



ISSN 1181-6465

Legislative Assembly
of Ontario
Second Session, 38th Parliament

Assemblée législative
de l'Ontario
Deuxième session, 38^e législature

Official Report of Debates (Hansard)

Tuesday 24 April 2007

Journal des débats (Hansard)

Mardi 24 avril 2007

**Standing committee on
estimates**

Office of the Premier

**Comité permanent des
budgets des dépenses**

Cabinet du premier ministre

Chair: Tim Hudak
Clerk: Katch Koch

Président : Tim Hudak
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Hansard Reporting and Interpretation Services
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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

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 24 April 2007

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The committee met at 1602 in committee room 1.

OFFICE OF THE PREMIER

The Chair (Mr. Tim Hudak): Good afternoon, folks. We are here today for consideration of the estimates of the Office of the Premier, for a total of eight hours.

Before we begin, I'd like to clarify the role of legislative research with respect to the office before the committee today. The research officer is assigned to the committee to support the work of the members of this committee. Her primary function is to research and prepare briefings, summarize submissions made to the committee, draft reports to the House and, in this case, help committee members track questions and issues raised during the review of estimates.

The office is required to monitor its own undertakings resulting from the consideration of its estimates, and I trust that the Deputy Premier has made arrangements to have the hearings closely monitored with respect to questions raised, so that the office 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. In other words, we want to make sure that any questions that couldn't be answered at the committee are answered to the members of the committee as soon as possible, and this will help us track those questions and have them answered in a timely fashion.

Are there any questions before we begin?

Okay, we will start with vote 2401, which means we will begin with a 30-minute statement by the minister, 30 minutes to the official opposition and 30 minutes for the third party. Then the minister will have 30 minutes for a reply. The remaining time will be apportioned equally among the three parties.

To make sure I'm clear, we have the Deputy Premier, Mr. Smitherman, appearing before the committee; we have Tony Dean, the Secretary of Cabinet; and Shelley Gibson, the director of corporate planning and services. Thank you for your attendance here today.

Mr. Deputy Premier, the floor is yours.

Hon. George Smitherman (Deputy Premier, Minister of Health and Long-Term Care): Thank you. I consider it a great privilege to have an opportunity to be back before estimates committee, albeit in a slightly different fashion than I have become privileged to know. But it's fantastic to know that I share this distinction with my friend Garfield Dunlop, who, in a previous incar-

nation, had the opportunity to appear on the Premier's behalf in estimates.

I believe that all members have been provided with a chart which will form the outline for my 30-minute opening today. I apologize that it's not prepared text, but I thought it would be helpful to give people a guide to what we are working for.

For purposes of understanding the chart, it has two columns. The left-hand column I would call the "Now" column, and the right-hand column I would call the "Then" column. The first item we deal with is very specifically with respect to the item before us, which is the allocation for the Office of the Premier of the province of Ontario.

The year that Mr. Dunlop had the opportunity to present—I'm going from memory here, but I believe it's correct—was the last time the Premier's office was before this committee for purposes of a presentation and discussion related to estimates. You can see the budgetary information for that fiscal year. In the 2002-03 fiscal year, the Premier's office produced an expenditure rate of \$3.8 million at the end of the year, versus their estimates, so an actual of \$3.8 million, versus the then-established estimate, which was \$3.1 million.

There are two things that make this noteworthy. First, this was 23.5% over the budget allocation for the Office of the Premier in that year. If we look at the information that's been presented with respect to the estimates for the Premier's office this year, we can see that the Premier's office budget estimate for 2007-08 comes in under the \$3-million mark. I'm very pleased to be part of a government that has been able to see the operation of the Office of the Premier take shape in a way that the estimate for this year is on par, relatively speaking, with actual expenditures for the fiscal year just past, still many hundreds of thousands of dollars below the actual expenditure of a government four or five years ago.

Of course, if members wish to speak about it more, I'm very pleased to be in the company of representatives of Cabinet Office, especially—I shouldn't say it like that—but with Mr. Tony Dean, who obviously is presiding over the operation of the Cabinet Office, which has similarly been an area in government expenditure where the overall pattern of expenditure is lower than the trajectory we inherited when we came to office in the fall of 2003.

On the health care front, we were then dealing with the circumstance where Ontario had gone through a very

gut-wrenching process with respect to the closure of 28 hospitals. The hospitals in Ontario were still reeling from the 1995-97 time period, when the then government made absolute cuts to health care funding and especially to hospital funding. A corollary of that was that thousands and thousands of nurses were fired, then being consigned to the dustbin of history, kind of like the hula hoop. Well, the hula hoop has made something of a resurgence, I'm told, and so too have nurses in the province of Ontario. If we look to the left-hand column, we can see that the commitment to more nurses and doctors is one we have been very proud to advance through the fiscal envelope of the Ministry of Health this year. Investment should see nursing numbers come up to 8,000 new nurses.

There's been unprecedented investment in the capital stock of hospitals in Ontario. In fact, all the opposition members here have a close association with hospitals in their communities or nearby them that are either involved now or on the cusp of very major capital reinvestment. Through the concerted efforts of many on the front lines of health care, wait times for health care are down. And we're really proud of a variety of initiatives. Some of those specifically worth particular notation are the initiatives we've all had the privilege, as members, of being involved in delivering in terms of our kids. We've seen a significant reduction in the rates of youth who are smoking, we've introduced a newborn screening program that has moved Ontario from worst to first and we've had very good exposure and uptake on new free vaccines that were added.

In terms of education, if we look back and then forward, the education circumstances we inherited at that time are perhaps best personified by the fact that an astonishing 24 million days of learning were lost to our students due to the kind of turmoil that had then become commonplace in our public education system. We had a government that was prioritizing public education resources for the provision of private schools. We had 500 schools closed and a general state of chaos.

We would all acknowledge that the public education system, of course, experiences many challenges, but we're really proud of the progress we've made, and especially, if we're very forthright about it, that hard-working front-line providers have achieved. Smaller class sizes, with 65% of classes already capped, mean better learning environments in the youngest grades—Dr. Fraser Mustard and Margie McCain, among others, have been so effective at letting us all know about the necessity of giving our kids all the advantages of time that they can have, especially in the earliest years. That, of course, has meant more teachers. They've produced higher test scores—teachers and our kids working together. We're very proud of the fact that there are more grads. We don't think we have maximized our potential to keep young people in school, and there are further initiatives that our colleague the Minister of Education has enhanced, but a general transition to peace and stability in our schools has produced very promising results that we're very keen to build on.

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We would all agree, of course, that children are a very special part of the mission for all of us. In the past government, child care money was dedicated to tax giveaways, there was no introduction of new child care spaces, autistic children were cut off from government funding and resources at the age of six, there was a sheer shrug of the shoulders on the part of the then government with respect to tracking deadbeats who were not fulfilling their parental support obligations, and the child advocate of the day, in a manner that any of us who were here in those days could remember, was muzzled in a very, very serious way.

The children's agenda, as I said, is one we have dedicated a lot of resources to. The child benefit that was announced in our government's most recent budget will see an investment of \$2.1 billion over five years, addressing on a very, very immediate basis the particular needs of lowest-income families, and especially the children in lowest-income families; an increase in child care spaces; and an increase in the resources available for children's mental health, something I've been very proud to emulate on the adult health care side. We all know that this is an area where there are tremendous needs at the community level, and we were very pleased to be able to make two very substantial investments in children's mental health, keeping in mind that when we came to office, mental health, both children's and adults', had not seen one penny of investment in 12 years at the community level. They had flatlined budgets, and we've been able to advance that.

Our efforts with respect to autism—a very, very challenging file indeed—have seen a tripling of funding and a doubling in the number of children receiving services in the province of Ontario, and we continue to make progress in training more and more workers. Obviously, you can talk all you want about the necessity of providing more services, but you must have a sufficient number of people who are asked to deliver those, and we are working on that.

The “good parents pay” initiative has started to find deadbeats, and we have brought forward legislation that would ensure the independence of the child advocate.

The economy as well is an area that is well worthy of a presentation of contrasts. At the time that Mr. Dunlop had the privilege of presenting estimates—“defending” estimates, I guess, is the word—on behalf of the then Premier, they were rolling up toward a \$5.6-billion deficit. They, as a government, had added nearly \$50 billion to Ontario's debt. There had been a policy advanced, most particularly by the former member from Whitby and the now federal Minister of Finance, that industries were not worthy of support and investment strategies, as an example, were not possible, and the unemployment rate was at 7%.

