. Jennifer K. French: Okay. But not 20 in total; 20 for this rotation. Is that correct?

The Clerk of the Committee (Ms. Julia Douglas): Twenty for this rotation, yes.

Ms. Jennifer K. French: Just checking. I prioritize things very differently.

Before I actually launch into where I was, your comments about the pipeline and having a public-facing document—I just spent three days across from the Ministry of Transportation, and they do not have a public-facing document. So I'm glad that there is one. I understand what you said about the new section, mentioning Grandview as an example of projects that are maybe still early but you've made a public commitment. Is there anything in the pipeline in writing and in print about the train to Bowmanville?

Hon. Laurie Scott: I don't have the pipeline right in front of me, but I know that the Ministry of Transportation that you've had before you for the last week or maybe two weeks made some comment to you about working with the municipalities.

Ms. Jennifer K. French: Yes. I was just wondering if it was in the pipeline—I was excited to find it in writing somewhere.

Hon. Laurie Scott: Did you find the pipeline online? Sorry, I didn't bring the pipeline with me.

Ms. Jennifer K. French: Can I ask the ministry for a copy of the pipeline?

Hon. Laurie Scott: We will get you a copy of it. It's online.

Ms. Jennifer K. French: Thank you. I was just hopeful.

Hon. Laurie Scott: We are all hopeful. You can be very hopeful. We want to build infrastructure. It is our marquee—

Ms. Jennifer K. French: But is it in that, in your new section?

Hon. Laurie Scott: I just don't have it in front of me, so we'll just take a second to see if anybody has it. Maybe it is in—there we go. Now you're going to make me put my glasses on here.

Ms. Jennifer K. French: It was on an infographic somewhere, but I haven't seen it—

Hon. Laurie Scott: There you are, so there's the info—

Ms. Jennifer K. French: No. I want to know if it's in the pipeline.

Hon. Laurie Scott: Okay. Give us a second to look here, just because this was a couple of months ago.

Ms. Jennifer K. French: Thank you.

Hon. Laurie Scott: There are so many projects. What can I say? Thirty-two projects.

Interjection.

Hon. Laurie Scott: Yes, I think it's just under GO expansion.

Ms. Jennifer K. French: Okay, so that's what it said in the infographic, but it doesn't say "Bowmanville," with all of those letters together to make that word. That's disappointing.

Hon. Laurie Scott: But I know that I've met with your regional—

Ms. Jennifer K. French: I know it's a conversation.

Hon. Laurie Scott: It's all in discussions; it's in conversations.

Ms. Jennifer K. French: I know, I know.

Hon. Laurie Scott: I've met with the regional chair, John Henry, at many events because, as you know, I take a little piece of Durham in the north Durham quadrant out. So we do cross paths many times—

Ms. Jennifer K. French: Yes, and I didn't mean to launch into that because I did have a fair conversation with the ministry, but I just wanted—

Hon. Laurie Scott: Yes, the Ministry of Transportation, I think, answered lots of questions for you on that.

Ms. Jennifer K. French: Thank you. The broadband service has to happen. As you've said, it's not acceptable for northern or rural businesses, families and folks to be without Internet. I appreciated what you said about during an emergency, where the cell service could drop out. I think everyone is glad to know that broadband is coming, and we'll hold you to account on that.

Hon. Laurie Scott: We want it to happen. We made it a priority.

Ms. Jennifer K. French: That's not my question, though. My question specifically is—the minister talked about better connections. While you're focusing on cellular connections and broadband, will you commit to all Ontarians that they will all be able to dial 911?

Hon. Laurie Scott: Will they all be able to dial 911? Because—

Ms. Jennifer K. French: I'm sorry. Everyone can dial 911. Will it be connected to 911, should they dial 911? Is that also a goal of this minister?

Hon. Laurie Scott: So all cellphones cannot dial 911 now?

Ms. Jennifer K. French: I'm using the wrong word. People can dial 911, but it will not connect to 911 when

you get north or rural; that is not an opportunity. This is something that has been discussed in the Legislature. I know my colleague from Nickel Belt has been speaking at length about this, that—cell service is one thing, but then actual 911 access is an entirely separate conversation.

Hon. Laurie Scott: I think that that would fall, in those types of specifics, to emergency management, which would fall under—

Ms. Jennifer K. French: I think there are probably a few pieces that have to fit and I think it's going to be across ministries. So as this ministry is moving ahead to make sure that there is cellular access, if all of those pieces can fit across ministries—if it's Ministry of Health, I would encourage this ministry to maybe follow up with what I'm saying and look into that. I would like to hear that the minister also agrees that people should be able to have access to the first response that they need in an emergency. In this case, the member from Nickel Belt is asking that everyone be able to access 911.

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Hon. Laurie Scott: Absolutely. It will help with the technology that we, as the ministry, are driving. We were just in Thunder Bay a few weeks ago doing the \$30-million announcement for Matawa and the six First Nations that will be reached—I think it's around six. That was huge, when we did the announcement with the Premier and Minister Rickford for energy, northern development and mines. They have been advocates for a long time, and to see that coming together with the chiefs and their desire, is one example of what we're doing.

