



ISSN 1180-4335

**Legislative Assembly
of Ontario**

First Session, 38th Parliament

**Assemblée législative
de l'Ontario**

Première session, 38^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 7 September 2005

**Journal
des débats
(Hansard)**

Mercredi 7 septembre 2005

**Standing committee on
government agencies**

Intended appointments

**Comité permanent des
organismes gouvernementaux**

Nominations prévues

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



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

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Wednesday 7 September 2005

Mercredi 7 septembre 2005

The committee met at 1004 in room 151.

The Vice-Chair (Ms. Andrea Horwath): Good morning, everyone. I'm going to call the meeting to order and ask members of the committee to take their seats when they get a chance. I'll start off by welcoming everyone to our standing committee on government agencies today, Wednesday, September 7, and hope everyone has had a great summer. It's good to see everyone back, all bright-eyed and bushy-tailed.

There are a couple of things I'd like to put out there before we actually start with the meat of the meeting. The first is, you'll have noticed in your package that a couple of withdrawals were made, just to bring that to your attention. We received memoranda on August 19 and August 30 indicating withdrawals from Gordon Bullock, RBG board of directors, and subsequently, William Brett Todd, town of Prescott Police Services Board, just to make sure that's been noted by members of the committee.

I also wanted to recognize that we have a new person with us from research and information services—welcome, Andrew McNaught—who is taking over for Larry Johnston today. Thank you for joining us.

Finally, I beg the indulgence of the committee for myself. Hopefully, with your approval, I'll be able to leave the chair to ask some questions for the third party, because, unfortunately, I couldn't get a sub to sit in and do that. I would ask also if you don't mind me not having to hobble back and forth to another seat while I turn the chair over, if that's possible. I've had surgery on my foot and I'm still in recovery. Is there any problem with that?

Mr. Ernie Parsons (Prince Edward-Hastings): We're nice people.

The Vice-Chair: I knew that. Thank you very much.

Again, if it's all right with members, if there is any other business to be raised, if we could wait until we've gone through the interview process, I think that might be appropriate.

SUBCOMMITTEE REPORTS

The Vice-Chair: I will begin the meeting by asking for the approval of the various subcommittee reports.

First is the subcommittee report on committee business dated Thursday, June 9, 2005. Can I have someone move the adoption of that report?

Mr. Parsons: I would move adoption.

The Vice-Chair: Thank you, Mr. Parsons.

Is there any discussion on that? All those in favour? Any opposed? That's carried.

The second is the subcommittee on committee business dated Thursday, June 16, 2005. Can I have a mover?

Mr. Parsons: I move adoption.

The Vice-Chair: Thank you, Mr. Parsons.

Any discussion? All in favour? Any opposed? That's carried as well then.

The third order of business is the report of the subcommittee on committee business dated Thursday, June 30, 2005. Can I have a mover?

Mr. Parsons: I move adoption.

The Vice-Chair: Thank you, Mr. Parsons.

Any discussion on that? All in favour? Any opposed? That's carried as well.

The fourth is the report of the subcommittee on committee business dated Thursday, July 28, 2005.

Mr. Parsons: I move adoption.

The Vice-Chair: Thank you, Mr. Parsons. Any discussion? All in favour? Any opposed? That's carried as well.

The fifth order of business is the subcommittee on committee business dated August 25, 2005, moved by Mr. Parsons. Any discussion? All those in favour? Any opposed? That's carried as well.

I think we are now able to move on to the appointments review.

INTENDED APPOINTMENTS

GAYLE NATHANSON

Review of intended appointment, selected by third party: Gayle Nathanson, intended appointee as member, Office for Victims of Crime.

The Vice-Chair: Our first interview is with Gayle Nathanson, who is an intended appointee as a member of the Office for Victims of Crime.

Ms. Nathanson, could you please come forward. As you're the first one of the day, you get to be the example for everyone else. I'll start by welcoming you. I invite you to choose any one of those seats. I'm going to explain a little bit of the process, and then we'll get right into it.

What usually happens is, you are given an opportunity to make some comments, to explain your interest and your passion and why you're here. Then we'll go into a rotating set of questions being asked by all of the various

members of the committee; caucus by caucus is the way it usually works. What happens is that any time you take is deducted off of the government side's questions. On this particular day, we'll be starting with questions from the official opposition. Each party will have about 10 minutes to question you on your appointment.

