



ISSN 1180-4327

Legislative Assembly
of Ontario
Second Session, 37th Parliament

Assemblée législative
de l'Ontario
Deuxième session, 37^e législature

**Official Report
of Debates
(Hansard)**

Tuesday 19 February 2002

**Journal
des débats
(Hansard)**

Mardi 19 février 2002

**Standing committee on
public accounts**

Committee business

**Comité permanent des
comptes publics**

Travaux du comité

Chair: John Gerretsen
Clerk: Tonia Grannum

Président : John Gerretsen
Greffière : Tonia Grannum

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Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
3330 Édifice Whitney ; 99, rue Wellesley ouest
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
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Tuesday 19 February 2002

Mardi 19 février 2002

The committee met at 1006 in committee room 1.

COMMITTEE BUSINESS

The Vice-Chair (Mr Bruce Crozier): Good morning, ladies and gentlemen. We're ready to open the committee this morning.

Another bit of an organizational change: you'll see the motion of Mr Patten is first, organization of Bill 53 is second. With Mr Patten's agreement and your indulgence, we are going to deal with number two first, the organization of Bill 53, because Mrs Bountrogianni has another committee commitment at this time. OK, folks? OK.

We'll get underway with the organization of Bill 53, An Act requiring the disclosure of payments to former public sector employees arising from the termination of their employment. Clerk, where do we go from here?

Clerk Pro Tem (Ms Anne Stokes): Normally in organization there are a number of considerations. One is public hearings. We would determine what day, what times you'd like to meet and what times you'd like to end, so how much time we have; if you would want clause-by-clause done once the House comes back. Then, if you want to advertise, would it be in the newspapers or would be on the parliamentary channel and the Internet? Witnesses to call in to the clerk's office: what deadline do they have to call in by, which of course would be dependent on the day we pick for—I noticed that the schedule has a possible March 7, possible Bill 53. If that's a good time, then we could have the deadline the week before for them to call in, which gives the clerk time to contact people and set up the schedule; and then how long you'd like them to speak for; a deadline for written submissions and if there are opening statements. That's the kind of thing.

The Vice-Chair: So how be we deal with the public hearings, time and date? We already have a time and date suggested.

Mrs Marie Bountrogianni (Hamilton Mountain): We could probably deal with this very quickly.

The Vice-Chair: Yes.

Mrs Bountrogianni: First of all, thank you for discussing this today. This was passed unanimously by all sides of the House, so I thank all sides of the House for passing this bill. It's a very simple bill so the clause-by-clause eventually won't take very long. It's basically requiring the disclosure of payments to former public

sector employees, not covered by collective agreements, arising from the termination of their employment.

March 7, I believe, is the last day of this committee meeting, so I would appreciate having that day. I think 20 minutes for organizations, 10 minutes for individuals works well in the other committees. Unless I hear a different opinion, I think that would be wise for this bill as well. A week before the deadline is fine. We can also assist the clerk's office in getting witnesses and then all three parties can also submit their lists for all sides of this issue to be heard.

Because there are certain parts of the province where this was a bigger issue than others—for example, Ottawa, where there was a \$700,000 golden handshake; there's a whole saga in Hamilton; Sarnia and Toronto as well—I believe in some of those newspapers we should have an advertisement, as well as on the parliamentary channel.

Clerk Pro Tem: So a one-day ad in Ottawa?

Mrs Bountrogianni: Ottawa, Toronto, Hamilton. Sarnia also has had—it's all across the province, but those were the biggest ones, from my research, where millions were given secretly to get rid of—

Mr Bart Maves (Niagara Falls): You're not suggesting we travel there for hearings?

Mrs Bountrogianni: No.

Clerk Pro Tem: In Toronto there are the four dailies; in Ottawa there's more than one paper and there's French and English.

Mr Richard Patten (Ottawa Centre): Ottawa is travel for some but not others.

Clerk Pro Tem: Would you want all the daily papers in those four—

Mrs Bountrogianni: I leave that to your discretion, clerk. From past history—I don't know what the readerships are in Toronto. Perhaps someone can guide me here.

Mr Maves: We had a counterproposal to try to save some advertising money. We thought we would appreciate having one day of public hearings on our first Thursday back in the upcoming session—a third, a third, a third—and let each party pick a third, a third, a third of the people to make presentations, 15 minutes each with a 15-minute opening statement by Mrs Bountrogianni. That takes the full two and a half hours, and it saves us all kinds of advertising money. You guys bring in three, Shelley can bring in three and we'll bring in three.

Mrs Bountrogianni: So you're suggesting not March 7?

Mr Maves: Yes. We would prefer to do it the first regular meeting of the committee, which would be the first Thursday back in the Legislature in April or May.

Mrs Bountrogianni: I guess it's up to the committee, but I would prefer March 7. I made a lot of changes to be here today to do this because of the March 7 deadline and for other reasons too.

Ms Shelley Martel (Nickel Belt): I'm curious why we wouldn't go with March 7. It's already a regularly scheduled hearing date. We've got it in our schedule to meet that day. Why wouldn't we just proceed with this bill on that day?

Mr Maves: We're trying to reduce this three-week period. I talked to Richard about it yesterday and I'm going to talk to you about it today. We're trying to reduce these three weeks and just trying to compress the timetable a little bit, and maybe expanding some of the hours will compress the timetable.

Mr Patten: You want to look at dealing differently with the time thing. I didn't commit myself to anything, by the way, but I'm prepared to look at it. I think we're further ahead if we can do this before we get into the House; then we can march on with other things. We're not sure when the House is going to come back. It could be some time in late April. We have the time available. We perhaps can achieve both objectives, that is, look at the efficiencies of the time we have and save a day or two. But I'd like to see us deal with this and then it's off the table—not off the table, but it's proposed.

