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**Official Report
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(Hansard)**

Wednesday 11 December 2002

**Journal
des débats
(Hansard)**

Mercredi 11 décembre 2002

**Standing committee on
government agencies**

Intended Appointments

**Comité permanent des
organismes gouvernementaux**

Nominations prévues

Chair: James J. Bradley
Clerk: Anne Stokes

Président : James J. Bradley
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON GOVERNMENT AGENCIES

COMITÉ PERMANENT DES ORGANISMES GOUVERNEMENTAUX

Wednesday 11 December 2002

Mercredi 11 décembre 2002

The committee met at 1005 in room 151.

INTENDED APPOINTMENTS

CRAIG DELLANDREA

Review of intended appointment, selected by official opposition party, Craig Dellandrea, intended appointee as member, Board of Management for the District of Nipissing East.

The Chair (Mr James J. Bradley): I will call the meeting to order. We have one formal item of business this morning, and we might take an opportunity to briefly discuss some other future considerations.

The only item on the agenda at this time is consideration of the appointment of Craig S. Dellandrea to the Board of Management for the District of Nipissing East.

Mr Bob Wood (London West): I move concurrence. I'm advised that the board of management's practice is to require members to declare any conflicts of interest at the start of their tenure and then to withdraw totally from consideration of any matter in which they have a conflict. Conflicts that arise during tenure must be immediately declared.

The food contract of the board involves a small portion of the total business of the board. On the basis of this information and my view that this appointment is a good one, I ask the committee to concur in the appointment.

The Chair: Any other comment?

Mr Tony Martin (Sault Ste Marie): I just find this appointment and approval outlandishly brash on the part of the government. I can see that from time to time there may be a sort of indirect conflict that somebody might declare, and I've seen that and respected that. But we have such a clear, direct and obvious conflict here. Here's a guy who is in senior management with a food services company that provides food to the one home in the district that they oversee, and you suggest he's going to be able to disentangle himself from that—I mean, the sitting around having coffee, the talking, the Christmas parties, the things that happen between board members and the little nudge-nudge, wink-wink that goes on about things.

He's going to have the agenda sent to him. He's going to know what's coming up, when those contracts are coming up, and will have unbelievable access to the folks

who make the decisions. I just can't understand this. I would—well, I'll leave it at that for now. I just think this is outrageous, probably one of the most outrageous things I've seen since I've been on this committee.

Mr David Ramsay (Timiskaming-Cochrane): I would also like to put on the record my objections about this appointment. SERCA Foodservices' eastern division is headquartered in my riding, in Sturgeon Falls, so I have an interest in this issue. My objection would be that even though we have conflict of interest guidelines that are spelled out, I would want to point out to the government, why would we put somebody in a major conflict when we are considering government appointments to agencies, boards and commissions?

A conflict that really is so major as supplying food for a home for the aged is a major consideration; it's not just a minor issue. Tendering for these services would come up on a timely basis. But not only that; food being an integral part of accommodation, a board such as this would receive complaints about food services, for instance. So there would be continuing discussion in handling complaints, discussions about the food service. This person would continually be in a conflict.

This is a major institution in the area, a major customer for SERCA. It really is unseemly that you would put this person in this direct conflict. I would really ask that the government withdraw this appointment.

1010

Mr Frank Mazzilli (London-Fanshawe): On a small point, these are all good points that were raised, but something we often don't look at is that no matter what the board or agency, or whether it's an elected body, most do have conflict of interest rules and guidelines. The difficulty in some cases is that if you're an elected member and your spouse works for the government and there's funding that comes out of the government directly, you could be affected directly and you could have to consider this a conflict of interest. This would mean it prevents you from doing the job in the first place.

Like I said, this was a good point that was raised. But I'd be more concerned if you had someone from a competitor who didn't have the contract and wouldn't have any conflict to disclose, per se. In those cases, that person could come before us, certainly not declare any conflict and be on the in. I would say that all boards and agencies do have their conflict of interest guidelines, and you'd expect everybody to take those seriously.

Mrs Leona Dombrowsky (Hastings-Frontenac-Lennox and Addington): I think it is important that I voice my objection to this recommendation. As my colleague and the member for the third party have clearly indicated, food services are probably one of the most important services offered in a home for the aged. When we place our relatives and family members and friends there, it's because we want quality care, and providing them with good nourishment is an important component. I would suggest it's also an area that the home would receive a good deal of comment and feedback about.