There are going to be more coming specifically, but—

Ms. Jennifer K. French: Okay. I think this is one, because it's before the House right now and the member from Nickel Belt has brought this issue forward—but I would challenge the ministry to connect some of those pieces and have that inform their cellular connection plans. I'm not looking for a commitment, I guess, but I think everyone expects, when they dial 911, that someone picks up and says, "911." That is not the case in the province of Ontario.

Hon. Laurie Scott: You make good points.

Ms. Jennifer K. French: Thanks.

Hon. Laurie Scott: I know that I'm not going to get the right terminology, but there has been—I think it was \$1 billion for new towers for emergency services so they can talk to each other. That was an investment that we had brought forward—again, not me.

Ms. Jennifer K. French: I'm not an expert on this topic, but I know there are those who are.

Hon. Laurie Scott: No, but I just want to say that obviously there have been discussions, because that was early on in our government that we discovered that this had been let go by the previous government and needed to be acted upon quickly.

Also, on the broadband, the different regions: I mentioned eastern Ontario, SWIFT and northern Ontario—

Ms. Jennifer K. French: Minister, I actually have other questions not on broadband, so I am—

Hon. Laurie Scott: I was just going to ask you if you have—we're looking for input for the \$150 million by the

Ministry of Infrastructure to the unserved and underserved, and we know—

Ms. Jennifer K. French: I would actually very much value the chance. I'll follow up with your ministry on that because we do have some local needs, and of course, across the province.

Hon. Laurie Scott: But ideas and deliverers, too, that are out there, so everyone can participate. Thank you.

Ms. Jennifer K. French: You're welcome. Thank you. All right. I didn't know that all my questions were so agreeable. But that will change; don't worry. We're getting there.

Minister, I did ask you, through an order paper question, whether the climate change plan in place will satisfy the federal government's requisite condition for securing the transfer of over \$1.4 billion infrastructure dollars. As per your response, which was about the funding from the green stream, "the portion that will be allocated to non-transit priorities which could include water, waste water, stormwater and related disaster mitigation projects"—that was a quote. That was from—

Hon. Laurie Scott: That's good. You could say it again, if you want.

Ms. Jennifer K. French: I understand that this stream launched at the end of October of this year—the green stream, yes?

Hon. Laurie Scott: Yes.

Ms. Jennifer K. French: Okay. But how many projects and communities have applied? How much money has been allocated? So far, I know that that's not quite the right question, since nothing has been allocated just yet. Is there a cap on this of how much money there can be for these projects? I would love to have a list of approved projects of the money that has been committed, of those who have applied that are meeting the criteria. Where are we with these?

Hon. Laurie Scott: So if I can just start, the deadline hasn't closed yet. It's into January for the green stream. That's the last and the final stream.

Ms. Jennifer K. French: Do you have to wait for all of them to be in before you can make decisions on them, though?

Hon. Laurie Scott: Yes.

Ms. Jennifer K. French: Okay.

Hon. Laurie Scott: Just to make it clear: People can phone. There is assistance at the Ministry of Infrastructure—departments that deal with the programs. So people can see if they qualify, make sure we send them to—the federal government needs a lot of factors—

Ms. Jennifer K. French: Okay. Is there a cap on this, though?

Hon. Laurie Scott: The total spend on that is—

Ms. Jennifer K. French: The green stream. Minister, you had said yourself that it would be very competitive.

Hon. Laurie Scott: Yes.

Ms. Jennifer K. French: How much money?

Hon. Laurie Scott: So the capital total portion of that is—

Interjection: It's \$7 billion.

Hon. Laurie Scott: Yes, it is \$7 billion, okay. If you guys want to get details, it's \$7 billion in total with all three—

The Acting Chair (Ms. Judith Monteith-Farrell): Sorry, just as a reminder that we're trying to help Hansard, so if you could reintroduce yourself.

Hon. Laurie Scott: I don't think anybody is going to start talking, but they will in a minute.

So \$7 billion in total with all the three levels of government. And then it goes to the 40%, the 33%, the 26%.

Ms. Jennifer K. French: Okay. So that's the \$7 billion in total—

Hon. Laurie Scott: Over 10 years now.

Ms. Jennifer K. French: Okay.

Hon. Laurie Scott: The program is launched. The applications are coming in.

Ms. Jennifer K. French: What is the cut-off date?

Hon. Laurie Scott: January 22 of next year. Again, it's in stages, so municipalities had the time. You can't put all four programs out at once, so we're trying to do it—the green stream was the last stream.

Ms. Jennifer K. French: Since the end of October to this point, what is the total funding request? You should be able to tell us that. I realize that maybe they haven't been approved yet or you're waiting for all of them, but in terms of those who have applied, how many applications have you received? What is the total to this point?

Hon. Laurie Scott: We wouldn't have that yet.

Ms. Jennifer K. French: Well, that might not be public, but that really isn't something that this ministry can answer?

Hon. Laurie Scott: All right, more will be added, apparently.

Ms. Jennifer K. French: Thank you.

Mr. Adam Redish: Adam Redish, assistant deputy minister at the Ministry of Infrastructure, policy division.

The one comment I would add, Minister, is that our experience is that for these types of programs people don't apply until the last couple of days. So when the minister was talking, for example, about the community, culture and recreation fund, the uptake of the applications was very low until the last three or four days. We expect the same sort of process through the green stream. So up until mid-January, we'll probably have very few applications. Then most people apply at the very end.

Ms. Jennifer K. French: Okay, that makes sense to me.