The Vice-Chair: The Chair is interested. Why, once the schedule was agreed to by the committee previously and it's all been set up, is there a compelling reason to condense the time that we sit?

Mr Maves: We prefer not to sit three straight weeks in Toronto from 10 to 3 every day, and if we can compress it and maybe sit some days from 9 to 5 or whatever, then I wanted to pursue that with my colleagues across the way.

Mr Raminder Gill (Bramalea-Gore-Malton-Springdale): I guess one of the other reasons is that we are, whether people like it or not, in the middle of an active race for the next premiership and I think some of us are involved in that. I know it may not matter to the committee, but if it can be considered, that's a fair thing to say.

Ms Marilyn Mushinski (Scarborough Centre): It is my understanding, Chair, that there have been some conflicts between various committees sitting, which has led to some particular pressures for particular members. It's further my understanding that that was the reason there were some informal discussions going on to see if there was some way in which to deal with those particular pressures, including the condensing of the schedule. That's what I was certainly led to believe.

Ms Martel: I appreciate the comments. I wish we would have had this discussion when we set the schedule, because clearly everyone was to go back, those who had

other members, and confirm that those dates were fine, and we assumed that they were.

Having said that, I'm prepared to condense the schedule, but I'm not prepared to see anything drop off that we already agreed to. So for two of the sections, if we can sit in the morning and in the afternoon, I'd agree to that, but I think then what we need to do is make sure we finish what we agreed we were going to do, which was to do something on this bill. So if you want to sit some of the chapter 4s—one in the morning, one in the afternoon—I'd agree to that, providing that we're still going to allow some public hearings on this bill.

Mrs Julia Munro (York North): I guess one of the things is that, obviously, because this has come about as a result of informal discussion, clearly there would have to be some further discussion on how that new timetable would look. So I think that, to take Shelley's comments, is something we should certainly look at, because obviously there seems to be some general agreement on the ways in which we may be more efficient in the period of time we have set aside. I think the point that was being suggested by my colleague was not to in any way take from the commitment to look at Mrs Bountrogianni's bill, so I would want to emphasize that. It was, I think, motivated by the issue of whether there are some ways in which we can do some rescheduling that would provide us with greater flexibility in the overall three-week period, but not to take away from the intent and the commitment to look at this bill.

Mrs Bountrogianni: I appreciate Mrs Munro's comments and the reinterpretation of what Mr Maves said. He did say, when the session starts, to do this. But I'm hearing from you that's not how you heard that, which is great. As long as this gets heard before—we don't know when the new session is going in. With all due respect to Mr Gill—and there is a great deal of respect from me to Mr Gill—I don't think a leadership race should stop us from doing the business of the day. As far as saving money, which was the concern of Mr Maves, as far as advertising, it's going to save millions in golden handshakes if we pass it. This is just penny-smart and pound-silly. So I'd go with what Mrs Munro was saying. I'm flexible, as long as this is done before the session starts.

The Vice-Chair: So is the March 7 date the crux of this? In other words, if we can get around March 7 by freeing it up, is that the objective?

I'm just reminded that there are, of course, ministries that are scheduled on the days that we have put in the schedule. There is a minimum of seven or eight people, and even more when it comes to setting up our own individual schedules, scheduled to be here for this period. So we have to take all of that into consideration.

Mr Maves: Can the clerk show me the outline for March 7 as it currently exists? I don't have that.

The Vice-Chair: It's just this bill.

Mr Maves: Marie, when do you want to do clause-by-clause? How many people do you want to have come in for hearings?

Mrs Bountrogianni: There are a number of people who are outraged by this, so I would suggest scheduling a full day.

Mr Maves: How many people do you want to have come in?

Mrs Bountrogianni: About 20 minutes per organization, 10 minutes per person.

Mr Maves: How many? Just give a number.

Mrs Bountrogianni: It's very undemocratic for me to say how many.

Mr Maves: Why?

Mrs Bountrogianni: The number of people who are concerned—at some point, there will have to be a cut-off.

Mr Maves: I'm just curious what that is, so we can figure out the timeline for the day. That's what we're discussing.

Mrs Bountrogianni: But I think the day was scheduled for this, so I believe there would be—

Clerk Pro Tem: If you count, at 20 minutes each, that would be three an hour. So over a six-hour day, that would be 18 organizations.

Mrs Bountrogianni: Right.

Clerk Pro Tem: If it's 10 minutes each, then that's six people per hour; a combination might be four people per hour.

1020

Mrs Bountrogianni: Would you like to shorten the day? Is that your—

Mr Maves: No, no.

Mrs Bountrogianni: Because we could limit it to 10 minutes and then shorten the time, shorten the day. I'm fine with that. Usually, what needs to be said can be said in 10 minutes.

The Vice-Chair: Do you mean to shorten the day in order that you could do clause-by-clause or just—

Mrs Bountrogianni: Sure, sure.

Mr Patten: I don't think clause-by-clause is going to be a big problem. If we went from 10 to 3 and then to clause-by-clause, we could finish the whole damn thing.

Mrs Bountrogianni: It's a very simple bill.

Mr Maves: You can't do clause-by-clause the same day you do public hearings. You have to take into account the input.

Mr Patten: Are you kidding? We've done this before, my friend.

Mrs Bountrogianni: It's a very simple bill.