If we look to circumstances now, we've built two balanced budgets, 340,000 net new jobs have been created and we've made very, very specific investments in sectors, including the auto sector. Today, I had the

privilege of making very important investments with respect to the research and innovation agenda, and of course through a combination of efforts we've put about a billion dollars into the forestry sector, with the recognition, of course, that there are communities in our province that are facing more particular economic challenges than others. The unemployment rate is a reflection on the progress that has been made. It is down to 6.5%.

On the environment, we've been very, very vigorous in protecting the environment, recognizing, of course, that the environment is also tied in to the quality of life we enjoy as individuals. Back then, there was a tremendous increase in the consumption of coal. Walkerton occurred, which was supposed to have taught us lessons. I remember in a remarkable way that when the O'Connor report on Walkerton came in, all parties, led at the time by Marilyn Churley, someone I consider a friend, endorsed the idea that the O'Connor recommendations would be implemented as they were. And it has been startling to see the pullback on the part of the official opposition with respect to their dedication to clean water, Walkerton having occurred, of course, on their watch, a long weekend that really was quite shocking to all of us. We had policies related to sprawl, particularly the sell-off of the Oak Ridges moraine by the previous government, and the Ministry of the Environment itself was cut by 50%. It's perhaps not entirely surprising that gentlemen like Randy Hillier are finding comfort inside the home of today's opposition party.

By contrast, our record with respect to coal is that it has been reduced by one third already, and of course we're making tremendous strides forward to reducing and eliminating Ontario's dependence on coal. I know the Chair offers strenuous distinction on this, but I'm tremendously proud to be part of a government that has provided protection for 1.8 million acres, forming the greenbelt, and that we've made specific initiatives with respect to clean water.

Especially as a lifelong resident of Toronto and one who has heard for 20, or maybe more, years about the necessity of connecting York University and York region to Toronto through an advanced public transit service subway, we have been very, very proud to be the government that has put our money where our mouth is and created the circumstances that will see a subway at long last evolving in Toronto. I must say, as a lifelong Torontonian, that it has been startling and disappointing to see the New Democratic Party in Ontario reverse on a long-standing position in support of the York subway. I was at Metro council in 1994 when at least one current member of the NDP caucus here at Queen's Park, Mr. Michael Prue, alongside our mayor, David Miller, voted in favour of this subway expansion. To see Mr. Hampton reverse on this long-standing NDP policy and at the same time refer to York region as an underpopulated area really was quite startling.

With respect to seniors, they are, of course, a community of particular interest for all of us. I always try to talk about seniors' initiatives in the context of the cir-

cumstances we're dealing with in our family. My mother is very young yet, but she would acknowledge that she's aging. Back then, we had a government that made a dramatic cut to home care and in fact reached in and took over our community care access centres. They eliminated all the regulatory standards with respect to the provision of long-term care, and over one weekend in a very stealthy manner—or so they thought—they jacked up the fees for our residents in long-term care by 15%. After a very vigorous protest, that increase was cut in half. I'm really proud that alongside my colleague Monique Smith, who is here, we've worked in the long-term-care sector and seen the other part of that increase reduced. We have reduced the burden of cost for people in long-term care.

We've made additional investments zoning in on \$1 billion in long-term care. We've increased access to home care in an extraordinary way. This year, home care is experiencing a beautiful expansion of the capacity to support people through palliative care in the very final days of life. We've banned mandatory retirement, which we think is a sign of respect. And in our most recent budget, many seniors celebrated the steps we took to unlock savings and pension-splitting, an initiative that, like I said, enjoyed good applause.

The strength of our communities is obviously a crucial priority for our Premier. The circumstances we inherited were from a time when downloading was the norm. Who Does What ended up as a process that did not serve our municipalities well. In fact, the government was struggling so vigorously that their attempts to reform the property tax system resulted in one bill after another—seven, eight, nine; people lost count. At the same time, as I said before in the environment section, sprawl was very much the norm.

We've worked hard to enter a new era of respect with our municipalities—with our communities. John Gerretsen, our Minister of Municipal Affairs, has served well in that. We've made tremendously good strides at uploading costs off the property tax base that we all agree are more appropriately funded at the provincial level. To date, the city of Toronto, as an example, has been able to hire 800 more people—800 more people—in the city's public health unit because the government of Ontario has not just met their 50% obligation, but we have increased our spending and are zoning in on 75% of public health costs to be borne by the government of Ontario.

Ambulance off-load: I was with the Premier two summers ago at AMO when we made a \$300-million commitment over three years to restore Ontario's role as a 50% funder of land ambulance. We've made progress with almost every community in Ontario, and very soon will be in a position where we have gotten back to that.

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We have made initiatives in our most recent budget that are long-awaited by residents and communities in the greater Toronto area. I had the privilege of serving as chief of staff to the mayor of Toronto and worked for a federal cabinet minister in a Toronto regional role. Over those periods of time, and before I was elected and sub-

sequent to my election when I served as GTA critic for our party, I heard an awful lot from the 905 municipalities about the distaste associated with the policy of pooling. I, as a Torontonians, was in a very celebratory mood when I saw the advance our finance minister was making on that initiative, perhaps particularly because associated with it was long-awaited progress on the business education tax. I've heard from mayors in places like Thunder Bay, Atikokan and Blind River, and from my own mayor, about the necessity of having more equitable business and education taxes. It's been a real challenge in some communities, and our most recent budget gives us really good progress there. We're proud of these initiatives that our Premier has brought forward and very proud of the respect he has shown.

In our dealings with the city of Toronto, if we use that as a comparison, it used to be that the province of Ontario was engaged in an awful lot of name calling. Our efforts with the city of Toronto have been respect: to provide them with a greater degree of resources, to provide them with a greater degree of powers and to look to work with them at all times.

Similarly, we've really worked to try to build back progress in an area that I think was quite shockingly dealt with back in the period we are using as our contrast. I have the privilege of representing a riding that is home to many of Canada's richest and too many of Canada's poorest, and we saw the demonization and victimization of poor people on an almost daily basis, whether it was a former Minister of Community and Social Services working to make a connection between people on welfare and addiction with his syringes stunt, whether it was the harsh attack on lowest-income people through reductions in welfare rates or whether it was Minister Tsubouchi's insistence at the time that people search out dented cans of tuna to be able to survive.

We've really worked hard to try to offer respect to individuals. We've restored direct grants for 120,000 of the lowest-income individuals in Ontario; we've increased welfare and ODSP rates; we've enhanced support for children and families with our child benefit initiative; we've built more affordable housing spaces, many of them in my riding, and others going up at present; and the minimum wage, already up 17%, will continue to rise to \$10.25. We've moved to housing allowances, again to address the reality that many in our communities struggle. Like I said, direct grants to lowest-income individuals have been restored. One in four of our post-secondary institution students in Ontario is receiving direct grants, which has been really important in terms of trying to address equitable access to opportunity, something that we all know is crucial in our lower-income communities.

On the crime and safety front, we have moved from a circumstance back in the day where funding for public safety and security had been reduced by \$181 million and there were 10,000 outstanding arrest warrants. There had been, in that time, really no plan at all, very little regard

for the circumstances of abused women and a very dramatic increase in hate crimes.

We think that in a province like ours, which bears the mark of immigration, the best and the brightest from around the world coming to enrich the quality of our communities, it's absolutely necessary that we be there to support local communities.

We thought it was important, and our Premier campaigned vigorously on the idea, that we put more police on the streets. In 51 division, where I live, I can certainly attest to an increase. I believe the Toronto police service has something more than 200 new police officers, which we've been proud to participate in. The guns and gangs task force, which has been shunted forward with considerable resources from my colleagues the Honourable Monte Kwinter and the Honourable Michael Bryant, has made tremendous progress at taking a lot of the worst-acting people in our neighbourhoods off the streets. We put a lot of money, some that we've invested directly and some that we put in the hands of "Pinball" Clemons and that foundation, toward helping address youth at risk. We are not ashamed; we're proud to be a government that has addressed the domestic violence agenda with a \$68-million increase in resources, and alongside that, more crown attorneys and more parole offices.

On the issue of accountability, a word that is thrown around quite a lot, we believe, first and foremost, that the Auditor General should have more range to do the work to give Ontarians the information they need, and to give legislators and those in government the opportunity to do an even more effective job at all times with the investment of resources.

I have the privilege of running the biggest ministry around here, and while it's easy to get on the defensive when the Auditor General or Ombudsman, people who are playing these roles, are investigating in areas I believe that that great light shone—the greater detail and resource they're able to bring and the recommendations they offer—should always form direct advice. I have taken the view, our government has, that the Auditor General should have more powers.