A question, though, and this maybe everyone else knows and I just missed it. When you're talking about the 10 years, and this window is closing January 22, does the green stream window open again? How often is that window going to open again? If somebody finds out about this project, like their municipality found out on January 23, how long before there is an opportunity again? Is it 10 years, or is it once a year?

Hon. Laurie Scott: No, no. The money is to be spent over the 10-year period that it's at. We're going to see what we do—

Ms. Jennifer K. French: But the green stream, people applying to have access to that—if they miss this, how many weeks' window? Are they up a creek, or what?

Hon. Laurie Scott: This is the first stage—the first stage, we had said, for the smaller, rural, northern and First Nations communities that had critical water infrastructure needs. They would be the first priorities that we would look at.

Ms. Jennifer K. French: Right, yes, but—

Mr. Adam Redish: If I may, I don't think we know exactly how much will be used up of the allocation in this fund. It will depend on what the applications are. But, I think, broadly written, we expect it will.

As the minister said, this is the stage 1, focused on the critical health and safety. There is a broader piece that we will be looking at in the future. I won't give you a timeline, other than to say probably within the next year, looking at some of the broader pieces like disaster mitigation, broader health and safety. You noted lead a moment ago. It's just like that.

Ms. Jennifer K. French: I still don't have the answer, but I'll come at it from a different angle. Another of my order paper questions was specific to the town of Erin. They're looking for funding for the implementation phase of the town's municipally owned waste water treatment facility. Minister, you had said that they might be eligible to apply for the green stream. So since that's going to be very competitive, and assuming that a community like Erin gets their ducks in a row and gets their application in—maybe they meet the criteria, maybe they don't. There's money in whole or in part, or whatnot.

What happens to another municipality that missed the boat? When this window closes, does everyone else who didn't get on that boat miss it for the next 10 years? Is this a program that's opening every couple—that's what I'm asking about, the window of opportunity. Because when you're talking about the town of Erin, that's not a new problem, unfortunately, for them. But there could be a new problem for another community—and that's what I'm asking: How can communities have access to this?

Because if, at the end when you get that big influx of all of the applications towards the end of the process, you realize, oops, more folks have asked for money than there is money, and you decide based on criteria who gets it, then what happens? They just start standing in line and they wait, or is there another door to this ministry they can knock on and say, "We have significant need. Is there other funding available? Is this it?"

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Hon. Laurie Scott: This is just the first intake—I don't know the population of Erin, but this is for communities of 100,000 and less.

Ms. Jennifer K. French: I don't know the population of Erin. I just know that when I wrote to you, you said they should apply.

Hon. Laurie Scott: Absolutely. This is just the first intake, and we will as—I will pass off to Adam if he wants to add any more. Other intakes are coming. Probably the

second intake will be in 2020. Obviously not now, not 2019 but 2020—

Ms. Jennifer K. French: That's what I was asking: How often is this a program folks can get in on?

Hon. Laurie Scott: Yes, but we do have to see what comes in first, right, and what the needs are, so that helps us see what the needs are also and then—

Ms. Jennifer K. French: So can the payout—wrong word. But can the spending match the need or is there a cap and then people have to wait in line to apply again?

Mr. Adam Redish: The intake we're in the process of doing for the green stream, I think the cap is \$3 million—projects of \$3 million or less, or at least we will fund our portion of the \$3 million of the project. If they want to spend more money at the municipal level on the project, they of course can do so, but our funding formula only applies to the first \$3 million—maximum of \$3 million and there's a sliding scale associated with that, depending on the size of the municipality.

Ms. Jennifer K. French: Okay. So for a municipality like Erin—I don't have their numbers offhand, but \$3 million—it's a massive project. Is there anywhere else for a community like them or a community like Oshawa or a community like anywhere that has a significant need, can they come knocking on the door? Is there any other money that this government is spending on projects like this, if this line is done?

Hon. Laurie Scott: There is the OCIF funding, the Ontario Community Infrastructure Fund. That has been a long-standing program that municipalities can apply for, and for whatever infrastructure projects they're looking at. It could be the project in Erin. They are able to stack that for five years, so they could have a collection of monies. I don't know if I can find it quickly, but the amount the OCIF has got in the past five years—so they can put five years' worth of OCIF grant money that they got towards projects like that, so that's an alternative.

Infrastructure Ontario also does loans to municipalities, which a lot of people don't really know about and which we're trying to say—they work with municipalities on loan programs for infrastructure projects if they need.

There have been programs that have come and gone with federal governments and provincial governments before. Right now, the green stream is three levels of government—I mean, the green stream can also be conservation authorities or non-profit organizations in this stream that can apply for that.

Adam wants to add another point, too, so I'll turn that—
Interjections.

Hon. Laurie Scott: That's good; no, hey, more for me—

Ms. Jennifer K. French: As I'm sure the ministry is, I'm going to be very interested—we all are—to see what those applications look like and how many. I'd hate to imagine that we are forced to turn folks away. I understand that this has a cap or a limit, but I was just curious what the other avenues are, because we have communities that are in need, and \$3 million provincially isn't a lot of money when you're spreading it across the province for—

Hon. Laurie Scott: That's per project, though.

Mr. Adam Redish: That's a cap for these projects.

Hon. Laurie Scott: That's a project cap.