Mrs Munro: I support the fact that we have made this commitment, if that's the wish of the committee, but I would not support doing clause-by-clause the same day. You've suggested that there are a number of people, groups, who are outraged by this bill, and obviously there is a need, then, to provide that opportunity for response to the bill. So it seems to me that the direction we should give the clerk is something along—I don't know whether 20 minutes is a long time for an organization, given the nature of the bill. I mean, they're going to be very unequivocal about yea or nay.

Perhaps if you looked at 15 minutes for an organization and 10 for an individual, in that kind of a context

you'd probably have a reasonable response from the community at large. I guess it depends on the number of people who respond to this.

I'd like to go back to a point that was made earlier by a colleague with regard to the question of putting this out in the general public. It's a very specific bill that impacts on a very specific group of people within the community, and it would seem to me that probably it's not necessary to try to cast too wide a net. Obviously, in your experience with the bill you would know some of the key players. There are certainly people whose professional, if you like, or technical ability to comment on the bill is important for the government members. So I think we could probably look at making suggestions to the clerk as well as posting it on the site, but it seems to me that because of the nature of the bill the word is going to be quickly out and we're going to get the kind of response that is appropriate without trying to cast a broader net.

I would suggest that we look at that kind of an approach to the people who might wish to come to make a submission and that we look also at a timing framework. Certainly just by limiting it to 15 minutes, you're up to four an hour for your institutional comments. Mr Maves asked you how many people, and I can appreciate that that's perhaps a little difficult to give as a finite here we are. But we do know, from the nature of the bill, that a fairly narrow group of people are impacted by this bill. So it seems to me we might be looking at a relatively specialized group of people who would want to comment on this bill.

Mrs Bountrogianni: I appreciate your comments, and I'm quite willing to look at ways to save advertising money, because I could have a press release, for example, that would give the same information. So I'm quite willing to look at saving money.

With respect to your comments of a narrow net, you're right technically, but, at least in the communities that I mentioned, there was a public outcry, and I do want to give an opportunity for both sides. Perhaps there are some technical issues here from the side that is against this bill that we need to hear, and legal issues, but on the other side there were masses of people who were insulted by the golden handshakes at a time when nurses were being laid off and so forth, to have these sorts of severances given out and not even have the right to do anything about it or to even know about them.

We may be surprised at the interest out there. At least in my community and in Ottawa and Toronto there would be more public interest. My press release can cover some of that, and if the issue is saving money, I'm willing to compromise.

Mr Patten: I wonder if I could get from the clerk—I believe we are obliged to notify the public, but we have options as to how we do that and to what extent, correct?

Clerk Pro Tem: Yes. Normally we notify the public because it is a public hearing, but there isn't really any requirement to do so.

Mr Patten: Oh, there isn't? I thought there was.

Clerk Pro Tem: I suppose posting internally—

Mr Patten: Now that we don't have the Gazette, freely, for everybody, I guess—

Clerk Pro Tem: But normally there is—the newspapers are often used, but there is an expense involved with newspapers.

Mr Patten: Yes.

Clerk Pro Tem: The parliamentary channel, there's no charge for that. The Internet, there's no charge for that. Also, if we issue a press release, there's no charge there.

Ms Martel: I'm just wondering if I can try and bring this to a close.

The Vice-Chair: We're still on the schedule, are we not?

Ms Martel: May I make a proposal?

The Vice-Chair: Yes.

Ms Martel: I propose, then, that we sit for the public hearings for Bill 53 on March 7, that we have 15 minutes per organization, 10 minutes for an individual, that if the committee doesn't mind, we start at 9 and we start at 1 and get to it sooner, and that—

The Vice-Chair: I'm sure the committee would love to do that.

Ms Martel: —the submissions should be in to the clerk by the Thursday before, which would be February 28, so the clerk could start on Friday, March 1, to schedule, and that if there are more individuals, the subcommittee would have to meet then to decide who would be heard; otherwise we'd just slot people as they come in.

Clerk Pro Tem: And no advertising in the newspapers but instead on the parliamentary channel and the Internet—

Mr Martel: The parliamentary channel, Internet.

Clerk Pro Tem: —and then a news release? Right.

The Vice-Chair: Do we have a consensus on that?

Interjections.

The Vice-Chair: I hear a third, a third, a third as opposed to just slotting people.

Mr Maves: So as they come in—

The Vice-Chair: There are going to be some come in that you won't know which third they belong to. There may be some submitted that you'd know which third they belong to.

Mrs Munro: That's OK.

Clerk Pro Tem: What I can do is, anybody who calls in, I can submit a list to the committee members and then each caucus can provide me with a list and I would schedule from that list.

Mrs Munro: That's fine.

Mr Maves: Do you want to have the privacy commissioner have any extra time? Do you think she should be invited? Should we give the privacy commissioner—

Ms Martel: Twenty minutes?

Mr Maves: —20 minutes or half an hour?

Mr Patten: Give her 20 minutes.

Mrs Bountrogianni: I think that's fair.

Mr Patten: I think she should be invited.

The Vice-Chair: Invite the privacy commissioner?

Clerk Pro Tem: The Ontario privacy commissioner, an invitation for 20 minutes, to lead off.

Mr Maves: So we're going 9 till 12 and 1 until what? We kind of left that open-ended.

The Vice-Chair: Six?

Mr Maves: One till 3?

Mrs Munro: That's fine.

Mr Maves: Fifteen minutes per—

The Vice-Chair: Per group, 10 per individual.

Clerk Pro Tem: And 20 minutes for the privacy commissioner.

Mr Maves: Then, Marie, you get an opening of 10, 15? What do you want?

Mrs Bountrogianni: Ten's fine.