We've allowed the Auditor General much greater powers to reach in and do value-for-money audits in the broader public sector. At the same time, we've also eliminated the shield that the previous government had installed that did not allow OPG and Hydro One to have their books exposed. We know that there was an off-book relationship—Minister Stockwell certainly established that in flying colours—and we really think it's important that at all times, we continue to progress on issues related to accountability.

We've gotten out of the business of having taxpayer-funded political ads, and we've enhanced the quality of the response rates with respect to FOI. In fact, the FOI response rate is the best in the 17-year history, and I'm sure that we will work hard to continue to build on that.

I think the last thing I'll close with is very, very relevant for some of the discussion—at least, that I had the privilege to witness from my vantage point in the

Legislature today—about the vision that your province and your government have for recognizing the nature of the Ontario community. I love the job that I have. I think most members do. One of the things that I find is so marvellous as I travel around Ontario is the extent to which community after community—it used to be associated just with the big city, but I had the chance recently to learn that a Pakistani gentleman has bought the gas bar in Thornbury and is handing out information to his customers about Islam. I think this is a profoundly powerful symbol of the kind of Ontario we've created that reaches out to the best and the brightest all around the world.

I know, as well, that the corner of Parliament and Wellesley in my riding enjoys a reputation in Jaffra and in so many other places. It has been associated with a pattern of immigration for a long time, and indeed, all around the landscape of Parliament and Wellesley are community-based organizations seeking to enhance the capability of immigrants to adjust and to settle.

In the old days, not so long ago, when Garfield Dunlop was here to present estimates—defend estimates—on behalf of the then Premier, the party was developing a platform for the subsequent election where immigration was contained in the crime section. I think this tells us a lot. There was very, very little support there for small community groups. There was no effort to make sure that Ontario got a fair share of the resources that the government of Canada has to invest in making sure that immigrant settlement takes place appropriately, and there was an astonishingly vicious cut to adult education of about 80%.

Some of those who immigrate are young, some of them are middle-aged and some of them are a bit older, but the point is that continuing education and access to resources that assist in the transition and integration are very, very crucial. While there are always lessons that can be learned about the way to do that better—and indeed, my colleague Mike Colle has spoken about those and initiated implementation of those—I think it's important to note that our party in government stands as one that is proud to be making an investment pattern that reflects the very, very serious hardships of organizations at the community level.

In a world where I have the privilege of supporting, in my role as Minister of Health, a wide variety of health and social service organizations that emanate from a cultural community or religious background, I must say, in an environment where we can make available each year from the Ministry of Health several billion dollars to organizations that have a religious mission or affiliation that may be connected to a particular culture, to say that these community-based organizations ought not to have some benefit of provincial resource to support the important mission that they're on, and to have heard many of these organizations referred to in a kind of sweeping, blanket condemnation as “fly-by-night” organizations, the allegation made by the leader of the third party today, I found astonishing. To call Frontier College a fly-by-night organization when it's been working in my

downtown riding and, indeed, in the remote reserves of northern Ontario to bring forward literacy for children, to have an organization with a more than 100-year track record dismissed as fly-by-night, all to try to seek political advantage—I was sad about it.

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But I'm proud to be part of a government led by our Premier and Premier's office staff who support him in his work to fight hard for Ontario. He's done so in terms of the Canada-Ontario agreement, which is going to see an immigrant who chooses to settle in Ontario treated with fundamental respect and equity with those who may have chosen previously to land in places like the province of Quebec.

One of the things that I know we all struggle with, with a lot of anguish, are the challenges that we have in our world, where we have a lot of self-regulating organizations, trades and professions, where a lot of our new immigrant communities have come face to face with these barriers. We've made a lot of progress. Bill 124 is important work that we've done in the Ministry of Health to create more one-stop shopping capacity, if you will, where our foreign-trained health professionals can receive a very accurate assessment of what they need to enjoy success, and especially this fairness commissioner, which will hold to account to a much greater extent these organizations that have been entrusted with their own governance. These are all initiatives that we've made with respect to our new Ontario community, initiatives that we're very, very proud of.

When I had a chance to come before estimates committee before, the item at hand was, I guess, around \$35.5 billion then, and we're dealing here with an entity which in the grand scheme of things is a modest portion of overall expenditure—under \$3 million. I will do my very best through the course of questioning today to offer a perspective which is not just born of the privilege that I enjoyed as an opposition member, and not just of the privilege that I enjoy currently as a member of the executive council, but I also had—I mean, it was a long time ago, Tony; I had hair then—the privilege once of serving in the Premier's office under David Peterson. To the extent that the committee may wish to have a perspective with respect to things like issues of management then and now, or what have you, I'll do my very best to entertain those questions.

With that, in case I didn't say this well at the beginning, I just want to thank all the members of the committee for the opportunity to be here and to participate in one of the most exciting elements of our democratic process.

The Chair: Thank you, Deputy Premier: Right on the nose, 30 minutes exactly. Again, Ms. Gibson and Mr. Dean, thank you for being here as well to respond to questions. We will now go into our rotation, with 30 minutes to the official opposition, followed by 30 minutes to the third party, and then the minister has 30 minutes to wrap up at the conclusion of today's sitting of estimates.

The official opposition; Mr. Dunlop.

Mr. Garfield Dunlop (Simcoe North): Thank you very much, Mr. Chair, and again to Deputy Premier Smitherman and staff. Tony, it's good to see you back here. The minister is quite correct. I think the last time the Premier's office was called to estimates, you were sitting right there beside me at that time as well. I guess you see a lot of things come and go in this business, particularly political parties at the helm.

I have to tell you that when I sat in that chair as a member of the government, at that point representing Premier Ernie Eves, I sat there very, very proud of our accomplishments. I want to thank the minister for bringing this "then and now" along, because he's given me a whole bunch of new ideas that I hadn't thought about for a while. I'm not actually 100% sure that everything is quite as accurate on there as we might expect.

I sat there as part of a government that had just created a million new jobs in the province of Ontario. I sat there after defending a government that had presented four balanced budgets. We had just created 20,000 new long-term-care beds. Not all of them were up and running, but at that particular point, in 2003, there were a number of those beds, I believe around 17,000, that had actually opened.

And we replaced portables in the education system. I can think of my own riding: Over 11 different projects were under the school renewal program where we replaced portables right in my riding.

That was a difficult year for government and for all of Ontario. I think a lot of us forget about some of the things that happened in 2003, particularly leading up to the election. It made it very difficult for Premier Eves at that time. I think of SARS and the work done by Dr. Colin D'Cunha and our then Minister of Health and Long-Term Care, Tony Clement, going back and forth to Europe, something they had never accomplished before. That had a dramatic impact on our economy that year, and of course, that was reflected later on in the year with the deficit.

But we also had things like the blackout. Who will ever forget that day when all of the eastern coast of the United States and much of eastern Canada was completely blacked out? Again, that was devastating to our government and to the province of Ontario, in a lot of financial ways as well. There was West Nile virus; BSE, mad cow disease.

These were all things we inherited that were unexpected. As we approached the election, we wondered what would happen next. There was one joke around: The locusts were coming. That never actually happened that year, but I can tell you that it was a very difficult time for Premier Eves. I do want to go back and say how much I appreciated the opportunity to represent him in the chair where the Deputy Premier is today and defend our actions.

At that point, you'll recall that when Premier Harris came to power in 1995, the provincial budget was \$49 billion, and he inherited an \$11-billion deficit after that terrible depression of the early 1990s. So I'm quite proud

of the accomplishments of the Office of the Premier under the Progressive Conservative Party, as is the Deputy Premier today under the Liberal Party as the government of Ontario.

But those are a few opening comments. We want to go directly now to some questions to the Deputy Premier and to the cabinet office, if we could. I know my colleague Mrs. Elliott has a number of questions to ask. We'll follow through and look forward to the remaining time in the Office of the Premier under estimates.

The Chair: There are about 26 minutes left in this round.

Mrs. Christine Elliott (Whitby-Ajax): Minister Smitherman, Mr. Dean and Ms. Gibson, thank you for giving me the opportunity to ask a few questions.

I would like to commence with some questions arising from the results-based planned briefing book, 2007-08 regarding the program spending from the Office of the Premier, specifically regarding some of the payroll expenses incurred during a specific time period. The time period that I would like to refer to commences during the summer of 2004 and specifically relates to the issues surrounding the Ontario Lottery and Gaming Corp. issues with respect to insider wins. I would like to refer to page 3 of the Ombudsman's recent report on the lottery issue, called A Game of Trust, which states that in August 2004, a meeting was held at the Ontario Lottery and Gaming Corp. on the subject of insider fraud. My question is, was anybody in the Premier's office aware of this meeting at any time during the summer of 2004 up to the end of the year, December 31, 2004?