Mr. Adam Redish: The only comment I'd add, Minister, is that as you mentioned, there are 1,300 projects under way. Those were done under the first phase of the federal-provincial program, and that was done on a formula basis. The money was allocated to municipalities on a formula basis, so I'm sure Erin would have got some money from that, and that list of projects closes out, I think, March 31, 2020.

Ms. Jennifer K. French: Thank you.

The Acting Chair (Ms. Judith Monteith-Farrell): We have one minute.

Ms. Jennifer K. French: What? Oh, I was just going to—

Hon. Laurie Scott: I could list off the Durham projects.

Ms. Jennifer K. French: That was a good diversion, because I was about to launch into the Cambridge Memorial Hospital conversation, but I will save that for when we come back.

Hon. Laurie Scott: Okay, because you get to come back again.

Ms. Jennifer K. French: But, yes, if the minister can share any Durham projects in the pipeline.

Hon. Laurie Scott: This is under the clean water and wastewater funding. I think there was a total of—let me see. Anyway, just to kill time, let me flip the pages—

The Acting Chair (Ms. Judith Monteith-Farrell): We have 30 seconds—

Hon. Laurie Scott: Oh, no! Because there were 18 projects.

The Acting Chair (Ms. Judith Monteith-Farrell): It might be another cliffhanger.

Hon. Laurie Scott: So I guess I'll leave with the fact that there are 18 projects with the Durham regional municipality—

Ms. Jennifer K. French: Will the minister commit to supplying that page to the committee?

Hon. Laurie Scott: —and they're from the clean water and wastewater funding list. And this isn't a secret. You can access the list, yes, for sure.

Ms. Jennifer K. French: I know it wasn't a secret; I just want a copy so that I don't have to print it for myself. Thank you.

The Acting Chair (Ms. Judith Monteith-Farrell): MPP Crawford.

Mr. Stephen Crawford: It's nice to have the opportunity to talk, for a change, here. It seems like it's a two-way conversation. But it's great to be a part of the conversation as well, from the government side. Welcome to the minister, and welcome to the ministry staff, for your attendance here today at the last meeting for the estimates committee.

I wanted to start off more on a general note, and then I can go into some more specific questions. I wanted to start off with: After 15 years of Liberal mismanagement, we in Ontario have the largest subsovereign debt in the entire

world and we have schools that are unfortunately not in great condition. We have hospitals that are not in great condition. We have hallway health care. We have poor broadband service across parts of Ontario.

I know that the government in the province has committed to investing \$144 billion in infrastructure over the next decade. I'm wondering if you could give us a sense of how that's going to be allocated and where you see that money going. What are the priorities of the government over the next decade?

Hon. Laurie Scott: Absolutely, infrastructure, as I have said many times here in just the short time that I've been here—we're allocating \$144 billion over the next decade, which is the biggest investment in infrastructure in recent memory. I know that \$65 billion of P3 projects is an historic amount of dollars being put into P3 projects.

As I said, we're investing in what matters most to the people. We're looking at innovative ways in which to deliver the infrastructure. And the Ministry of Infrastructure—I want to give a shout-out to the asset management plan. It has been tremendous in working with municipalities to leverage what they have and what priorities are placed, from what they have said and told us.

The fact that under the ICIP program we saw the need of rural and northern Ontario as a priority—it's the first one to be launched. Those were the priorities from the municipalities. So we've listened to the municipalities and, as I said, we're hoping that the new federal government moves quickly in approving the remainder of the 144 projects that we've put over there.

We are approaching how we spend money in the province like people do in their own households. We're saying, "What's the best investment? How can we make every dollar count?" Ontario owns more than \$230 billion worth of infrastructure assets, which is huge. So that's where the Ministry of Infrastructure—I'll compliment it again—is using the smarter data.

In the short time that I've been in the Ministry of Infrastructure listening to innovative ideas of how to make better stretch of the investments and the dollars and how we do things differently, it has given us better decision points, improving efficiency and, certainly, greater resiliency. I think all of the taxpayers—there is only one taxpayer out there. They all want their dollars to be spent wisely, like we do with our household budgets.

We're looking at the different business approaches to infrastructure, with the prioritization to drive better results. We will break down silos. I know that the member opposite—I'm glad the conversation is now opened up. We've got more people having a chance to chat. But also, we talked about breaking down silos in ministries. She has mentioned some ministries that need to be engaged with our Ministry of Infrastructure projects, and working with our broader public sector partners to change how we plan and procure infrastructure.

I nursed before I became an MPP, and it's interesting when you approach it now. I walk into a hospital now and say, "Is that the most efficient use of space and how you build a hospital?" Saving the steps for the nurses; can they hear the patients—I think we can all experience that.

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One of the examples that was given to me by Infrastructure Ontario was the feedback from front-line health care workers. When we're looking at hospitals, what we've seen built in one hospital—then we look at another one, and it could have had 100,000 square feet less space, say, so that saves a lot of money, but it was actually better care delivery, better for nurses to deliver care. Those are the types of things that we're looking at for innovation and changes in procurement.

We remain committed to investing in this great number of projects that we've announced and that I think I've repeated a few times today, but it never hurts to repeat them. Our infrastructure investments just for this fiscal year are going to be \$14.7 billion. That certainly reflects the commitment to invest \$144 billion in infrastructure projects over the next 10 years. As you can see and as I've said before, the accounting part is released when projects are ready to be built, and there's accountability and transparency for all the transactions. So thank you.