Mr Gill: I suppose what we're doing, then, is adding half an hour to the day, extra?

The Vice-Chair: We're adding an hour in the morning, but—

Mr Gill: And half an hour at lunchtime.

The Vice-Chair: —and half an hour at lunch and not going till 4.

Mr Gill: So we're actually adding half an hour.

The Vice-Chair: Yes.

Mr Patten: So we're reducing an hour.

Mr Gill: No. We're adding in half an hour extra.

Mr Patten: OK.

The Vice-Chair: But there's been the suggestion the privacy commissioner be given an opening after Ms Bountrogianni.

1030

Mr Gill: I think the reason for starting this exercise was not to add in time, was it?

Mr Maves: Nine until noon, 1 until 3, 15 minutes per organization and 10 per individual, opening 10, and the privacy commissioner gets invited and gets 20, on March 7.

The Vice-Chair: That's a compromise, OK?

Ms Martel: Done.

Mrs Bountrogianni: Done.

The Vice-Chair: I have consensus?

Mr Gill: We just added half an hour.

The Vice-Chair: Is that it? Thank you very much.

Clerk Pro Tem: One thing: do you want any kind of summary by the research officer?

The Vice-Chair: Marie, a summary by the research officer of the day's submissions?

Mrs Bountrogianni: Yes, thank you.

The Vice-Chair: Having dealt with item number two, we'll now go along to item number one. It sounds like government accounting to me. That is the motion of Mr Patten. Since there was a fair amount of discussion at our last meeting, I will read the motion as it has been given to each of us by the clerk. Mr Patten moved:

“That the committee recommend that this private after-hours clinic (CROS)—which is Canadian radiology oncology service—“be considered a pilot project and following an evaluation which would include: the effectiveness in meeting the stated goals of (1) reducing waiting times; and (2) cost-efficiencies. That this be done

prior to any further expansion or addition of private clinics.”

Mr Patten: Mr Chair, it’s “cost-effectiveness” not “efficiencies.”

The Vice-Chair: I’m sorry, I misread it: “cost-effectiveness.”

Is that essentially the motion, Mr Patten, that you moved?

Mr Patten: Yes.

The Vice-Chair: Any further discussion?

Ms Martel: I support the motion. I have a larger concern—and I don’t know if you want to deal with it within the motion or outside of it—with respect to the documents that we’ve all received in the last four weeks or so, the two documents from the individuals who say the auditor was wrong, the letter back from the auditor and then a newspaper clipping this morning that appeared as a result of a press conference that was held by Dr McGowan here yesterday morning, Dr McGowan being the head of the private sector clinic.

I have some questions about how we might respond to that, which can be dealt with outside of the motion, although—

The Vice-Chair: Responding to the press conference, you mean?

Ms Martel: No.

The Vice-Chair: And the reports?

Ms Martel: I’m concerned about the reports, and I’m concerned about the fact that clearly what was in the reports is different than the instruction that I believe this committee gave the auditor when he carried out the audit.

The Vice-Chair: Could I suggest that that be brought up as a general discussion or as a point of order after we settle this motion? Is that OK?

Ms Martel: Sure.

The Vice-Chair: Any further discussion on the motion? Are you ready for the vote? Ms Munro, I’m sorry?

Mrs Munro: We aren’t going to have any discussion?

The Vice-Chair: You can. I’ve asked several times.

Mrs Munro: I know. I kept expecting there was going to be some. I’m not used to this, no discussion.

The Vice-Chair: All those in favour? Opposed? The motion is defeated.

Well, here we are. It is now 10:35.

Mr Erik Peters: Chair, may I?

The Vice-Chair: Oh, the Provincial Auditor, yes.

Mr Peters: I’m not sure whether it is permissible at all, but because of the circumstances that arose yesterday, I would like to have the committee’s permission to deal with my letter to the Chair and you as a public document. One way of doing that would be to read it into the record. I’m not sure whether you will permit me to do that, because that expresses the concerns that we had. I know it’s an unusual request and I know we dealt with the media yesterday—I dealt with the media yesterday on this issue—but I really am concerned about communicating to the media something that I have not had a chance to discuss with this committee.

Mr Maves: Can you table the letter, and can we deal with it when we come back?

Mr Peters: It has been provided to everybody. It’s the letter dated February 7.

Mr Maves: Oh, I thought you meant you had one today.

Mr Peters: No, no. I don’t have a new one. It is just to make—if I either have permission to act on it if there are any further inquiries or actions taken against my office as a result of this, or the other one is that I could just put it into the statement.

Mrs Munro: I wanted to ask about the nature of these documents that you have responded to and what prompted their publication. Can you give us any information about that?

Mr Peters: I’ll be glad to. In fact, that is the very concern that is at the heart of my intention of making this public. What has happened is that without any consultation with my office whatsoever these letters were distributed to the committee, the reports of Professor Elitzur from the Rotman School of Management, and Murray Bryant from the Richard Ivey School of Business. These were sent out without any discussion with our office at all and there was clearly a total misinterpretation of the mandate that was given to me by this committee.

It would be pure speculation as to why Dr McGowan took that step, because clearly in one of the documents the professor identifies him as the person who asked him to prepare this report. So I had to respond because it was public. Normally we would not have had a reaction to this at all. But here we’re talking about two professors from very reputable business schools who took it upon themselves to write to this committee and distribute this, not only to the committee, but to the Minister of Health and Long-Term Care and also to the CEO at that time, Graham Scott, of Cancer Care Ontario.