I think it is also important, when we appoint people to these important roles within our community—I believe there's an expectation within our community that we appoint people who can be full participants in all discussions. To knowingly appoint someone who we know from the outset will not participate in a significant portion of the work that is done, particularly around issues of nourishment and nutrition and how those things are managed, and can they be better managed—for an individual to have to regularly declare that conflict, and by doing so not participate in any of the conversation, discussion, debate or decision around that, I think, is an injustice to the people in the community who expect that they have a local representative who is considering their perspective and not saying, on certain very important issues, "I'm sorry, I cannot participate because I have a conflict."

I think we have an obligation to look for people who can fully participate and fully represent the interests of the people of the community. That conflicts happen on boards is true. They do happen, and that is why guidelines are there. But to place someone on a board when we know that at least a portion of the business, and possibly a good deal of the business, would place this person in a conflict, I think, is quite irresponsible. I think we have an obligation to the people in this community to look for individuals who can fully participate in any and all discussions, debate and considerations of this board.

Mr Wayne Wettlaufer (Kitchener Centre): I wonder if I could go back about six years. I recall at that time a committee was going around the province of Ontario to look into the question of automobile insurance. It was a question at that time where the finance minister felt I had a conflict of interest because of my insurance experience and the fact that I was in the insurance business up until the time I got elected. I went to the Integrity Commissioner to get the views of the Integrity Commissioner on conflict of interest. The Integrity Commissioner said at that time that just because someone had an area of expertise—was in the business—should not automatically disqualify that person, that conflict of interest only came into being if he was in a position and took advantage of the position for his profit or advantage or someone else's advantage who was close to him.

It's not that he would give a profitable contract to someone but that he was in the position to profit or take advantage himself. However, if he declared that up front,

as I did, and then found that he was in that position, he could withdraw from the decision-making at that point. That is not to disqualify the person from taking part in the committee from the start. It's only at a particular instance within the committee's jurisdiction.

Now, I do want to say that I'm a little bit flabbergasted. I know Ms Dombrowsky was not here at the time, but certainly Mr Ramsay was and certainly Mr Martin was at the time their governments were in place and, gentlemen, your governments made appointments based on nothing but political expediency because someone happened to be a member of your parties. They had no area of expertise. You had no conflict of interest guidelines in place; it was this government that put conflict of interest guidelines in place. I'm a little bit flabbergasted.

Mr Ramsay: Mr Wettlaufer really makes my point, because what you're doing here, with this appointment, is putting this person in a position of influence in regard to his day-to-day work activity. If you look at the job description of Mr Dellandrea, part of his job description is promoting products. So he's an active inside salesperson, sales rep, and his job is to promote products. As you know, salespeople work on bonuses and commissions. He is in a direct position here to gain from doing his job well by promoting new products for his company to the institutions that he is servicing there. In the day-to-day operation, he's in this position of influence because he's the government's guy on this board, very well connected to the government political party in North Bay.

So he's on the phone doing his product promotion, which is a very legitimate part of his work for his company, and the executive director is getting a call now, or the head of food services in this institution is getting a call from one of their board members, who is very well connected, talking about a new product that maybe the institution should be purchasing for the people they serve in the institution. You've put him in a direct conflict where he can gain personally, on a day-to-day aspect of his work life. That's all I'm saying, and I think that's wrong. He's in that position of influence.

It's going to be intimidating for staff people that he has to deal with in doing his job, his legitimate work, because not only is he a member of the board but he is also a very well-connected government appointee to that board.

Mr Martin: I just wanted to respond as well to the comments of Mr Wettlaufer in that I think, in the example he used of his own circumstances, it's like comparing apples and oranges. To be appointed to a board looking at a piece of public business to give input, of course it would be helpful to have somebody with some background and experience and understanding. I wouldn't expect that you would go or even have the opportunity to sit on a committee such as the one you've suggested and then somehow gain some personal, direct benefit for yourself. You would be making recommendations, you know?

In this instance, you have a very direct and clear conflict and problem in that even if this guy withdraws from the decision-making, and there's a huge contract on the table being decided on, everybody around that table knows they've got to look this guy in the eye, a half an hour or an hour at the next meeting, and sit with him—the influence that's there, in so many ways.

You talk about appointing party members. One of the biggest frustrations we had when we were the government was that we couldn't in fact get enough party members appointed. We couldn't get the appointments secretariat to appoint some of the people.

Interjections.

1020

Mr Martin: Well, it could be. I don't know what the problem was. We'd bring forward what we thought were very good appointments, and they'd be turned down. I think it was probably because they were seen to be too politically connected and wouldn't be appropriate. So the truth of the matter doesn't hold here.