Hon. Mr. Smitherman: Well, the estimates that are before us, as best as I know, relate to the 2007-08 period. If you take a look at them, if you take a look back, what you had from the standpoint of government resource—you asked about employment-related matters at the beginning—is that, relatively speaking, our government's expenditure on the Office of the Premier has gone down slightly. That certainly was the case.

If we look at this year's estimates versus the estimates for 2004-05, you actually see a reduction of about \$100,000 on the costs associated with the operation of the Office of the Premier.

Detailed information about what meetings people took in three or four years obviously would not be information that I have available to me.

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If you have a question about 2004, in terms of the role that the Premier's office plays in helping to assist and give guidance to government ministries and how agencies fit into this, I believe I could try to be helpful in addressing that, but I wouldn't have detailed information about 2004, given my preparation for the 2007-08 estimates.

Mrs. Elliott: My question really does relate to, I suppose, year-over-year expenses and increases and decreases and so on. I am specifically interested in that time frame, in that there are certain people who may have some relevant information regarding that particular issue.

Is that something that you would be able to undertake to provide?

Hon. Mr. Smitherman: I could only know if you actually got down to asking me a question that's a bit more specific. For instance, I do know that in the year before that, the actual expenditure in the Premier's office was almost twice as much. Sometimes the sunshine law shows people who have long since departed still receiving some compensation for it. I must confess that I'm not 100% clear on the exact nature of your question. If you could be a bit more precise, I'll try to be helpful.

Mrs. Elliott: I am particularly interested in any information regarding any people who were on the payroll in the Premier's office who knew about or had any information concerning the allegations of insider fraud at the OLG—*who, if anyone, knew about it and when they knew about it.*

Hon. Mr. Smitherman: Obviously, we've all had the privilege of a very, very voluminous examination of the circumstances related to this, through the good efforts of the Office of the Ombudsman. To the very best of my knowledge, the situation that he speaks to with respect to insider wins makes a few points.

Firstly, the case that we've all heard the most about, of course, is the case of Mr. Edmonds—and, of course, I acknowledge his recent passing. Almost six years before he passed, on July 27, 2001, as I've come to know it, the whole incident began.

When we look at who knew what when and such, I think as early as 1993 or 1994—I think someone will correct me if I'm wrong—the Ombudsman's report makes reference to this insider win concern.

He subsequently makes reference in his report to the culture that was in existence within the Ontario Lottery and Gaming Corp., which I think had resulted from decisions that the previous government took about how it should be aligned.

In his report, I also know that he has given very, very clear information with respect to the changes that are well under way at the OLG.

I don't think that he offered anything further with respect to a 2004 meeting, and I wouldn't have anything further to offer on that.

Mrs. Elliott: Of course, the issue with respect to Mr. Edmonds was settled in mid-March 2005. There's some indication that there were some conversations going on at the OLG—

Mr. Richard Patten (Ottawa Centre): Can I ask for a clarification, please? I know where Mrs. Elliott is coming from. My point is that the estimates committee is here to review and consider estimates for the year 2007-08. Fine, it's fair enough to ask for comparative figures or some link with today, but the line of questioning that continues on, historically, has nothing to do with the estimates of today. Mr. Chair, I'd ask if you would please rule on that, in terms of how it relates to the estimates.

The Chair: We'll make sure that members do concentrate on the issues that are before us at estimates.

The Deputy Premier did have a broad range of discussion, as well, in his opening comments. In fact, he went back to 1995, if I recall.

I'll ask members to make sure their comments do relate to the estimates that are before us, but in the tradition of this committee, a broad range of questions on issues related to the Premier's office will be permitted.

Mr. Patten: I appreciate that. I think the committee has some scope, in terms of its latitude of proceeding.

In other models, it begins with the chief witness, then it moves to the two opposition parties' statements, and then once the statements are finished, we move into question period.

If, in this model, parties can open up issues in lieu of their segment, I have no trouble with that. If they want to ask questions related to what has been said there, I appreciate that. But once that round of opening statements is finished and questions begin, it seems to me that they should be related to estimates.

Mr. Dunlop: On a point of order, Mr. Speaker: I recall, if you could go back to the minutes of the estimates of 2003—and I'm not trying to argue with you. I just want to make it very clear that this is typical of the line of questionings that I faced in the Office of the Premier and the cabinet office.

As well, we've seen this even as recently as last fall, when the Minister of Finance appeared before the committee regarding his report. In fact, in his second opportunity to respond, the minister went directly to questions at that point; he didn't even want to reply to the one-hour of the two opposition parties.

Certainly, I know that in the past we've dealt with every type of question and comments that the Premier's office could possibly be involved in, from travelling around the world, to different kinds of conferences they attended, to the actions, the staffing in the office, the number of vehicles they had etc. Those were all open. We had to get a lot of answers for the estimates committee in 2003, and I would expect the Deputy Premier would get those, as well, if he doesn't have the answers available today.

The Chair: I'd like to move on, in terms of the time.

Again, I'd ask members to make sure their questions pertain to the estimates before us. The Premier's office has a broad range of responsibilities, which we all know, and I think you know there are a broad range of questions that are usually allowed pertaining to the estimates.

The Deputy Premier, I know, has been Deputy Premier for less than a year. If he doesn't have knowledge of some of these issues, then I understand if he can't respond to these particular questions.

Hon. Mr. Smitherman: I'm going to do my best to offer information. For some of these questions, it may be that there is no information to offer anywhere, but I will do my very best to provide it.

You used the word "indications"—I have no knowledge of those things. What I do recognize, really, as one who has consumed good bits of the report by the Ombudsman, is that he has made commentary which

suggested that the culture that had been created within the OLG was part and parcel of the trouble. In his report, he spoke about a report, I think, going back to 1993, referred to as the Rutherford case.

The step that we've taken, which I believe is very, very crucial, is to separate out the responsibility for the regulation of the OLG. Obviously, you saw in a fairly recent initiative that we've transferred those responsibilities to the Ministry of Government Services, building on the critique, if you will, that was on offer by the Ombudsman about the culture that had been created there.

Then there are the issues with respect to the fact that it's an agency model. An agency model, by its very definition, is further and further away from the government than a line-operating ministry would be, as an example.

I'm sorry, but I can't offer anything further on a 2004 indication.

Mrs. Elliott: The Ombudsman's report does detail some communications and some issues that arose out of the OLGC with respect to the insider fraud allegations, and there's some indication that there was a meeting in early August. On August 8, there was a report prepared by a manager in OLGC detailing some concerns. The same person expressed concern on September 21, 2004, and wrote an e-mail detailing these concerns and again, also in October 2004, raised concerns about machines not playing music to identify wins as a security risk. All of this went up to the end of the year in 2004.

I'm gathering from what the minister is saying that either the Office of the Premier had no knowledge of any of this information, or you're simply unaware of it. If the latter is the case, would you be able to undertake to provide us with that answer in due course?

Hon. Mr. Smitherman: Well, no, I'm saying more than that. Not only am I unaware of it, I think that we have to be mindful that if one is to make the leap that a minister knows about everything that is discussed or that occurs within an agency, then we're working, really, on an assumption that the chair knew about the events that unfolded on July 27, 2001. We don't make that assertion.

I have the privilege of running a pretty big ministry. It has an agency, for example, the Smart Systems for Health Agency. There are accountability mechanisms, of course, that as members of the Legislature we're all involved in the presentation of their annual reports and the like, but we shouldn't misunderstand from an operational standpoint: That agency model really does push people further and further afield from what we might refer to around here as the centre.

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Mrs. Elliott: I can certainly appreciate, Minister, that in the normal course you wouldn't have any knowledge of the inner workings of the agency on a daily basis, but certainly this was a pretty serious allegation that was raised several times by the same official, and I simply would like to know whether that concern was raised with the Office of the Premier.

Hon. Mr. Smitherman: To the very best of my knowledge, no.

Mrs. Elliott: Thank you.

In March 2005, there was the issue of the court proclaiming with respect to Mr. Edmonds's case, and then there was a settlement that was agreed upon on March 17, 2005, with Bob Edmonds for \$200,000. Did anybody in the Premier's office have any contact with anybody at the OLGC or the Ministry of Public Infrastructure Renewal about the Edmonds case prior to the settlement?