The real concern that we have is that it is just a totally unwarranted attack on my office based on an absolute misunderstanding and misinterpretation of the mandate that this committee gave us. So that’s the—

Mrs Munro: I just wanted to understand if—I mean, it’s public information where your office is looking at particular things, whether it’s within the ministry, whether it’s with an agency such as this. Can you recall any other kind of situation which would be similar to this where people had taken it upon themselves to provide the committee with their version?

Mr Peters: No, not offhand, I truly can’t. At one stage I remember way back when, when we discussed the oxygen supply to the Ministry of Health, the ministry did accede to the request of the Ontario health and respiratory—OHRSA; I forget what all the letters stand for. They appeared before the committee and explained how they provided the oxygen in Ontario. That had happened. But quite frankly I cannot recall as long as I’ve been the Provincial Auditor, and my staff who have been there longer than I cannot recall, what I would consider an unprovoked attack on my office and the work of my office without any basis in fact.

Mrs Munro: I appreciate what you're saying in terms of that. What I was trying to figure out was whether or not the interpretation of these individuals to do what they have done in terms of their analysis—is that something that anybody can do? That's I guess what I'm concerned about in terms of understanding the circumstances we have before us now.

1040

Mr Peters: They did something, but they did it in the wrong way. Let me just explain. Yes, they could have taken my report, and where we had the funding formula that was provided to us by the Ministry of Health and by Cancer Care Ontario, as to how they decided to fund this clinic, you can do any interpretation you want. But one of the things that is totally wrong is to assume that is a cost accounting, as they did, as to how the clinic provides the service. The principal concern there is that the clinic is only open to breast and prostate cancer. The Cancer Care Ontario funding funds regional centres, or Cancer Care Ontario centres, that deal with all kinds of cancers. One of the technical aspects of that is that the calibration of radiation equipment, if you deal only with two kinds of cancer, is far easier and leads to greater productivity than if you had to recalibrate for a brain tumour and then for something on the leg etc. So the premise was totally wrong.

What we are ending up with is actually letters to this committee that, first, were not cleared. There was no contact with my office so that we could explain what our mandate was about. Second, there was an interpretation of the data provided in my report which is totally unsupported. It's absolutely false. It's just plain wrong. The third thing is that we are very careful in clearing the factual content of our report. The factual content of our report was carefully cleared with both Cancer Care Ontario and the Minister of Health.

Of course our mandate, as one of the letters—we were dumbfounded because it reports on a report we never issued. It said there was a report that we had issued on CROS. Even yesterday in the press conference they were saying that it is on our value-for-money audit of the contract given. Again that's not the case. It was on their decisions.

Mr Patten: That's what they would like to believe.

Mr Peters: Yes, there was a lengthy discussion of this committee of whether in fact I should do what these people did, but the committee then decided that we should audit only the policy decision. I'm rather concerned about this. It's really an unwarranted attack, in my mind, not just on my office but on this committee, because it says that its committee essentially gave me the wrong charge. That's one of the other implications from this.

The timing is rather curious. Although it is pretty well an automatic renewal, the anniversary of the contract is on March 3, I believe. That's one other aspect.

There are other aspects that they deal with. For example, the clinic is strictly using equipment and facilities financed and maintained by Cancer Care Ontario. Ad-

mittedly, they are paying \$220 for that, but whether that's enough or not, we don't know.

Mr Maves: I think this is an interesting situation, because the auditor in fact has been audited by somebody. I know you take exception with the way the audit was done and so on. I don't see how you can ever say to members of the public, if they decide in the future to take another one of your audits and run their own numbers on it, "You have to follow a certain protocol. You have to call us first." This is just a unique situation where someone has decided to audit your audit and, as you've just explained, there were some differences that were not highlighted and they audited maybe a different thing than you. I think it's just a unique situation. I wouldn't be too sensitive.

You just explained some of the differences. I'm fine if you want to read your letter into the record. I'd hope that we could adjourn while you read it into the record, but I think that's fair game. I just think it's a unique circumstance. I could see this happening again in the future. I don't know how you ever stop the public if they decide to take exception and do their own audit. You can't possibly regulate that. So I think it's fine if he wants to read the letter into the record.

The Vice-Chair: Just to add to yesterday's events, I should tell you that as Vice-Chair of the committee and in the absence of the Chair, I was requested by Wendy Rinella, who is a vice-president of the Jeffery Group Ltd, to have a meeting with her and Dr McGowan, because they have a desire to appear before the committee. So I met with them, only to advise them that the legislated responsibility of this committee, in my interpretation, was to deal with the Provincial Auditor's report and any special reports, that we weren't a committee that, in my limited experience, held public hearings, and that what they should do is to write to the Chair and copy the clerk and request that they appear before the committee, and then the committee would deal with it.

When they came into my office for the meeting, and they wanted it prior to the discussion of Mr Patten's motion, why, along with them came the two writer-authors of the reports. So I started out by telling them I felt a bit blindsided, because we weren't there to discuss the reports; I had no interest in discussing the reports. They informed me then that there was also going to be this press conference. I said, "I would caution you not to interpret our meeting as any kind of a reflection on those reports one way or the other," and I was pleased that they didn't mention that meeting. They left knowing that they could simply write the Chair, and that would be brought before the committee. So that's for your information.

Ms Martel: I don't know why we wouldn't just take the next step and actually have the auditor look at the cost comparison. There was a discussion about this before. Frankly, I had hoped that was what the original special audit was all about. There is an issue here with respect to whether it's more costly or it's cheaper to have this done in the public system. We know, based on what the auditor said, that there wasn't an effort made by CCO

to have this done in the public system. I think we can all agree that there was ample evidence provided by the auditor to show that this was never a route that was chosen.