Mr. Stephen Crawford: It has been said that the Internet and broadband is the highway of the future, but I think, really, it's here today. I wondered if you could shed some light in terms of how the province is accessing quality cell service, Internet coverage and broadband throughout Ontario, particularly in rural regions, where it's, obviously, most an issue.

Hon. Laurie Scott: This is my favourite topic: the Broadband and Cellular Strategy. No question—we heard it loud and clear. I've heard it for the better part of the 16 years that I've been elected. The demands and the need for it have risen exponentially. The number of people who would stay in rural areas for business—I have the luxury of living in cottage country. The people who come from cities—I know the member from Thunder Bay probably experiences this too. You would get a lot more people who come up, and they would stay longer if they could get more broadband or high-speed Internet service or better cell service. That helps our economy locally, and they like to stay on the lakes and live in the beautiful parts of the province that we offer.

We have committed to investing \$315 million in broadband. We've spent some in southwestern Ontario—\$67 million—and \$71 million in the eastern Ontario region. We've announced money, I'll say again, the \$30 million for northern Ontario in the Thunder Bay and Matawa project up there.

This is the opportunity to work with—and I have lots of small Internet providers in my area, as well as Rogers, Bell, Cogeco, the larger ones—and to leverage private dollars to reach the unserved and underserved and to have better speed than what exists now. Dial-up: I don't need to mimic the sound of the dial-up tone that lots of people still get in their homes and their businesses.

You hear the Premier talk about it. As he travelled the province, it was unbelievable that in every community, you would hear that. If you go just outside a town—it could be the concession road outside of town in rural Ontario, and you don't have any coverage.

The \$150 million that the Ministry of Infrastructure is planning on spending for the unserved and underserved, to be rolled out starting next year in 2020—it's just a very positive message. We heard their priorities: broadband; cell gap; how do we fix it? We're putting dollars on the table that we want spent. We're leveraging what federal dollars we can. As we want everybody to be up to speed, I think you will see some great results. We're looking for partners out there, as I broadcast to whoever is watching us in committee, to bring us the ideas to the Ministry of Infrastructure. When I was in Thunder Bay, Thunder Bay Tel—I met with them too about their ideas to get the communities that are just outside of Thunder Bay.

I can talk a lot on that, but I'll let you ask another question, maybe.

Mr. Stephen Crawford: That's great. Thank you.

I know you touched on the P3 model. Ontario has had some great success with the P3 model. I understand that there have been visitors from governments from around the world that have come here to see the model that we're operating here. I wondered if you could just shed some more light in terms of what's working here in Ontario, why we're doing so well, how we're doing well, and what are people from other jurisdictions—what are they taking away from what's working in Ontario?

Hon. Laurie Scott: Absolutely. In fact, last week, I was just at the CCPPP conference, which is a global conference that was held in Toronto. We are known globally, in Ontario, as P3 leaders, and that is for people that can be assured of investment in the model that Infrastructure Ontario has built up—their great reputation that is world-wide. Again, I thank Ehren Cory and his team. We look at, again, what are the best ways to deliver the infrastructure that we want, and what the priorities are in the province of Ontario.

When we have the public-private partnership approach, which is the P3s, we hire a project company to deliver the project in the major development phases. With that, we can access money faster; we can get things built faster. But also, we do it in a way that manages the risk. When a company bids on a project and begins the building, the project reaches certain milestones, as you know, as you're building large projects. The province only pays the private company when the project reaches those milestones, or substantial completion. The track record that Infrastructure Ontario has, which was confirmed in 2018 by a third-party report, shows that 95% of the projects are completed on budget, and nearly 70% on time to their original completion dates.

When we introduce the pipeline, with record investments of \$65 billion in our pipeline, we want the market—the global market—to look at us in Ontario for the track record we have in delivering P3 projects, the stable environment we have, a commitment from the government. It has been incredible, since I've been minister, the different countries that are over here, that are already building, that want to come and set up an office to help us build the many projects that are in the pipeline—32 projects that are in the pipeline now. We're talking hospitals, courthouses,

our marquee transit—if I don't need to mention the five lines that we're looking at.

When that approach is taken, different countries want to come and set up practice here. We all know we need skilled trades. We're adjusting to try and get more young people in the skilled trades. We are job creators. We're building infrastructure. We're creating jobs. We're attracting more business to the province. The global market can help us in the P3 models. With them, there is a recruitment from other places—I know I mentioned Turkey before—that actually go over and get workers to come and help us build projects.

The good part with this is that it actually helps our local companies, also. If you have a business that's starting up, they might not be able to bid on a big project. But we're changing things so that smaller businesses can—because even if it's an international business that gets awarded the contract, they also need the expertise on the ground. It helps our small companies grow into maybe mid-sized or bigger companies, so that when the next project comes on to be constructed, they are actually able to bid, maybe, on a bigger portion of it. So we're providing flexibility in the P3 world.

At CCPPP, there was a large audience. They were, as I said, from across the world as well as locally. They were excited with our message. They were excited that our government is committed to build the infrastructure projects we have in the pipeline, in a timely way, changing tools in the tool box, and with the great track record of Infrastructure Ontario. I was on a panel with three other provinces, and all of them thanked Infrastructure Ontario for giving them advice on how they could get a similar agency started up in the province.