Hon. Mr. Smitherman: Again, I think this would fall largely into the matters of the previous question. The Ontario Lottery and Gaming Corp., renamed, obviously, since then, is a very, very substantial organization. The matters that are at hand and the sums associated with them would, I'm quite confident, be within the typical operational range and purview of the people who are entrusted to run that organization. Again, I go back to the idea from a second ago that every operational matter is a matter of interest and action on the part of 30 or 40 or 50 people. The idea that a staff of the Office of the Premier is in a position to be involved in every operational matter is, I think, something that—if Ontarians were expecting that, I would want to disabuse them of that. That, obviously, is not practical. Similarly, when I look at my ministry, a \$37.5-billion operation this year, with 300,000 indirect employees, with thousands of transfer payment organizations—obviously, when you're into big organizations like this, especially in an agency model which is further afield, this is a lot about operational distance and distinction.

The Chair: Mrs. Elliott, sorry to interrupt. Ms. Smith.

Ms. Monique M. Smith (Nipissing): On a point of order, Mr. Chair: I'm still at a loss as to how this line of questioning is in any way related to the estimates of the Office of the Premier. We're talking about an agency that reports to a different minister altogether; we're talking about a time frame that's not related to the 2007 estimates of the Office of the Premier. So perhaps I am being obtuse, Mr. Chair, but could you explain to me how this line of questioning is in any way relevant to what we're supposed to be doing here today, and if it's not, then perhaps you could direct that we do some questioning on the estimates.

The Chair: Again, I appreciate the intervention. We'll go back to Mrs. Elliott. As I've said, estimates traditionally has a broad range of questions that are permitted when the minister, or in this case the Deputy Premier representing the Premier's office, is present. The Premier's office has a wide range of responsibilities.

Mrs. Elliott, please ensure that these questions do relate to the estimates that are before us. I believe Mrs. Elliott's last question pertained to whether the Premier's office staff were briefed on these issues, so it's in order.

Ms. Smith: Perhaps, Mr. Chair, you could give me some direction on the time frame. We are looking at the 2007 estimates. I can understand doing a comparison between different periods of time, but when you're

asking specific questions about something that happened in 2004, I fail to see how that relates to the 2007 estimates.

The Chair: Fair enough. We'll continue. I'd ask the members to ensure that their questions pertain to the estimates booklet that is before us. I'd say to my colleague that in my 12-plus years, these questions are very much in line with what I've seen at estimates before. We need to take care to make sure that they pertain to the Premier's office and the estimates booklet, but I don't see anything that's out of the ordinary with previous questions about the Premier's office staff or representatives.

Mrs. Elliott.

Mrs. Elliott: Thank you, Mr. Chair.

Minister, I do appreciate the distinction between an agency of the government and their operation and normal course of events and so on. Again, I would ask you if you can undertake to inquire as to when the Premier's office first became aware of the settlement with Mr. Edmonds.

Hon. Mr. Smitherman: As there may be a number of these matters that come up, I will offer the answer based on all the information that I have, and if there is any information that would alter that or what have you, then I'll most certainly bring that forward to the committee.

Mrs. Elliott: So may we have an answer to that question?

Hon. Mr. Smitherman: I'm giving you my answer. No, to the very best of my knowledge. If there is any information that is available that offers a different view about that over the course of the balance of estimates—and I think the Chair has already indicated that at the end we might want to circle back and see if there are areas where further information is available—I'll be very happy to offer to you and to all members of the committee the undertaking that we'll operate on that basis.

Mrs. Elliott: If I can just clarify, I believe you're answering that you did not know about it, that the Premier's office did not know about the settlement before it was announced. Am I correct in that assumption?

Hon. Mr. Smitherman: Well, you keep asking the question in a different way. If you want to get the clerk to go back and show you the different ways you've asked it—are you trying to change that? Is that accidental or deliberate?

Mrs. Elliott: No, no. With all due respect, what I was asking before was, were you aware of the settlement before it was announced—

Hon. Mr. Smitherman: Obviously I wouldn't have been in such a position. The answer to that question is no, not to the best of my knowledge. The undertaking that I offer, just to be clear, is that in the instance that I may not have been fully informed, then we'll make sure that we bring that information back to the committee.

Mrs. Elliott: Okay, and that, on behalf of the Office of the Premier, is what you're answering?

Hon. Mr. Smitherman: Yes.

Mrs. Elliott: Okay, fine. My next question would be, to your knowledge, when did the Premier's office first

become aware of the settlement with Mr. Edmonds, and what was the response?

Hon. Mr. Smitherman: The actual date—I don't know if there's been any discussion around this. I think this is something where I would most certainly indicate to the Chair that I'll bring that information back to the committee.

Mrs. Elliott: Thank you. Do you know—and this specifically relates to someone on the payroll during that time frame—

Hon. Mr. Smitherman: Which time frame?

Mrs. Elliott: It would be back in 2005, but again, I'm trying to bring it up to the present framework and comparing year over year. Did Mr. Jim Warren have any involvement with OLG while he was employed as the director of communications at the Office of the Premier?

Hon. Mr. Smitherman: I'm not privy—I'm not partial to that information top of mind, but we could certainly seek to provide some description around his responsibilities, and I could endeavour to bring that back.

I must confess, I've known Jim Warren for a long time, but as I sit before you, I wouldn't know top of mind exactly what his employment coverage period was. I mostly remember him for his association with Mel Lastman.

Mrs. Elliott: There were, of course, dozens of media reports following the announcement of the settlement of the Edmonds case, and I guess this somewhat relates to the previous question, but what, if anything, did the Office of the Premier do in response to all those media reports?

Hon. Mr. Smitherman: Obviously I've just indicated to you in answer to a prior question that I'll endeavour to get back, but to the very best of my knowledge, my instinct is that the media accounts themselves, as is very often the case, are the first point of awareness that a lot of us get about issues that are ongoing. I think that, in a certain sense, is tied up in the earlier answer. The best of my knowledge is that like a lot of times, the first time that you know there's something up is when you get these kinds of media reports.

Mrs. Elliott: What typically happens when you get media reports like this? What normally would take place?

Hon. Mr. Smitherman: Well, it depends very much on the circumstance, but I believe that in the form of government in which we're operating, certainly within the style of leadership within the form of government that we're operating—and there are different ones of these. It's been said of the previous government, by members of the previous government, Bill Murdoch perhaps notably—I can't remember; I might get this slightly wrong—something like “the tiny tots in the Premier's office are calling all the shots.” I'm paraphrasing; someone can pull the quote.

1700

I know that in my role as the Minister of Health, for the largest portfolio in the government, I enjoy—I wouldn't brag about this, because I don't want it altered—a very great latitude to run the affairs of my

ministry and to get the job done. You could imagine, of course, that associated with a \$90-billion operation, give or take, the range of issues that are being churned up on a daily basis specific to regions or specific to ministries is quite extraordinary, so obviously there's a whole bevy of folks in ministry communications branches and indeed within this organization itself who would be the primary responders to daily issue management circumstances.

Our practice would be kind of a—I would imagine it's very difficult to say what an exact line is, but the circumstances as I've seen them, with three and a half years of experience, is that there's a bit of a hierarchy, and the stuff that's making it to me is less information than is making it to my media adviser and my communications people, and they're getting less than the ministry is getting, and the ministry is presumably getting less than the agency. That really speaks, I think, to primacy of responsibility for addressing the issue.

The very best of my information is the Ontario Lottery and Gaming Corp. is a big entity. Mr. Hudak understands it better than I, having been involved in helping to set it up. But it's not like it's an entity that does not have, as part and parcel of its structure, a very good daily capacity to address its ongoing challenges. It's a multi-billion-dollar operation. They're well resourced to address most of their challenges. That's the responsibility that people would see for them. We put our confidence, obviously, in sending people forward and making sure that there's a good governance model in terms of the people who are on the board and such.

The Chair: You have about six minutes left.

Mrs. Elliott: Certainly, and I recognize that we're not asking questions of you today in your capacity as Minister of Health, but if you received information that there was some aspect or some allegation of fraud within your ministry, how seriously would you take that?

Hon. Mr. Smitherman: Well, I think it's not entirely—the thing is that this didn't happen within a ministry, right? It was within an agency; it's further down the line. But I have to say that in areas where there's a very broad resource—in health care, we're spending a lot of money. There are circumstances that you read about in the media that I hadn't heard about prior. I'll give you one small example in the instance that it's helpful.

There are stories that will come out of a kind of regional matter. In health care, we distribute the money, and there are a lot of players out there who spend it. If someone in a local hospital has been involved in doing something with public resources that's negligent or what have you, it's much more likely that that would be learned on a local basis, rather than on the platform of the head office of the Ministry of Health downtown. But these things are all dependent upon: What is the nature of them? How significant are they deemed to be by those who are in the very organization where the event has occurred?