With that being said, again, welcome, and you'll start us off whenever you're feeling comfortable and ready.

Ms. Gayle Nathanson: Tomorrow.

Good morning. Thank you, Madam Chair and members of the committee, for providing me with the opportunity to appear before you today with respect to my intended appointment as a member of the Office for Victims of Crime. I would first like to take a few minutes to briefly outline my professional experience and then address how that background led me to apply to be a member of the OVC.

As you may know from reviewing my resumé, I began my professional career as a lawyer, focusing on corporate litigation. I then moved to Washington D.C. with my husband, who was attending Georgetown business school. It was there that I was bitten by the public policy bug.

During my time in Washington, I worked for a number of different public policy and advocacy organizations, focusing on a range of primarily social issues, including civil rights, constitutional issues, and immigration and refugee matters. I was engaged in a wide range of activities, including stakeholder outreach, coalition building, lobbying Congress and the administration, and media relations. It was an incredible and energizing few years, and it convinced me that the public policy process was where I wanted to focus my professional life. Finally, I understood what people meant when they told me as I was deciding whether to apply to law school that you can do so much with a law degree, which is actually not that obvious when you're in the middle of a corporate litigation practice.

My time in Washington also made me feel more Canadian and more proud of being Canadian than I had ever felt when I was living in Canada, and, after three years, I was eager to return home to work on what I considered our policy issues.

Upon my return in 1998, I began working for a public affairs company and, until this past June, continued to work as a consultant, providing strategic policy and political counsel to clients from a range of sectors. In that role, I developed and implemented public affairs programs, including government relations, communications, media relations and ally-building strategies. Our mandates covered a broad range of issues, including Criminal Code amendments, consumer protection, capital funding for hospitals, and federal tax policy.

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Although I thoroughly enjoyed my work as a consultant, this past spring, after much soul-searching, I decided to take some time off from work to be home with my twin four-year-old boys, which is where I am most of the time now.

That's an overview of my professional experience, but I imagine it may still leave you wondering how I ended up applying to be a member of the OVC. As a consultant, I worked on a range of policy issues, all of which were challenging, but some of which, I must admit, engaged me more than others.

One mandate was particularly interesting. I represented a group of clients who were family members of Canadian victims of the September 11 terrorist attacks in New York City. My work with these clients was with respect to a matter involving the government of Canada, unrelated to the OVC or any part of the provincial government. But these clients had received services and, I must say, incredible support from the OVC immediately following the September 11 attacks and continuing up until quite recently. They had some concerns about the changes that were going on at the OVC that they felt were negatively impacting the effectiveness and efficacy of the agency.

In early 2005, I raised these concerns with representatives from the office of the Attorney General and officials from the Ministry of the Attorney General. Ultimately, we were able to resolve these issues in a way that I believe served not only my clients but other clients of the OVC as well, and the agency itself.

Assisting my clients on this matter was instrumental to my decision to apply for this position, not only for the obvious reason, that it provided me with an opportunity to learn more about the OVC and the various services that are—and in some cases are not—available to victims of crime in this province, but also because it reminded me that these clients, these victims of an unimaginable crime, needed a voice in the policy process. This is something I experienced time and time again as a public affairs consultant. Even our most sophisticated clients, including CEOs of major Canadian corporations, often needed assistance in communicating with government. I often thought of myself as a translator or a conduit between my client and the government officials or politicians responsible for the issue of concern to our clients.

That is a role that I believe the OVC is well positioned to undertake as it moves forward: a voice for victims of crime in the policy-making process. To do so effectively, I think it's important that members of the OVC bring a range of experiences and expertise to the table, not only backgrounds in criminal law or policing and not only individuals who have themselves been victims of crime, both of which are of course very important perspectives to bring, but also, I think, people who have had experience acting as essentially a link between a client—and I think of crime victims as essentially being clients of the OVC—and the policy-makers.

This is how I hope to contribute to the OVC, based on my background experience, and to assist victims of crime in this province moving forward. Thank you for your time today. I look forward to your questions.

The Vice-Chair: Thank you, Ms. Nathanson.

Members of the official opposition: Mr. Tascona.