It is 100% provincial dollars which are funding this after-hours clinic. I, for one, would really like to know whether or not it would be cheaper to do it in the public system, because if it is, I think that would place a serious onus on Cancer Care Ontario to actually make an effort to see if it could be provided in the public system, an effort that they did not make, which is clear to all of us, when this contract was first signed.

The reason I think that is important is (a) because I'd like to know if there's a differential, but (b) we also know that this contract has a first right of refusal for the private sector clinic, so that if the waits continue and Cancer Care Ontario has to make a decision to increase or open up a second clinic, we know that it's the private clinic that has first right of refusal and could have the first opportunity to operate a second clinic at a second cancer treatment centre.

I just think, one way or the other, no matter what side of this you're on, it would make some sense for this committee to instruct the auditor to do now what probably should have been done in the first case, which is to actually get to the bottom of the costing. Is it more expensive or is it not to do this in a private setting? I would really strongly encourage committee members to reconsider their position on this and to ask the auditor to actually take the next step and do this second investigation of costs. That will clear it up for committee members and it will clear it up for this group and for the public.

The Vice-Chair: You wanted to comment?

1050

Mr Peters: I think I've said my piece, and I think it wouldn't serve a purpose. You have a copy of my letter, and I think to put it in the record is no longer necessary. You gave me the opportunity to say my piece.

The Vice-Chair: Mr Maves, you said you didn't care if the auditor says it isn't necessary, so let's deal with the letter.

Mr Maves: I think in his comments he covered what he wanted to say.

Mr Peters: That's right.

The Vice-Chair: OK.

Mr Maves: I'm content.

The Vice-Chair: That deals with the letter. Ms Martel, you have made a suggestion. Do you want to pursue that any further or shall we move on?

Ms Martel: I would ask the committee to consider it. I don't have a written motion. I move that this committee—I don't know if the word is "direct" or "request"—direct or request that the Provincial Auditor now undertake a value-for-money audit of the cost per case of radiation treatment at CROS and in the public system to determine if there is a differential and what it is.

The Vice-Chair: It has been moved. Is the motion understood? Any discussion?

Mr Maves: Yes. I just want to ask research if they could go back to 1999 and find out now how many times we've brought forward motions to direct the auditor to do special audits. We've had this debate before; the number continues to mount. I think we were up to about five last time. This might be six. I would like that information. Thanks.

The Vice-Chair: Further discussion?

Mrs Munro: Yes. This is directed more at the auditor than the members. You mentioned in your comments the complexity of assessing cost, and you raised the issue of the particular after-hours clinic that was, I presume, mandated to specialize in two particular areas. You mentioned something about the efficiencies that come with that kind of specialization. Are there any of the public sector providers of service that have done that?

Mr Peters: We could take a look at it. What we know actually was not done is that the funding was really done on an average per-patient basis, what we see as the funding. The difficulty in cost accounting that would be at stake here is to sort out, of the Cancer Care Ontario facilities, how much they actually spent on those two kinds of cancers, as opposed to what else they do in addition to that. That certainly would be a very difficult challenge.

From our look-see, we have the impression that systems are not in place to actually measure and do this. You almost need time and motion studies, set-up time for radiation equipment, for example, for different procedures etc, so it would be quite a challenge to do this now, because we may have to develop many of the numbers ourselves, which, of course, from an audit perspective is both time-consuming and really in a sense not appropriate, because we would end up auditing our own work.

There is a temptation, if this were to be given as our assignment, that in the motion that has just been defeated—I agree it has been defeated—there is a request for an evaluation which includes the cost-effectiveness. If it were coupled with that—in other words, a request of Cancer Care Ontario to do an evaluation of its own cost-effectiveness, which would mean an analysis of these costs, and then to carry forward what has happened.

There are two questions, and I just want to speak to that from the perspective that you, Mr Maves, just brought to the debate. It's not just my resources; we would also have to have some concern about the resources of Cancer Care Ontario in that it would be a far more elaborate costing system of the treatment of patients than we have had before. The benefit of that would be that we get more of a handle on how to evaluate, budget and cost clinical expenditures and the needs served in other areas. Although in the hospital area, I can tell you that it is already done. There are enormous, tremendously detailed costing studies in the United States which I know would probably be available to us in terms of costing, because, as you know, under their more privately oriented system—I don't know whether any of you have had the misfortune of being in a hospital in the

United States, but you are virtually charged for every Band-Aid, the bandage and the time it took to put it on etc. So I'm saying it could be done. It would be time-consuming for both of us.

To come back with one comment on the transaction we were asked to examine, there is no dispute by my office and a full agreement by the people who sent you the studies that the primary objective of the after-hours clinic, which was to stem the flow of patients who went to the United States, is cost-beneficial for the taxpayer. There's no doubt about that. The challenge is, is it also cost-effective for other patients in the system in Canada who are treated by Cancer Care Ontario in Canada? So it's only that window that we would really be looking at, because grosso modo we're satisfied that treating them at Sunnybrook is cheaper than in Buffalo.

So it is really a question that is worth considering, whether for this particular study we would do this evaluation. There is, of course, the other possibility, and I don't see anything yet in the literature that there is an intention to expand the after-hours clinic to all cancers, to provide comparative service after hours to what we do at Cancer Care Ontario.

You can see that I'm a little bit ambivalent, because it would require a tremendous amount of work, research and resources, both of Cancer Care Ontario and of my office, to come to grips with this particular situation. To that extent, I almost ask the committee to ignore these studies that were prepared by the two professors, because that is the point they're trying to make, that it's also cheaper to do all cancers in an after-hours clinic. If that becomes an issue, I would be quite happy and willing to have my office step in at your request and look for the costing of the two.