To the best of my knowledge, protocols are not so standardized that they say, "This fits neatly into this box,

and accordingly, steps A through H are what's necessary."

Mrs. Elliott: I wouldn't necessarily expect that that would be the case, but I would anticipate that something as serious as an allegation of insider fraud within an agency such as this would have been elevated, particularly along with the many, many media reports concerning these allegations.

Hon. Mr. Smitherman: Well, I think the one word I would offer to that is "expectation." Is what you've just expressed an appropriate expectation? Perhaps it is. I have the benefit, like you do, of reading a report from the Ombudsman that tells me that this place was not exactly functioning as we might have all preferred that it did. Issues of insider trading that you're speaking about in a 2004-05 context—in the report itself, the Ombudsman has reflected on at least one circumstance dating back to 1993 and in addition to that has spoken, I think, quite directly about the culture that was created there. So keeping in mind what we have learned from the Ombudsman's report is very, very important.

You said you would have anticipated that it would be sent up the line or something like that, but if we review what the Ombudsman said about the function of that organization at that point, I don't think it's clear that you could apply that expectation.

I hope that we get a chance, through these hearings, to spend some time focusing on those initiatives that have been advanced to dramatically enhance the capability of this organization to perform in a way that gives us all confidence, as government folks, and also gives confidence to the playing public, which is so essential.

Mrs. Elliott: If I can just sum up then, would you agree that it would have been reasonable and prudent, in fact, for the Premier's office to have made those inquiries, given the fact that there was a settlement for several hundred thousand dollars on the basis of an allegation of insider fraud, a huge amount of media attention and a great deal of interest from interested parties? Would you not agree that it would have been reasonable to check into that?

Hon. Mr. Smitherman: No. I think anyone who has had experience in government would not pretend that it's possible for—I think there are 61 people who work in the Premier's office, and they have a lot of daily functions. If you want to reduce the idea of responsibility to the point that the daily job of the Premier's office should be to review every newspaper—and there are hundreds and hundreds and hundreds of them—to search out those stories for which they should proactively be engaging and calling out to all kinds of other people and asking them questions, no. I know that's not real-world experience. I don't think it's appropriate to pretend that in a \$90-billion operation, the Premier's office is going to be involved in every \$200,000 item. Please, I'm not going to accept anyone trying to pretend that I'm calling that an insignificant amount of money; that's a very substantial amount of money, of course. But on a \$90-billion budget, no one should pretend and no one should seek, I think, to

want to pretend that the function of the Premier's office is to read newspapers and ask questions about the things that may be of concern to them.

If my Premier's office—if there's one story where I've screwed up—maybe there are two. But if there's a story where something egregious has occurred and it's the front-page story in four dailies in Ontario, do I anticipate an enhanced degree of interest from all and sundry? Oh, yes, for sure, but I really wouldn't think it's appropriate to establish, at a \$200,000 mark, the expectation that the Premier's office is involved. I think that if we—

The Chair: Thank you. You made the point well.

We'll go to the third party. Mr. Ferreira, the floor is yours for 30 minutes.

Mr. Paul Ferreira (York South–Weston): I'm delighted to be here today for what is my inaugural meeting of the standing committee on estimates.

Listening to the Deputy Premier, he certainly does seem to see things through rose-coloured glasses, and I would disagree with him on his laundry list of so-called accomplishments of his government.

That being said, I think that we on this committee and, in fact, the public are best served if we are able to go immediately to questions, and that's what I would like to do with my time, if that is permissible.

Deputy Premier, pardon me if some of my questions are basic in nature, but I am a fairly new member of provincial Parliament.

The organizational chart that has been provided in our briefing book on the structure of the Premier's office is somewhat helpful, but I'm wondering if you could just let me know—and you may have referred to the number earlier—exactly how many staff are employed in the Office of the Premier?

Hon. Mr. Smitherman: Sixty-one.

1710

Mr. Ferreira: Under the estimates, we see that the amount allocated for salaries and wages is roughly \$2.35 million, give or take \$1,000 or \$1,500. That would make the average about \$40,000 a year.

Hon. Mr. Smitherman: So it would seem. There's one thing you should know, and it might be helpful for Mr. Dean to offer some historic reflection on this—I'll defer to you if you want this.

Mr. Ferreira: Sure.

Hon. Mr. Smitherman: It has been the practice, as I understand it, that some of those who function in the Premier's office have responsibilities related to line ministries; as an example, the Premier has a health policy researcher. The tradition has been established, and been in practice for some period of time, that there is a sharing of the cost associated with the provision of those roles which relate to a line ministry.

Mr. Ferreira: You led me to what was going to be my next question. What you're saying is that in fact there are, among the 61, staff members who are seconded from other ministries. Is that correct?

Hon. Mr. Smitherman: I didn't use any reference with respect to secondment. The issue at hand is a cost-share with respect to their compensation.

Mr. Ferreira: Of those 61, how many see their wages come directly out of this \$2.35 million?

Hon. Mr. Smitherman: I'm not in a position to answer that. Shelley is in a position to answer that.

Ms. Shelley Gibson: I appreciate the opportunity to answer this question—this is my inaugural appearance at the estimates committee too.

Mr. Ferreira: We'll always remember this day.

Ms. Gibson: There you go.

All the staff for the Office of the Premier are actually paid out of the Office of the Premier; their salaries and wages come out of the Office of the Premier. But in the spirit of fully integrated cost accounting, there are charges paid by various lead ministries in recognition of the expertise that certain staff have to support different events and initiatives. The costs are actually all paid out of the Office of the Premier, and then there's a charge-back to the ministries.

Mr. Ferreira: They're charged back. So 61 staff are paid out of the Premier's office budget, out of the \$2.35 million. Correct?

Ms. Gibson: That's correct.

Mr. Ferreira: Very good. Out of which ministries do these staff members come?

Ms. Gibson: I don't have the specific ministries with me at the moment. I don't have that information.

Mr. Ferreira: Could you get that information for us? We're going to be here for another six and a half hours, give or take. Could you get that for us?

Ms. Gibson: What I can tell you at the moment is that approximately half of the staff costs of the Premier's office are charged back to lead ministries. That is my understanding. Although I've only been in cabinet office for a year and a half, I understand that's been a consistent practice for many years.

Mr. Ferreira: These about 30 folks: Are they sprinkled throughout the organizational chart, or are they at different levels of the organization?

Ms. Gibson: It's a chargeback against the full salary and wage budget.

Mr. Ferreira: OK. And you'll get back to us on exactly which ministries, just to be certain?

Ms. Gibson: I'll definitely look into that.

Mr. Ferreira: I think that would be helpful.

How many of these 61 are employed specifically in a communications/media function?

Ms. Gibson: I don't actually have the specific breakdown of functions within the Premier's office with me at the moment.

Mr. Ferreira: In my own office, I know that communications/media takes up a sizable chunk of time, resources and staff allocation. Is there an estimate as to—

Hon. Mr. Smitherman: We don't have it at hand, but we can obviously get that to you.

Mr. Ferreira: It's a pretty significant element of staffing.

Hon. Mr. Smitherman: The Premier's office has a bunch of very distinct functions, and communications is of course part and parcel of that. I'd say it's one of five or six very distinct functions.

Mr. Ferreira: What are the other ones?

Hon. Mr. Smitherman: We'll be very happy to show you the 61 and how they cluster up in those functions.

Mr. Tony Dean: Generally speaking, just as you would find at a ministry level, there are staff assigned to policy development support, and their job would be both to provide advice to the Premier on policy issues coming at the Premier directly and policy submissions coming through the cabinet process, and also be responsible for ensuring, in a horizontal sense, that policy issues that connect across a number of ministries, which they more commonly do these days, are connected or joined up so that there's a whole-of-government approach being brought to the analysis, research and advice on a particular policy issue.

Communications and issues management, obviously, is another function. To be clear about that, it again involves a coordination role across all government ministries; it involves a quality control role; it involves a planning role; it involves ensuring that policy issues are connected to communications planning. There is an issues management capacity, as you will find in ministers' offices, where a minister, or the Premier in this case, receives advice on issues that are emerging on the radar screen. There's a correspondence function, a speech-writing function—

Mr. Ferreira: I understand. If I can just interject, we have staff who are responsible to the Premier to give him advice, to give him briefings on emerging issues. You mentioned that.

Mr. Dean: That's correct. You'll find that at every ministry in government, and you'll find it is a historical feature of all Premiers.