Mr. Joseph N. Tascona (Barrie–Simcoe–Bradford): We don't have any questions, as we didn't call you to be here today. So we welcome your appointment.

The Vice-Chair: OK. That would then be my opportunity to ask some questions, so could I hand the chair over, perhaps to Mr. Parsons or Mr. Gravelle?

Mr. Michael Gravelle (Thunder Bay–Superior North): Sure. I'd be delighted to chair.

The Vice-Chair: Very good. Thank you.

The Acting Chair (Mr. Michael Gravelle): I'll put you on the clock, though.

Ms. Andrea Horwath (Hamilton East): Thank you.

Ms. Nathanson, you give an excellent overview of your qualifications for the position. How did you hear about the vacancy?

Ms. Nathanson: I heard that the OVC was being reorganized and that they were going to be looking for new members through my work with these clients and my ongoing meetings with members of the ministry and the minister's office as we were trying to resolve the issues with the changes going on at the OVC. So I had heard then that they were reorganizing the board.

Ms. Horwath: All right. You work as a lobbyist for Barry Campbell, who of course is a former MP, for the St. Paul's riding, I believe. Is that right?

Ms. Nathanson: I did work for him.

Ms. Horwath: Sorry about that; yes.

The current MPP for that riding, as you know, is the Attorney General. Do you know of their relationship? Do they have a relationship that you're aware of?

Ms. Nathanson: Yes, they have a professional relationship. Obviously, they know each other from the riding. Beyond that, I don't know. I know they are professional colleagues and see each other professionally.

Ms. Horwath: And so then what would your relationship to Mr. Bryant, the Attorney General, be, as a result?

Ms. Nathanson: My relationship to Mr. Bryant? The same: professional. I know him professionally through my work as a consultant, through my work with Barry Campbell.

Ms. Horwath: Excellent. Are you a supporter of Mr. Bryant personally?

Ms. Nathanson: I am a member of the riding association.

Ms. Horwath: So you're a member of the Liberal Party.

Ms. Nathanson: Yes.

Ms. Horwath: And you've donated to the Liberal Party?

Ms. Nathanson: Yes.

Ms. Horwath: There have been some concerns raised that the government is not using the victims' justice fund to fund victims' services, but rather as more of a political slush fund. That issue has come up in the past. I'm just wondering if you believe that your role on the board will be one that is sufficiently impartial to be able to prevent any further suggestions of that nature.

Ms. Nathanson: I'm sorry; impartial from a—

Ms. Horwath: In order to avoid any further suggestions of that nature.

Ms. Nathanson: I think so. I think the whole idea of reorganizing the OVC and moving service providers into the OVSS and so on is to have a broader perspective. Coming back to what I had said in the past about having, first of all, worked with these victims, where I learned an amazing amount about what it must be like to go through some of these things, and generally working with clients, I think that is honestly the hat that I can bring to the table: thinking of myself in their shoes and what they would feel with decisions being made, whether it's about funds or broader policy issues.

Ms. Horwath: You spoke in your introduction, I think in response to one of my first questions, about your relationship with the ministry and your understanding of the reorganization process that was about to come and how that was an impetus for you to apply. So what kinds of changes would you personally like to see or what insights do you have in regard to those conversations that you see coming down the pipe in terms of reorganization?

Ms. Nathanson: The thing that struck me the most was when my clients were honestly panicked by the rumours they were hearing about the reorganization. They could get no information. Communication was extremely lacking. At the end of the day, the services were still there, everything was running as it had before, but the communication had stopped, basically. And that was what we had worked on in going forward with the officials. It was very effective, I think, in the end. Again, that goes back to my clients feeling helpless because they literally didn't know how to get in touch with somebody. So I imagine that, as a victim of crime, that's got to be one of your most troubling elements, that you're feeling alone, and if the link you had before isn't there any more, you really are completely alone, no matter what services may be out there.

So I would think that as we go forward, if I am part of this agency, I would always try to keep in mind the importance of communicating with the victims and ensuring that they are included in the process of what's actually going on with any changes, whether they be procedural or policy.

Ms. Horwath: Just going back to the issue of the use of the victims' justice fund itself, what kinds of things would you see as being appropriately funded through that fund?