My concern is that at this moment it is not an issue. It has been brought up by these two people. I think we have put it reasonably to rest, at least in the current structure that we know of. The information is just not available about whether or not it would be more cost-effective to treat the same cancers in a private sector, after-hours clinic than it is at Cancer Care Ontario.

The Vice-Chair: Ms Munro, you had the floor.

Mrs Munro: That's fine.

Ms Martel: If I might, then, how can they make the claim that it is cheaper, which is the claim that was certainly being made by both?

Mr Peters: Yes, because they totally ignored a fundamental concept of cost accounting, which is service mix. It's almost like you compare a car dealer that sells only Jeeps with a dealer that sells the full range of products. You compare the Jeeps with the average of all the others. That's why we believe that their studies are fundamentally flawed, because they didn't take that into consideration at all. The service mix, the product mix was not taken into account in either study. In fact, the Ivey study, which deals with productivity, makes a bland statement without providing any reference points to Cancer Care Ontario's efficiency because they were again comparing the productivity of a centre that deals only with two

cancers with the productivity of another organization and then making claims. This is why I think in that regard they are worth ignoring.

1100

Ms Martel: Just to finish up, I have two outstanding concerns. One is that it was clear from the report and it's clear from CCO's own work that the waiting times have not diminished. We are not sending patients to the States any more, but the fact remains that in the current cancer system in this province the waiting times are almost exactly the same as they were two years ago, in 1999, when you did your audit of CCO. So there has been no improvement in that regard. I think that situation is going to get worse and is going to force CCO to look at other alternatives to deal with the waiting lists.

The only alternative, unless you send people to the States again, is to open up another after-hours clinic. It seems to me that before the government does that, the government would want to know from CCO that it is more cost-effective to have this done by a private clinic versus in the current cancer system, and the only way you're going to get to that is to know what the costing is. We know that CCO did not make any effort whatsoever to have this done in the public system. Worse still, the contract very clearly says that if CCO looks to have another clinic open up after hours, automatically it would go to CROS to operate, which is in the private sector.

I think it's important, from the perspective of knowing that the waiting lists aren't getting shorter—they're probably getting longer, and CCO at some point is going to have to make a choice about opening up a second clinic—that the best information with respect to costs should be provided. If it's cheaper to do it in the public system, then it would place a particular onus on CCO next time around to actually have to look at the alternative of doing it in the public system. To go on without knowing what those costs are, to me, places no obligation or responsibility on them to get the best cost for cancer care in the system, which is what I hope we're trying to do, because it may in the long run allow us to see more patients, allow us to actually treat more patients.

Mr Peters: My recollection of the hearings we had with Cancer Care Ontario at the time was that they described to the committee essentially two bottlenecks that they had. One was a people bottleneck, and one was a resource-equipment or facilities bottleneck. I'm wondering if it might not be worthwhile to have two approaches. I don't recall exactly the recommendations made by the committee in this regard offhand. The first step is really, what steps can Cancer Care Ontario take to maximize its existing resources? In other words, what we found, for example, was that equipment is maintained during patient hours when they should be serving patients. They could maintain the equipment at night, so that they have up-to-date equipment that is efficient in delivering the services, and the preparatory work can be done in a better way so they have more radiologists on staff who can actually deal with the waiting time.

So the first step would really be to maximize resources. What other steps have to be taken by the government at large? What do we do in order to create more radiologists, if you will, or more cancer specialists who can deal with the waiting list?

From my strictly advisory perspective, to cost account would be a little bit further down on this. I think the primary objective would be to make Cancer Care Ontario itself more efficient and cost-effective in the way it delivers the service, and thereby reduce the waiting times.

That was the gist of my report of December 13. We really were saying, “Look, Cancer Care Ontario, what you did not do was evaluate what you can do to provide these services before you go into a private sector after-hours clinic.” That evaluation simply had not taken place.

My advice to you would be to possibly pass a recommendation to Cancer Care Ontario to take all the steps necessary to maximize and increase its own resources to deal with the waiting time and then decide whether going to a private sector clinic is the right way to go. And it may be. For this one, as I said, the primary purpose was met. The secondary purpose of expanding private sector clinics to all treatments is another question, and that step, in my view, should not be taken until Cancer Care Ontario comes to grips with what it can do.

Mr Patten: Relating to this recommendation, I support it, but I want to speak to the response from the committee, which is a separate issue. So I think we should deal with your recommendation first.

The Vice-Chair: Any further discussion on the motion? Question?

Mr Maves: I’ll give you a suggestion. I don’t think the auditor has taken exception with the qualifications or the background of the people who did any of this work, this study. He’s taken exception with some of the factors that weren’t held for in the study and the fact that they criticize his office for doing something that actually wasn’t what he was doing. He was auditing something different. If the private sector is willing to do the study—Ramy Elitzur is the associate professor of accounting and until recently the executive director of MBA programs at Rotman, and Murray Bryant is a professor and MBA director at the Ivey school—why don’t you just send them a note about the auditor’s concerns with their report and have them rerun their numbers at their expense and let them send us back a letter on that? If they want to be involved, then let them do that.

I think we’re making a tempest in a teapot. The auditor has put his concerns on the record. We’ve noted them. We’ve got his letter with his concerns about their report. I think we should leave it at that. Otherwise, let’s let the private sector do more studies at their expense and on their time instead of the auditor, who has a full audit agenda.