Mr. Ferreira: Sure. And on a daily basis that happens once per day, twice per day? How often does that typically occur?

Mr. Dean: You will find, if you look at historical practice across governments of all political stripes, that generally at every ministry there will be a scanning facility that minimally will look at clips you will probably see every day, and looks at emerging issues that may be in the media or that may be communicated by stakeholders or MPPs of any particular party. They'll be assessed and, in some cases, given their relative magnitude; a note may be prepared for the Premier or for senior Premier's office staff.

Hon. Mr. Smitherman: To your question about daily or what have you: Obviously, I'm not the Premier, but my experience has been that you tend to be briefed more often depending upon how much access you have to open questions. So when question period is in session, obviously a little bit more, and when you're doing media events, obviously more. In the summer months, as an example, it might be, in my circumstance, a good long bit of time between specific briefings, depending on those events.

Mr. Ferreira: Sure. It gives you more time to hit the barbecue circuit, I suppose.

Hon. Mr. Smitherman: Was that a shot at my weight?

Mr. Ferreira: No, not at all. I know you trim down when it's election season; I was your constituent for seven years, Mr. Smitherman.

Hon. Mr. Smitherman: I remember. You're a different man now than then.

Mr. Ferreira: By the way, I've always craved the opportunity to ask questions of you, so I'm glad to finally get the opportunity.

I want to go back to something you mentioned: the scanning of media clippings and perhaps reports and submissions by third-party stakeholders. Would you agree that something that garners a great deal of media attention, even international media attention, concerning the province of Ontario, one of its ministries or one of its agencies or departments, would likely be flagged by one of those individuals engaged in scanning and preparing briefing notes?

Hon. Mr. Smitherman: I think I spoke to this. It's a bit of an order-of-magnitude issue. You could imagine that if you're at the top of the org chart and you have a \$90-billion operation that has something like 65,000 direct employees and probably more than a million indirect employees, that scan, if you reach out to every daily, every electronic source, is going to bring back dozens of stories, if not hundreds. So practically speaking, no, that's not the way the world is likely to turn.

1720

Mr. Ferreira: Deputy Premier, with something that makes international headlines and casts an agency of the province in a negative light, I would think that those employees engaged in the process of scanning and briefing, if they're earning their keep—I suggest that the ones at the top of the organizational chart are probably paid fairly handsomely—would flag that for the Premier's attention.

Hon. Mr. Smitherman: I guess you and I could be at this all day. I could set this up for you, but if you want to just go back and talk to someone who helped to provide leadership in a government that your party led—

Mr. Ferreira: Your best friend Bob.

Hon. Mr. Smitherman: No, I wasn't even thinking about Bob Rae.

Mr. Ferreira: Mr. Chair, I don't want to go back into ancient history books—

Hon. Mr. Smitherman: You've had the answer. On the other hand, if you want to show me some of these clippings that you're talking about—

Mr. Ferreira: Mr. Chair—

The Chair: Sorry, I was trying to get the next round organized.

The Deputy Premier knows, and to our members, that if we ask short questions, we would expect a short answer. If they're open, leading questions, then I will give latitude to the people before the committee to answer in a more broad fashion.

Mr. Ferreira: Fair enough. I'm learning on the job as we go.

With all due respect, Deputy Premier, I don't want to go back into the history books to previous governments. I want to focus on this government.

In March 2005, it seems to me that the decision made on March 15 by a provincial court judge that the Ontario lottery corporation—the judge stated that the lottery corporation ought to be, and in fact was, aware of perhaps unscrupulous practices of a very small number of retailers—but unscrupulous—who were ripping off consumers, clients of the Ontario Lottery and Gaming Corp. Is it fair to say that a decision like that, which would have garnered considerable media, and in fact made international news, would have come to the Premier's attention?

Hon. Mr. Smitherman: I think I've already answered that. If you want to show me the media it garnered, I'll be in a better position to give you my personal take on whether it's seismic or not. But I would say that I've answered your question by saying, no, you're operating on a theory that doesn't bear up with real-world experience. But you don't want any of that. So I'd say no.

Mr. Ferreira: You're saying that the case of Mr. Edmonds would not have made it into the media briefing at all, despite these highly paid professionals on the Premier's staff?

Hon. Mr. Smitherman: Firstly, what I've said to you is, show me what you're talking about. You're conjuring up the image of—what?—a headline in the Wall Street Journal? Was that the international media?

Mr. Ferreira: There was considerable press coverage across Ontario; in fact, across all of Canada. I think that during one recent question period, my leader rhymed off a fairly lengthy list of media outlets that covered this story when it first broke more than two years ago now.

Hon. Mr. Smitherman: I think that on a daily basis, if you saw the line ministries with their communications function and the clippings package produced for each one, it is not a reasonable assertion or expectation that every one of these items—which are, of course, very important to some people—is going to be brought to the attention of the leader. That's not a reasonable expectation, I would say. That is why we have cabinet government. Indeed, in this case it was even further removed, given the responsibilities that an agency has in the circumstances.

Mr. Ferreira: In response to one of my earlier questions, you answered that briefings are more comprehensive when the House is in session, due to the nature of the place—preparing for question period. Back in March 2005, the House was sitting at that time. Can we not expect, then, that that briefing would have been as comprehensive as possible?

Hon. Mr. Smitherman: Firstly, I never used the word “comprehensive.” You offered that. I said “more often.” That's different.

Mr. Ferreira: But still daily.

Hon. Mr. Smitherman: But I might say that through that period, I rather expect that I had the privilege of

serving as Acting Premier, which meant I was given a daily briefing. I can offer you the complete assurance that this is not an item that was ever brought to my attention through the course of briefing for daily question period performance. I would have to go back and confirm that I served in that role during that time period, but, as an example, no, this is not an issue I had been apprised of in any of those circumstances, working from the general foundation of the same information for briefing purposes.

Mr. Ferreira: Fair enough. Within the organizational chart and the structure, whose decision would it be whether something like this gets widespread media coverage or not, whether something like this, such as the case of Mr. Edmonds, gets to the Premier or, to use your example, the Deputy Premier, the Minister of Health?

Hon. Mr. Smitherman: I think you're not grasping one point about it. You say “decision” with the idea that someone woke up in the morning, took a look across the whole gamut of government, at all the news that day, and decided what's in. That's not what I've suggested is the way that it works. These issues percolate their way up. Accordingly, people have to make a determination, based on the information that comes to them and that is available to them, as to what information would be advanced further.

Mr. Ferreira: In what format does that information come to the Premier?

Hon. Mr. Smitherman: It depends on the circumstance. For example, if I'm on my way in to do a regional media event, then my press secretary or whoever's with me might whisper two or three issues of the day and give me the two or three lines in response. On another occasion, I might have the opportunity to gain the advantage of a ministry briefing note. It really does depend very much on the individual circumstances.

Mr. Ferreira: In the case of a Premier preparing for question period that day, would he get a different style of briefing, a written briefing of some kind?

Hon. Mr. Smitherman: I think it's important to keep in mind that very, very often—and one only has to witness the performance of Premiers over time—they have a whole bunch of other members who are part of their cabinet. So on some issues, determination might be as simple as concluding that any question that comes on a particular subject—especially something that's really an operational matter of an agency. The example that you're turning on here is a very, very prime example of the kind of question that, if I'm in the privileged role of being Acting Premier, there's very, very little instinct on my part to be involved in that at all, so it is much more likely in many of these circumstances that it would be delegated to the responsible minister.

Mr. Ferreira: Again, I want to go back to an instance where the Premier is in the House preparing for question period, whether it's in the morning or early afternoon. Does he receive a written briefing package—a package of notes, a package of clippings, a package of recommendations? Is that document given to the Premier in an instance where the House is sitting that day?

Hon. Mr. Smitherman: I don't believe that there's ever a transfer of a book or a document to the Premier, except at the point that the Premier goes into question period. I haven't sat with him for his preparation. Obviously, most ministers are relying upon issue briefing books—and there are a wide variety. Some of my colleagues would have 70 or 80 issues in those. My book, today, as an example, had four, and I got questions on none of them, unfortunately.

Mr. Ferreira: There were issues that were more top of mind for the opposition today, as we might all understand.

Are these briefing notebooks that are given to the Premier and other cabinet ministers available for tabling?

Hon. Mr. Smitherman: I'm not sure. Mr. Dean might be able to tell us better what the issues are with respect to seeking those—the FOI process, perhaps.

Mr. Dean: Let us get back to you on that. We'll look into it. We're trying to bring a spirit of openness and transparency. We'll get as much information to you as we possibly can.