Ms. Nathanson: I honestly can't answer that right now. I would assume that's going to be part of the review of what OVC is considering as it moves forward, so I couldn't even guess what it could be used for at this point.

Ms. Horwath: OK. Do you have any concerns about any uses of it in the past?

Ms. Nathanson: Not that I'm aware of, but I'm not intimately familiar with how it has been used in the past.

Ms. Horwath: OK. I guess one of the examples that I came upon when doing some of the research was that

there was an amount of dollars given to the OPP to fight child pornography on the Internet. Would you see that as an appropriate use of the victims' justice fund?

Ms. Nathanson: Again, I can't say until, if appointed, I sit with the other members of the OVC, we set out a mandate going forward—I hope a long-term vision—set priorities and then figure out how to best service those priorities with the funds. So it's hard for me to answer that.

Ms. Horwath: The reason I'm trying to get a handle on it is because some would say that the victims' justice fund should be for victims and the funding of police services should be the funding of police services, and really, if you start leaching the justice fund into providing police services, then what are you doing in terms of diluting the use of the funds from what they were initially set out to do? Any comment on that?

Ms. Nathanson: The only thing I could comment on in the broader sense is that I think it's important, again, when any decisions are made relating to victims' services, to try to put on, if any of us can for a minute, the hat of a victim. For instance, if the police are in that situation, they are linked to resolving their issues or providing them some kind of services. It may be an appropriate avenue for the funds to go. I can't comment on whether in that specific case it was, but it may not always be so obvious, it may not always be so direct to service providers, because I even think the idea of a service provider for a victim may be broader than we're thinking about right now, and even the concept of how a victim is defined. For instance, my clients were family members of people who died on September 11, but they were victims of that crime.

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Ms. Horwath: In another sense.

Can I just ask one last question? That is around whether or not you feel there is potential for conflict of interest, particularly because this is your field and this is where you're coming from. How will you address those kinds of concerns and/or instances where a conflict of interest may arise?

Ms. Nathanson: First off, I actually think that that particular experience has brought me a perspective that will only be helpful, but I think, most significantly, given that I'm no longer working as a consultant—I'm not representing any more clients, including that group of clients, and I'm not in communication with them right now—I don't perceive any potential conflict.

Ms. Horwath: All right. Thank you very much. That concludes my questioning.

The Acting Chair: Thank you very much, Ms. Horwath. We'll return the chair to you, if I may.

The Vice-Chair: Thank you very much, Mr. Gravelle. Any questions, then, for the government members?

Mr. Parsons: No questions from the government side.

The Vice-Chair: OK.

Just to let you know, Ms. Nathanson, what the process is—I'm sorry I forgot to mention that at the beginning—at the end of all of the interviews, we'll go back one by

one and go through the formal process of the appointment. So you're free to stay or leave. It's totally up to you. The clerk will notify you on the result, and if not, some of the members of the government side. So it's up to you. Thank you so much for coming. We appreciate that.

STEPHEN DIAMOND

Review of intended appointment, selected by third party: Stephen Diamond, intended appointee as member, Liquor Control Board of Ontario.

The Vice-Chair: Our second interview is with Mr. Stephen Diamond, the intended appointee as member of the Liquor Control Board of Ontario.

Welcome, Mr. Diamond. Make yourself comfortable at the end of the table. As you may be aware from the previous process, you have an opportunity to make some comments, to talk to us about your skills that are going to be used for this position, and then, at the end of that process, we'll be going through the rounds of questioning. At that, I will just leave it to you and welcome you once again.

Mr. Stephen Diamond: Thank you very much, and good morning, Madam Chair and members of the committee. My name is Steve Diamond, and the first thing I'd like to say is, I do consider it to be an honour to be considered for the position as a director of the LCBO.

I understand that you have a copy of my curriculum vitae before you. Just very briefly, I am currently a partner with the law firm of McCarthy Tétrault, which has offices in most of Canada's major cities across the country, as well as London, England. I myself am a specialist in planning and municipal law, and have specialized in that since I was called to the bar in 1978.

In terms of my experience in directorships, I had the privilege of also serving as a director of McCarthy Tétrault, and my term ended at the end of 2004. I'm also currently a director of Whitecastle Investments Ltd., which is a venture capitalist corporation.