Again, it's a good-news story that will continue and will evolve. I'm very proud of our government's commitment to build infrastructure, because that is what they want.

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Mr. Stephen Crawford: I know you touched on Infrastructure Ontario. Could you just explain a little bit how the Ministry of Infrastructure works with Infrastructure Ontario and what that relationship is? I think a better understanding of that would help us here.

Hon. Laurie Scott: Yes. Infrastructure Ontario is an agency of the Ministry of Infrastructure. As I mentioned, Ehren Cory, our chair, is with us here today.

Mr. Michael Parsa: He has already got three shout-outs.

Hon. Laurie Scott: It could be four.

They provide advice and services and their experts on how to do procurement for the P3 model. They're going to support our goal, obviously, of having that expertise to build the projects that we have put forward in the pipeline and that are ongoing.

They now are speaking not only to global partners but also interprovincially on how Infrastructure Ontario has the expertise to put out procurement and planning in-house so that we get the best value for our dollar. They listen, as I said, to the market sounding. Also, the previous minister, Minister McNaughton, started market sounding to—again, I'll go to tools in the tool box for planning and

procurement that we can use. Infrastructure Ontario is an agency that has expertise in planning, procurement and getting things built in the province of Ontario.

Mr. Stephen Crawford: Okay. How much time do we have left?

The Acting Chair (Ms. Judith Monteith-Farrell): You have four minutes.

Mr. Stephen Crawford: Four minutes? Okay. I wanted to move on to transit, particularly in the GTHA. I know that there are probably some fellow members here as well who—I know I take the GO train in every day, and the subway, and we can see the crowds of people already. It's getting out of hand. The roads are bad, obviously. This is going to be critical for economic development over the next few decades—transit development in the GTHA specifically. I'm wondering if you could shed some more light on what the government's plans are with transit in the GTHA.

Hon. Laurie Scott: How many minutes do I have, Chair?

The Acting Chair (Ms. Judith Monteith-Farrell): You have three.

Hon. Laurie Scott: Okay. As I mentioned, under ICIP, the province has nominated 201 transit projects for 53 municipalities outside the GTHA.

The total provincial investment is \$365 million. It includes multiple GTA transit projects with \$11.2 billion in provincial investments, including, as I mentioned, and I will again, the Ontario subway line, the Scarborough subway extension, the Yonge North extension, the Bloor-Yonge capacity improvement project, SmartTrack station programs and many others. As of September this year, 17 projects have received federal approval. As I said, I'm meeting with the federal Minister of Infrastructure tomorrow, so we will continue the conversation. Certainly, launching the intake of projects inside the GTA allows municipalities to submit their most critical transit projects for approval, done in conjunction with municipalities on what their most priority needs are.

With the transit, the new subway lines inside the GTHA and outside the GTHA, there are a lot of projects that will affect a lot of areas and get people moving.

My first stop was in London, where we announced 10 transit projects that the municipality had wanted for that whole area—making a difference, getting us to a greener side also, and delivering what both municipalities and the people in their communities have needed and what their priorities are. We will continue to work with our federal counterparts in getting the approvals done because the municipalities and the provincial government have put the asks in and done their work. I'm very positive that the new Minister of Infrastructure federally will be able to work with us. As I said, a shout-out again to the staff, both federally and provincially, in the Ministry of Infrastructure. They talk to each other, and we try to use that word “streamline” again—streamline the processes to get approvals quickly and get them to say yes.

The Acting Chair (Ms. Judith Monteith-Farrell): Thank you.

Interjection.

The Acting Chair (Ms. Judith Monteith-Farrell): Oh, I'm sorry. I cut you off 45 seconds too soon.

Hon. Laurie Scott: It's okay.

The Acting Chair (Ms. Judith Monteith-Farrell): I'll give you 45 seconds later.

Hon. Laurie Scott: All right.

Mr. Stephen Crawford: On that point, if I could just, with that 45 seconds, in terms of—how has the federal government been responsive to our subway initiatives? Are you making progress? Have you talked to the minister?

Hon. Laurie Scott: I'm very optimistic. As you heard in the election campaign, the Ontario Line, especially, was endorsed by the Liberal Party at that time, which has now become the Liberal government. It was certainly endorsed by the Conservative Party and leader at that time too. I think Ontario—I don't think it really realizes that Toronto is the fourth-largest city in North America, and we have lots of people and lots of needs, and transit is key.

The Acting Chair (Ms. Judith Monteith-Farrell): All right. Thank you. Back to the official opposition.

Ms. Jennifer K. French: Okay, so I would like to focus on the Cambridge hospital P3 project. The Cambridge Times recently reported that the new A wing is finished, representing \$65 million worth of the \$187-million P3 project. Under the P3 contract, the hospital is supposed to make payments upon interim and then substantial completion. Has this project finally reached interim completion, even if it's three years late? Yes? No?

Hon. Laurie Scott: Good question. Do you just want a yes or no?

Ms. Jennifer K. French: Yes, I've got a whack of them.

Hon. Laurie Scott: I don't get any time to explain?

Ms. Jennifer K. French: No.