The Vice-Chair: I’m not exactly sure what that has to do with the motion, but—

Mr Peters: If I may comment on that, I do have concerns about having two people do that whose work

that they presented to the committee was that faulty. My confidence in that is fairly low.

The second part of my comments is to the point that that would require giving these people access to the records of Cancer Care Ontario itself. As I pointed out before when my office was confronted with this, I don’t know whether Cancer Care Ontario even keeps these kinds of records at the moment. I cannot answer that question. Whether one wants to send people from outside and give them carte blanche to examine the records of a government agency does concern me somewhat in this regard.

On the last point, from my perspective a letter from this committee would not be necessary. I think the record speaks for itself. That is my view. If you would like to invite people of that calibre to take a look at it, that’s certainly the purview of the committee, but I am not persuaded of their ability to do a good job.

The Vice-Chair: More to the point, the motion was to have the auditor do this, not a third party.

Are you ready for the question?

Ms Martel: A recorded vote, please.

Ayes

Martel, Patten.

Nays

Gill, Maves, Mushinski.

The Vice-Chair: The motion is defeated.

Mr Patten: In light of what has happened, the fact is that as a result of the initiative of these two people who sent directly to us—and that’s fair enough, because anybody could communicate to us what they like. The fact is that the press coverage is “Private Clinic Better Deal, Doctors Claim.”

1110

Ms Mushinski: As opposed to “Cancer Care Questions Auditor’s Numbers”?

Mr Patten: No. So out there—yes, that’s right. There is some doubt now and challenge, I suggest, to the auditor and to this committee. While it is unusual, I think we should respond, quite frankly. It need not be a big deal but I think, in light of the response of the auditor to the committee, we should have a response back to these people and that we should share that publicly. It should come from the Chair, after discussion here as to the content. The content should be, in my opinion, an acknowledgement of the original purpose, which no one disputes, and that’s the focus, because that was the intent.

But by raising and suggesting the other analysis, and that is that they can do it better and cheaper on an on-going basis, I think we should take on or at least identify that we are not, or at least I don’t feel—that that is not satisfactory because (1) that is not what the auditor was asked to do and (2) to pursue that, we don’t see that the

data, or what they've put forward, is, I don't know, credible.

Mr Peters: Valid.

Mr Patten: Valid. We may further say, in light of this, we would recommend that Cancer Care Ontario begin to gather or record the kind of information that will enable it to assess that option in the future. Something along those lines, the spirit of what I'm suggesting. I wouldn't want to just leave it, frankly, just as it is.

Mrs Munro: Given your comments about the meeting you had yesterday and your advice to that group about the approach they should take in terms of writing to us, I think that's the appropriate point at which we then can consider the kind of response we want to make in view of the comments that Mr Patten has made. I think that would be the sequence that I would suggest.

The Vice-Chair: Thank you, Mrs Munro. In light of my meeting with them yesterday, I think that's appropriate. They advised me that they have written to the Chair to ask to appear before the committee. I haven't seen that letter. I told them the Chair would be back in a few days and it would be dealt with. So if that's OK, that may be the appropriate way to do it.

Mr Patten: Just to confirm, the committee will have a chance to respond as to the letter to the Chair. Obviously the Chair will come back here and say, "All right, here's—" and then we'll have a chance to develop our response.

The Vice-Chair: I'll bring the Chair up to date, and I expect that's what he will do.

It is now 11:15. The next item on the agenda, if there is no further business that you'd like to bring up, would

be the closed session regarding item number 3, consideration of the committee's draft report, Project to Automate the Land Registration System (Polaris) Draft No 2.

Is it your pleasure that we begin to deal with that now? No. I hear a no.

Mr Maves: Can we take our hour break and come back and begin with these reports at 12:15 or 12:30?

The Vice-Chair: What is it with this Mr Maves that he wants to change all these schedules? Why don't you guys sort it out and then tell us what you'd like to do. The Chair is suggesting that we move into closed session and deal with item number 3.

Ms Mushinski: I'd be willing to do that if we can get out earlier this afternoon.

Mr Gill: As long as we get out at 12. I've got a luncheon appointment.

The Vice-Chair: We'll break at 12 and come back at 1:30 or 1:00, whatever your choice is. Some may have made some arrangements. Move into closed session?

Mr Gill: Sure.

The Vice-Chair: I will move into closed session unless somebody comes up and chokes me.

Mrs Munro: Can we just have a little confab here? Five minutes?

The Vice-Chair: You can have five minutes to caucus. We won't adjourn; we will recess for five minutes.

The committee recessed from 1115 to 1117.

Interjection.

The Vice-Chair: We will recess till 1 o'clock.

The committee continued in closed session at 1117.

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Vice-Chair / Vice-Président

Mr Bruce Crozier (Essex L)

Mr Bruce Crozier (Essex L)

Mr John Gerretsen (Kingston and the Islands / Kingston et les îles L)

Mr Raminder Gill (Bramalea-Gore-Malton-Springdale PC)

Mr John Hastings (Etobicoke North / -Nord PC)

Ms Shelley Martel (Nickel Belt ND)

Mr Bart Maves (Niagara Falls PC)

Mrs Julia Munro (York North / -Nord PC)

Mr Richard Patten (Ottawa Centre / -Centre L)

Substitutions / Membres remplaçants

Mrs Marie Bountrogianni (Hamilton Mountain L)

Ms Marilyn Mushinski (Scarborough Centre / -Centre PC)

Also taking part / Autres participants et participantes

Mr Erik Peters, Provincial Auditor

Clerk pro tem/ Greffière par intérim

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