Over the years, I've also had the opportunity to serve on a number of non-profit corporations. I'm currently director and secretary of the Mount Sinai Hospital Foundation, as well as chair of their nominating and governance committee. I'm also currently a director of the Urban Development Institute and a director of Alpine Ski Club, in charge of their real estate portfolio.

In addition to my current directorships, in the past I've served as a founding director of the Toronto Parks and Trees Foundation, a president of the Canada-Israel Foundation for Academic Exchange, a president of the Toronto chapter of the Canadian Friends of the Hebrew University, as well as a director of the Temple Sinai Foundation board.

Finally, although not a directorship, I also had the pleasure to serve on the Ontario Red Tape Commission, set up under the previous provincial government.

Now, when I've watched the videos that I was sent about the committee, I know that there are a number of

questions that are asked about political involvement. So I thought I would try to address those with you up front.

My actual political involvement dates back to the 1970s and 1980s, when I actually had the opportunity to meet then Attorney General Roy McMurtry. He was actually a neighbour of mine on a cottage that we both had on an island up north. He persuaded me that political involvement is one's civic duty and that it's one of the highest callings in life to be a member of Parliament, as you are. I became involved and eventually became the chief financial officer of the Eglinton Progressive Conservative riding association, and when Mr. McMurtry ran for the party leadership, I was his communications chairman at the convention.

After his defeat, for many years, I then lost interest in politics. A couple of years ago, I was introduced to Dalton McGuinty, who I felt, when I met him when he was in opposition, would be an excellent Premier. I then did become, once again, involved and supported the Liberal Party in the last provincial election. This also involved some fundraising for the party.

While I have not been that directly involved with the provincial NDP, through my work at city hall I also had the opportunity to work closely a number of times with Jack Layton. We were very familiar with one another, and we also worked together to make submissions to various levels of government with respect to the implementation of some affordable housing programs.

Finally, what I can say is, whether it's a commercial or non-profit enterprise, one hopes that when you're coming to a board, you will bring a sense of professionalism, good judgment and high ethical standards. I hope that if my appointment is approved today, I'll be able to bring those qualities to the appointment as a director of the LCBO.

I thank you for your attention. If there are questions, I'd be pleased to answer them.

The Vice-Chair: Thank you, Mr. Diamond, for those introductory remarks. Once again I'll have to ask that Mr. Gravelle take over the chair, if that's possible.

The Acting Chair: Thank you very much, Mr. Diamond. The first question does go the third party.

Ms. Horwath: It's interesting that you had spoken about your previous political involvement and your fundraising for the Liberal Party, particularly. But before I go on to that, I wanted to ask how you heard about this position being open, or available.

Mr. Diamond: I was actually called by the Public Appointments Secretariat. I met with them, and they asked whether I'd be interested in taking this appointment. I was advised that there were some major real estate issues that the board would be facing, and was asked if I would be prepared to work with the board.

Ms. Horwath: So you were recruited by the secretariat?

Mr. Diamond: That's correct.

Ms. Horwath: OK. Can I ask a question around a Toronto Star article that was published on March 9? It reported that there was a big dinner that was hosted by

Ed Sorbara, the brother of the finance minister, at about a \$10,000-a-plate price, at which time many developers and other people in the community had an opportunity to rub shoulders with the Premier and speak to him about various issues. I'm just wondering, in terms of the timing, is that where you initially heard about the possibility of this particular appointment, back on March 9?

Mr. Diamond: No, I did not hear about the appointment on March 9, and I also should make it clear that I never paid \$10,000 to attend a dinner, either.

Ms. Horwath: But you did attend that? You were one of the guests that afternoon?

Mr. Diamond: Yes, I was at that dinner, but I was never asked, nor did I make a \$10,000 contribution to the party for attendance at that dinner.

Ms. Horwath: OK. That's fair. Did you have any discussions at all at the dinner about this particular appointment or this particular agency?

Mr. Diamond: No, absolutely not. I had no idea that there was even an appointment available.

Ms. Horwath: OK. Did you have any chance at all to talk to the finance minister about what was happening with the LCBO? Because if you recall, and if I recall, that's probably around the same time that there was a review under way in regard to the LCBO.

Mr. Diamond: No. I didn't talk much about anything about business that evening. The LCBO was really not on my radar screen at the time. I never envisaged that it was something that I would be asked to become a part of, so I really didn't have any interest in asking questions about it on that particular evening.