Hon. Laurie Scott: So, yes, the announcement—was it last week—that the tower project would be opening—I think the keys are with the hospital and they're going to open in January 2020. I think the date is the 18th, so that tower will open.

Ms. Jennifer K. French: Okay, thank you.

Hon. Laurie Scott: But that is a perfect example of a P3 that worked to protect the taxpayers.

Ms. Jennifer K. French: I feel like the minister and I have different appreciations of the P3 model, so I'm going to delve into some of that. Last month—

Mr. Stephen Crawford: Point of order. Chair, I'm just wondering, with the remaining time, normally is the time split between the opposition and the government? Isn't that normal protocol?

Interjection.

The Acting Chair (Ms. Judith Monteith-Farrell): So I have a ruling. Normally, had we gone through all the rotations—but since we have a very limited time in estimates and we haven't gone through the whole time allotment, it's just going to have the regular rotation.

Mr. Stephen Crawford: Okay. Thank you.

Ms. Jennifer K. French: Last month the CBC reported that a brand new P3 hospital in the Yukon had been

plagued since day one by mould caused by leaks of grey water containing bodily fluids, which sounds awesome. The original P3 contractor was Carillion, which we've heard of, of course. It collapsed last year.

There are disturbing similarities between the collapse of Carillion and the evident collapse of Bondfield, the P3 contractor for the three hospital projects. Like Carillion, Bondfield entered creditor protection while in the middle of various hospital P3 projects. Like Carillion, new construction contractors are needed to finish Bondfield's work. Like Carillion, there are various lawsuits to determine who is responsible for Bondfield's mess and who will still get paid and how much.

How has or will the hospital or Infrastructure Ontario make sure there will be no mould or grey water leaks or other deficiencies in the new A wing?

Hon. Laurie Scott: If I can just add a small bit, and then I'm going to hand it over to Ehren Cory, whom I've spoken a lot about today. With the case of Bondfield, Infrastructure Ontario works with the lenders and the court monitor and surety to complete the project. So there's very much a clear, detailed process of what happens when a Bondfield situation occurs.

I want to pass it over to Ehren to add comment, if you would allow me.

Ms. Jennifer K. French: Yes, because I want to know who will inspect or verify the quality of the work that has taken place so far. Is there a report by an inspector verifying that the contractor has done everything it was supposed to for interim completion? If there is a report of that, we would love to have it. Ehren?

Mr. Ehren Cory: Ehren Cory, president and CEO of Infrastructure Ontario. Thank you for having me. Thank you, MPP French.

Ms. Jennifer K. French: It's nice to see you again.

Mr. Ehren Cory: It's nice to see you again.

I appreciate the comments of the minister around our track record. I also want to say, one should always be suspicious of anyone who says any model solves all problems. I think that's a dangerous place to start construction. Problems are challenging.

Our track record, which we're incredibly proud of—you mentioned the numbers, Minister: 95% on budget and 69% on time. That does mean that 31% were late. So I just want to be very acknowledging of the challenges that all projects can face.

Ms. Jennifer K. French: I sat on public accounts and we spent lots of time on the realty file of IO and hospitals. I have a very detailed memory of all that can go wrong, sir. Yes.

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Mr. Ehren Cory: So the benefit of the P3, though, to be clear, is that it does two things: It creates an incentive for the projects to get done as quickly as possible—

Ms. Jennifer K. French: I'm sorry to cut you off, but since we're limited for time, I want to know who's going to inspect or verify the quality of the work that we're talking about on the new A wing specifically.

Mr. Ehren Cory: On all of our projects, before payment is made, either at interim or substantial completion, there is a certification process by an independent body, an independent certifier who certifies that the work has been done to quality. If there are deficiencies in the work—there are always minor deficiencies in a construction project; small repairs to be made—we withhold money to pay for those. So for any deficiencies that are identified in that certification process, the hospital will retain money—

Interruption.

The Acting Chair (Ms. Judith Monteith-Farrell): I'm sorry to interrupt, but we have a bell, so I think that—

Ms. Jennifer K. French: Is it a five-minute bell, Chair? Is it a 10-minute bell?

The Acting Chair (Ms. Judith Monteith-Farrell): We're finding out. Ten minutes.

Ms. Jennifer K. French: Thank you.

Go ahead.

Mr. Ehren Cory: Yes, so in answer to your question, that work is certified. For any minor deficiencies identified in that process, we withhold money. In this case, the hospital withholds money to repair it.

Ms. Jennifer K. French: Okay. The Cambridge Memorial Hospital: Everything right now is a complete mess. The auditor found \$80 million in suspicious payments from the contractor for services that seem to have never been rendered; two other hospital P3 projects with the same contractor also in limbo, including one contract that was awarded under suspicious circumstances involving a St. Mike's hospital official who had also been business partners with the contractor's owner and who had previously admitted to procurement fraud. It's a mess.

For all of these projects, I'm just curious—whether it's Cambridge Memorial, St. Mike's or Hawkesbury and District General: What work remains to be completed? What is still taking place? Who's doing the work? Who's paying them? Where are we?

Mr. Ehren Cory: Respectfully, I don't think they're a mess, and I think that in many ways, the value of the P3 model is proven in challenging times.

Cambridge hospital: We have not paid any money through the last years of work. We had a fixed-price contract. It was bid competitively; there were multiple bids for that. The winning contractor bid a fixed price. They have worked for years since. When they went into receivership, the lenders had to bring in completion support to get the project done—and that's proven by the fact that the tower did reach IC last week and will start accepting patients in January.