Mr. Ferreira: Sure. I think we all strive for that. Would you be able to come back and tell us if briefing books from that period in time, March 2005, are available and how we may be able to access them?

Hon. Mr. Smitherman: No. We can get back to you on what the process is for seeking out a book, but the book is not, at least, as best as I know—you don't do the book for one day and file it. It's evolutionary—issues in, issues out, and they're moving around all the time. Today, my book has four; sometimes it has eight. Tomorrow's book won't be the same as today's, and today's evolves into tomorrow's.

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Mr. Ferreira: And material that's removed hits the shredders, or what happens?

Hon. Mr. Smitherman: I think the way the world works is when you have this much information that's possible—the orbit of government is this big—you're seeking as best as you can to limit the field down to the things that I call front burner.

In my responsibilities, there might be 300 things going on in the ministry that could bedevil me or keep me awake at night, but it's likely that it's going to be a relatively small number of them that are there on the front burner. I might say, generally speaking, it's rather predictable what those are.

Mr. Ferreira: So in a case such as the case of Mr. Edmonds, someone would have made a decision, then, that this would not have been a front-burner issue?

Hon. Mr. Smitherman: No, I think I've answered this question to say why that's not the case. Firstly, you've misinformed, I think, so I'll give you an opportunity to correct that. You're talking about a period—March 2005, and the House was in session—but the media reports related to this, as I've been informed, didn't come until the summer, in August 2005.

Mr. Ferreira: Actually, March 15, 2005; it made headlines that day.

Hon. Mr. Smitherman: So the issue that I go back to is what I call the percolating up factor. I think you want to pretend that some one person has got one operation in their orbit—hundreds and hundreds and hundreds of issues across the purview of government—and then they decide which ones you get told about. No, it's not that way.

It's more a process of elimination. You could read the papers in the morning and figure out, by and large, where you want to spend your opposition energy, while I can read the same paper and conclude the areas where you're most likely to be asking me questions. That's what I'm going to focus in on, and that tends to be a very narrow number of issues overall.

Again, please keep in mind that in my role as Acting Premier or in the Premier's role as Premier, he doesn't need to be an instant expert and knowledgeable on every subject matter because he has a whole team in the form of a cabinet to whom he has the privilege of delegating questions.

Mr. Ferreira: In the process of scanning and preparing briefing notes and what not, who oversees that process within the staff complement in the Premier's office? Is it the director of communications?

Hon. Mr. Smitherman: The responsible person for that operation is Aaron Lazarus. He's from issues management.

Mr. Ferreira: Is Mr. Lazarus within the communications portfolio in the Premier's office?

Hon. Mr. Smitherman: I think that the issues management function is considered distinct from that.

Mr. Ferreira: It's actually interesting that you mention Mr. Lazarus's name. I'll have some questions about him later on. We'll look forward to those.

My institutional memory is failing me here. Who was the chief of staff back in early 2005?

Hon. Mr. Smitherman: I don't have the service dates but my memory tells me that it was Don Guy.

Mr. Ferreira: I see. In the course of his daily duties, is Mr. Guy involved in decisions in terms of what the Premier gets briefed on and what he doesn't?

Hon. Mr. Smitherman: I wouldn't think so, except perhaps in some extraordinary circumstances. This is the matter of the government that I spoke about before, which is, everyone has their job and responsibilities and goes about it. In this operation, the issues manager is the person who has primary responsibility around that.

Is that to say that there's an issue on an individual's plate and they might want to ask a question or get some guidance? Of course; there is any realm of opportunity in those cases.

Mr. Ferreira: Explain to me how this works. Perhaps, like many of those in the room, I watch the West Wing. But does the chief of staff meet on a daily basis with the managers responsible for communications, for policy development? How does that work? How often do they meet?

Hon. Mr. Smitherman: I'm not sure that they have any formalized meetings.

Mr. Ferreira: There's no structure for even weekly meetings between the line managers and the chief of staff in the Premier's office?

Hon. Mr. Smitherman: Oh, I'm sorry. I thought—now it's weekly meetings, but—

Mr. Ferreira: Or daily. How often do they meet?

Hon. Mr. Smitherman: Who is the "they"?

Mr. Ferreira: The chief of staff with the managers underneath him: communications, policy—

Hon. Mr. Smitherman: I could endeavour to find out how often there are staff meetings—your question is, how often are there staff meetings in the Premier's office? I'll be happy to get you an answer on that. There is not a daily staff meeting in the Premier's office, to the best of my knowledge.

Mr. Ferreira: Any insights from our other two witnesses?

Mr. Dean: Sure. There is normally—again, I'll talk about my experience in working with a number of governments. There tends to be a morning meeting that has been used for a number of purposes, but generally—

Mr. Ferreira: Sorry, who takes part in those morning meetings?

Mr. Dean: Senior officials from the cabinet office and the Premier's office.

Mr. Ferreira: Job titles? Who normally is assigned to be in those meetings?

Mr. Dean: In some cases, the chief of staff, but certainly the department heads in the Cabinet Office and the political side.

Mr. Ferreira: And that would include the top communications person?

Mr. Dean: It would, in some cases, yes.

Mr. Ferreira: When did Mr. Guy leave the Premier's office?

Hon. Mr. Smitherman: I don't have that date. Do you have that?

Mr. Dean: I think I may. He would have left on or around the beginning of July 2006.

Mr. Ferreira: When did he receive his last paycheque for work conducted for the Premier's office?

Mr. Dean: I'm not sure of that, but I can endeavour to find that out.

Mr. Ferreira: Great, if you could come back. I understand he's now working for the firm Pollara. To the best of your knowledge, have they received any work, contracts from the Premier's office since he left in July 2006?

Hon. Mr. Smitherman: I don't have that information at hand. As one of Canada's larger corporations in their field of work, it's a prospect, for sure. We can check and see what information is available.

Mr. Ferreira: The salaries and wages line, just to make sure I'm clear—that is strictly for full-time or permanent employees of the Premier's office?

Hon. Mr. Smitherman: Just in answer to your previous question, the Premier's office has no consulting contract relationships. We have to be mindful, as well, that anyone who leaves government employment has

limitations, and also transparency associated with salary in the form of the sunshine list.

Mr. Ferreira: Yes. So when we look at the line here, "services," the estimates for 2007-08, \$121,600: What exactly defines "services"? What kind of contracts, what kind of agreements?

Hon. Mr. Smitherman: Shelley?

Ms. Gibson: If you're speaking specifically about contracts, there aren't contracts in the Premier's office. "Services" for the Premier's office generally refers to expenditures, things like photocopier rentals, vehicle-related costs or things like repairs and maintenance to fax machines, copiers, various pieces of office equipment.

Mr. Ferreira: Sorry, that's not transportation and communications?

Ms. Gibson: No. Transportation and communications generally refers to expenditures around cellphones or BlackBerrys, travelling expenses, telephones and voice-mail.

The Chair: Thank you, Mr. Ferreira. That does conclude the 30 minutes.

Mr. Ferreira: I'll get more time.

The Chair: You do have a couple more rounds left to go.

Mr. Ferreira: Thank you, Mr. Chair.

The Chair: It is 20 to 6, Deputy Premier. You have 30 minutes of time. You have a couple of options here. You can use up 20 minutes now and 10 minutes when we reconvene tomorrow, if all parties consent; you could chop off your speech at whatever time you so chose; and if that's failing, then those remaining minutes are divided up among the committee equally; they basically go back into a pool. How would you like to proceed?

Hon. Mr. Smitherman: I've done that latter point before; I'm not making that mistake again. It'll be our inclination to take full advantage of all the time that has been allotted to us. So if I heard you right, Mr. Chair, that means we would conclude for 20 minutes, and when we begin again—Thursday, is it?

The Chair: Yes. There have been some suggestions from members anxious to go to the Niagara reception that whatever time you leave today before 6 p.m., you will have the rest of your 30 minutes when we reconvene tomorrow.

Hon. Mr. Smitherman: I'd like to go to the Niagara reception too. I'd be very happy if all members agree to adjourn at this point and start with a fresh 30-minute clock on our end—however you say that—when we rejoin here Thursday.

The Chair: The Deputy Premier does have 30 minutes. I will allow him to take that up next time if I have all members of the committee's support.

Mr. Patten: Good.

The Chair: All right. At this time, we will recess. We will reconvene tomorrow right after orders of the day for the Deputy Premier's 30 minutes for his responses. Thank you, folks; appreciate it. Thank you, Deputy Premier.

Hon. Mr. Smitherman: Thank you.

The committee adjourned at 1740.

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