But I have a short list here of people who were on—we got a batch of appointments on Monday or Tuesday of this week, I think, that we had to respond to. Out of that group—and there are usually nine or 10 to a batch—there are one, two, three, four, five of those people who have given minimum \$275 donations to the PC party over the last couple of years—we do the research here. I was just wondering, and maybe you could clarify here, does the appointment depend on how much they give or whether they're actually connected or whether, in this instance, they hold—Mr Wettlaufer might have something to say on this. This guy is the president—

Mr Bert Johnson (Perth-Middlesex): Five hundred.

Mr Martin: It's \$500. If they give \$500, they get an appointment and then, I guess, depending on how much—

Interjection.

Mr Martin: Well, we have one here to give you. Do you want to know who it is so you can go back and say, "That's not enough"?

Mr Johnson: No, that would be a conflict.

Mr Martin: That might be a conflict. I see, OK.

We have before us here somebody who is the president of the Alliance party riding association and then a member of the PC party. I guess maybe that's why we're fighting so hard for him, since I have his—you folks line up fairly closely with the Alliance, actually. It's more than "progressive" Conservative.

Anyway, there's a whole list of appointments we're going to be dealing with in the next little while who have given significant amounts of money to the Conservative Party. Is that what this has come to? I guess the question I have for the Chair is, do we have the ability in this committee to bring this particular appointment before the Integrity Commissioner for advice? Is that something we can do?

The Chair: I'll turn to our clerk for advice. That's not a question that's been asked before, but we may be able

to obtain that information. Mr Wood, you're an expert in a lot of things. Is that possible?

Mr Wood: I think you'd have to find out the mandate of the Integrity Commissioner, which I did not understand extended to agency appointments. But I don't want to offer that other than as a superficial understanding. I think the right thing to do would be to inquire of the commissioner exactly what his mandate is, and that would get an answer to the question Mr Martin has posed.

The Chair: As always, Mr Wood is helpful in his counsel and advice. I should say to my friend Wayne before this goes on, one of the things that happened—because it happens probably with every government—was that all the Liberals used to complain that there were not enough Liberals being appointed when the Liberals were in power. We'd be appointing New Democrats and Conservatives and they'd be complaining constantly to us about that happening. So I must say it probably happens to everybody. Everybody gets those complaints.

Mr Mazzilli: On a point of order, Mr Chair: Just for the record, I've appointed many Liberals, but they don't find their way over here. They just seem to get through the system without being called by the official opposition.

Interjection.

The Chair: That could be the case. Anyway, I'm sorry to interfere in the middle, but I thought Wayne would get a kick out of hearing that there were a lot of frustrated people.

Where was I? Next, is Mrs Dombrowsky and then Mr Wettlaufer.

Mrs Dombrowsky: I would like to speak to the appointment of Mr Dellandrea and try one more time to have the government understand the very serious concern I have with this appointment. The government members would know that I support individuals who come to this committee who are members of all parties as well. That's not the issue here for me today.

In the material that Mr Dellandrea provided to this committee, he very clearly indicates in terms of his work responsibilities that one of his responsibilities is to handle problems and questions for his company. So again we have the spectre, the possibility, of a situation that would arise where this particular client of the company would have received complaints about food services. While he may not have been at the table—he may have declared his conflict, he's not at the table to debate the issue—ultimately he's going to be involved in it. How comfortable, how fair is it to the administration or members of the board of that home for the aged when they have to pursue an issue of quality or value for money that they're paying Mr Dellandrea's company? He's the person they meet when they make the complaint. This is in his own document; I'm not surmising this. He very clearly indicated he is responsible for handling problems and questions with SERCA Foodservices.

Again, in fairness to the people of that community, particularly those people who are offering their services

to ensure quality service for people in that home, I think that it's very serious. I'm sure that they would not appreciate being placed in that kind of difficult position should a situation arise around the quality of food services that are provided. The very person they would be going to would be Mr Dellandrea. There's no assurance. While he has to declare a conflict at the board, there's nothing to say that would be seen as conflict in his place of work; in fact he might be encouraged to try to ameliorate the issue because he's a member of the board.

I feel very strongly about this. I want the members of the government to understand that this for me is an issue about ensuring that the person we appoint in a very important role for the people of that community can be a full participant and would not cause some considerable—I don't want to say "grief," but it would be a very uncomfortable situation, I would suggest, if members of the board or representatives of the home for the aged had to bring issues even to this company that provides them with service.