If you look at projects that that contractor was doing—they're doing many, many projects across the province, not only those three hospitals with us, but dozens of other projects—without talking about other projects, specifically if you looked at the track record of how many of those have gotten completed since receivership, you won't find many. The fact that we had financial incentive, that we had private lenders whose job it was to step in and complete the projects, is actually a benefit of the model.

The delay is incredibly frustrating. It's frustrating to the people of Cambridge; it's frustrating to us as IO. We try to

drive completion; that's what we've been doing. To answer your question, the same thing is happening at both Hawkesbury and St. Mike's. Work is continuing. There are plans in place to continue the work. Hawkesbury is largely done. A new wing opened there prior to the receivership; it's just finishing the renovations of the existing hospital—that continues, with completion resources. St. Mike's is earlier in its process but will end up in the same place.

Ms. Jennifer K. French: Okay. There are some pieces, though, that are—I would go back to calling them a mess. It might have been more simple if it was a regular, traditional project, with the hospital hiring Bondfield to build a project covered by a surety bond. But since this was a P3, the hospital hired Project Co., which hired Bondfield, which owns Project Co., which pays Bondfield with cash borrowed from the BMO consortium, which has an agreement with Project Co. but not with Bondfield, which has an agreement with Zurich, which has no agreement with Project Co. It all means that the whole mess is currently being litigated in Superior Court. No one really knows who is authorized to do what or who currently owes what to whom.

That was hard to read and keep up with, by the way, so there you have it.

My question is: If the whole point of P3s is to avoid risk, does that seem risk-free to the minister—a process like that?

Hon. Laurie Scott: Actually, the case you just brought forward is why a P3 model works the best.

Interjection.

Hon. Laurie Scott: No, the taxpayers would have been on the hook for the years of delay. As we have said, it is not great to be in the Cambridge area and have a delay in their hospital expansion. But that is why the P3 model works—because the taxpayers, the government, all of us would have been out all of that money, whereas, in this situation, the company had to be taken over by surety bonds and that process developed. But the taxpayers didn't bear the burden of—what?—the three years' delay, the over costs, the pricing.

That is actually an example of how the P3 model protects the taxpayers and takes more of the risks on when the private companies that deal with Infrastructure Ontario contract it out. Procurement, done properly, protects taxpayers' money. So we as a government, and the people of Cambridge, being taxpayers, would've been out that money. I know that Ehren can go into more detail, but that is the approach where the risk is transferred to the private company. The risk isn't borne by the government, which would have had a lot of those expenses. You could use examples of other models that we could've protected the taxpayers better if a P3 model had been used.

Ms. Jennifer K. French: I appreciate the minister's answer there. I do have some specifics, Mr. Cory—well, Minister, but perhaps Mr. Cory. How much has Bondfield,

the construction company, been paid by Project Co. for the Cambridge hospital P3 project so far?

Mr. Ehren Cory: There has been no payment on the Cambridge hospital so far.

Ms. Jennifer K. French: Okay. What are the estimated costs of completing the full P3 project at this point? Is there any chance that it might cost more for Project Co., or whoever steps in, to complete the project than what the hospital would pay to complete the project?

Mr. Ehren Cory: I think it's very likely that it's going to cost more for them. Taxpayers are going to pay the original contracted amount.

The Acting Chair (Ms. Judith Monteith-Farrell): We have two minutes left.

Ms. Jennifer K. French: Thanks. At what point should we worry that the private contractor will cut their losses and simply walk away?

Mr. Ehren Cory: Well, just remembering the structure—if I may, Minister. Our contract with the project company, which is really with lenders—the only way that they're going to get paid by us is to complete the project and turn it over in usable shape and inspected. So they have an incredible financial incentive to finish the project.

In a scenario, MPP French, where they've decided to walk away, we have the money originally contracted, and we would be starting from whatever they had invested, which is a lot of money and a lot of work. We'd be starting from there and having not paid any money, so we would still have the ability to finish the project. But I see that as highly unlikely, given their incentives.

Ms. Jennifer K. French: Okay, thank you. Have the investors sought to renegotiate terms for completing the remaining two thirds of the Cambridge project?

Mr. Ehren Cory: No, our contract remains as is.

Ms. Jennifer K. French: Okay. Does the Cambridge P3 contract allow the hospital to impose financial penalties for late delivery? How would the hospital agree to waive penalties? So, again, is the hospital afraid that the investors might walk away?

Mr. Ehren Cory: The first thing is, the contract is designed, first and foremost, around incentives. You used the word “penalties”; I'll talk about it in a second. But the first driver is the incentives. So for every day that the contract is late, they have interest costs, because they've borrowed that money. The lenders have lent money—tens of millions of dollars, in the case of Cambridge. So they've got interest accumulating, so they have maximum motivation. So we start not from a place of penalties, but—

The Acting Chair (Ms. Judith Monteith-Farrell): I am sorry, but we have run out of time. Maybe you can continue the conversation after.

That concludes our time for today. This also brings us to the end of our consideration of the 2019-20 estimates. The Chair will be reporting back to the House tomorrow afternoon.

Thank you, everyone. We stand adjourned.

The committee adjourned at 1800.

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