The Chair: Mr Wettlaufer is going to pass, so I will go to Frank.

Mr Mazzilli: What has been raised is a good point. There's no question about it, I don't believe. But it has been raised and certainly highlighted because the person came before us and these issues were raised. It has been made into a bigger deal than it probably is.

At the same time, this does happen every day. Many volunteers choose to serve on boards where it's a home for the aged in all our communities. Many will want to do it strictly out of public service. But if we want to start scrutinizing all of them to this level, I would suggest that we could do it in almost every single case where you have someone who has joined a board because his or her grandmother is in that home and wants to have input, and so on. But if you start scrutinizing that person, you'll find that his or her spouse works for a soap company that could possibly want to sell to that home.

So my point is quite simple: the person came before us; he wants to serve his community. The potential conflict was certainly highlighted to a point, and a good point. My simple suggestion is, if we go down this path, I can tell you that for almost every single appointment in all of our communities, you could raise the same issue.

Mr Wood: I guess I would observe that the reason we have conflict of interest rules is to widen the pool of talent available for appointments to public bodies. My view at least is that a conflict in and of itself does not disqualify you. When you apply the principle of that to a particular case, of course you get different conclusions, as we heard this morning. I think all of the views that have been put forward this morning are sincerely held, legitimate views. It comes down to the application of those principles to a particular situation. That's what we have to do here. Each member will have to decide his or her view as to what the right conclusion is.

The Chair: Any further comment at all?

Mr Martin: Recorded vote.

The Chair: If not, I will call the vote. Mr Martin has requested a recorded vote.

All in favour of the motion put forward by Mr Wood regarding Craig S. Dellandrea and his appointment to the Board of Management for the District of Nipissing East? He has moved concurrence in the appointment.

Ayes

Johnson, Mazzilli, Wettlaufer, Wood.

Nays

Dombrowsky, Martin, Ramsay.

The Chair: The motion is carried.

COMMITTEE BUSINESS

The Chair: I would just like to canvass members of the committee informally regarding another matter that should only take a moment or two.

First of all, I should say that Mr Crossland is the only person we have at this time, although by Thursday of this week, everybody has to indicate if they would like to see any of the latest appointments from cabinet come before the committee. That has to be in on Thursday by 5 o'clock. He is the only one so far. He has been extended to January 21.

Also, there is the matter of the Sudbury CCAC. The last I recall, members of each caucus were asked to talk to their House leaders regarding the possibility or timing of this matter coming before the standing committee on government agencies. We would need a letter today or tomorrow in this regard. Anyway, I want to go to Mr Wood.

Mr Wood: On the matter of the review of the CCAC, I guess we're in the hands of the House: we either receive a resolution over the next couple of days or we do not. We can then arrange our agenda accordingly. Certainly from the government's point of view—by that, I mean the government members on this committee—I think if the House so directs, we're prepared to do it during the intersession. If they don't direct that, we're certainly prepared to tackle it when we get back in the regular session.

The Chair: Any other comments? I presume members have spoken to their House leaders regarding this and the House leaders are discussing this matter. I'll ask our clerk what formal action might be contemplated by this committee.

Clerk of the Committee (Ms Anne Stokes): The only thing I can see is, if the committee wanted as a committee to go forward formally to the House leaders, I could prepare a letter to that extent. But I believe the understanding was that each caucus would discuss it with their own House leader. The only other option is if you wanted a letter to go from the committee asking for the authority.

Mr Wood: I might indicate, on that point, that we have not changed our view. What we have done is transmit the interest expressed by some members of this committee to our House leader. We think it's a matter for the House to decide. We are not thinking in terms of making a recommendation, pro or con.

The Chair: Any further comment? If not, we'll leave it at that. The House leaders will be having meetings, no doubt, on an ongoing basis these days, as they usually do in the latter days of the House sitting. We will be at their mercy, shall we say, in this particular case, but each party will have transmitted to their House leader their concern or their desire to see this matter come before the committee in the intersession. As Mr Wood has appropriately

pointed out, without that approval, without that motion before the House, this matter could not be dealt with until the House were to return.

Mr Wettlaufer: Mr Chair, can we be assured that you will express to the necessary House leaders your extreme desire to sit at that time?

The Chair: I will be more than pleased to do that, Mr Wettlaufer, as always.

Any other business for the consideration of the committee? If not, I'll entertain a motion of adjournment.

Mr Wood: So moved.

The Chair: All in favour? Opposed? The motion is carried.

The committee adjourned at 1034.

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