Ms. Horwath: All right. I just wanted to get the timing straight in terms of when your application was submitted. I'm just trying to quickly figure out—do you recall when exactly you submitted your application, what the time frame was for that?

Mr. Diamond: No. It was in the last few months.

Ms. Horwath: I've got April 29, 2005. Does that sound right?

Mr. Diamond: Yes.

Ms. Horwath: So just a little over six weeks after that dinner took place would have been around the time that your application had been received. So during that time frame you learned about the position and filled out the application.

You talked about the fact that you had—

Mr. Diamond: First of all, when did you say the dinner was?

Ms. Horwath: March 9, and April 29 is the date of your application.

Mr. Diamond: No, I think that's incorrect.

Ms. Horwath: I've got your application in front of me.

Mr. Diamond: I think the application is correct; I don't think the dinner was held in—

Ms. Horwath: OK, so it was the report—you're right; it was the article that came out on March 9.

Mr. Diamond: That's right. I think the dinner was months and months previous to that.

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Ms. Horwath: That's correct. That's my mistake. I apologize for that.

I'm going to go back to the issue of the Toronto Star article, not specifically but insofar as the kind of negative attention these particular types of fundraisers bring, and because your comments initially indicated that that's one of the things that you do. All people involved in the political process do fundraising, absolutely. I'm just wanting your personal opinion on that incident and the resulting negative attention it brought, not only to the Liberal Party and to the people who may have attended, but just the general bad taste that it might have left with people after it had become uncovered. From your perspective as someone who does fundraising, could you comment on that?

Mr. Diamond: I think that whenever one is involved in fundraising—which is something that, interestingly enough, is essential to all political parties, whether they be the NDP, the Conservatives or the Liberals—it's always difficult, because I think it has to be dealt with with a certain sense of judgment. I think everyone learns, as one goes on, what makes that judgment appropriate and not appropriate. In this particular case, I think the whole incident was blown somewhat out of proportion, because as I said, when I read about some of the material in the paper, I read that it was a developers' dinner and everyone had paid a certain amount of money to attend, which, having been there, I know was not the case. I think that, unfortunately, what's most important in all of these situations is that there be full disclosure of all events that are current, all fundraising efforts.

On a personal note, because I've been involved in fundraising, if I had my way I would probably—if I was in office and sitting where you are, I'd probably put some limits on all contributions, even from unions, from corporations and from individuals; certain maximums that would be different. I'd rather have the taxpayers' general fund fund the parties, rather than them coming from individuals, because there's always a perception, which I think is more imagined than real, with respect to the perception of undue influence with all the fundraising efforts.

Ms. Horwath: I'm glad that you raised that, because that was really where I was going with this. Is it your opinion that the high price of these kinds of events are appropriately perceived by the public as special interest groups that have the big pockets to be able to afford to do so and can then buy access to government representatives? That was my point, and I'm glad that you've acknowledged it: that that perception exists.

I'm going to get off of that line of questioning, except to follow up a little bit on the real-time disclosure issue that you raised. I would agree with you, and I think a great deal of this could have been managed better had the government actually fulfilled its promise on real-time disclosure because, as you indicate, there would have been a clear list: who paid what and what was really happening there. Unfortunately, to this day, the govern-

ment still hasn't committed to real-time disclosure, and hopefully will do so soon.

I'm going to ask you a little bit more now, though—

Mr. Diamond: It just goes to show you that they don't listen to me about everything.

Ms. Horwath: There you go; proven your point, I guess.

Mr. Diamond: Exactly.

Ms. Horwath: I wanted to just ask you a little bit about the actual position itself, and ask your opinion around the privatization of the LCBO. We know that the government's report came back, and they've decided in some ways not to go down that road. There's still some concern out there that the explosion of outlet stores in the LCBO is de facto becoming the privatization of the LCBO. Can you comment on that at all?

Mr. Diamond: I'm very familiar with the issue, and I actually perused—I haven't read in absolute detail—I think it's called the BASR report—and I've carefully examined the annual statements of the board. I'm speaking from somewhat limited knowledge when I give any opinions this morning.

Understanding that, my first point would be that the job as the director is to manage the LCBO, and it's up to the shareholders of the company, which is the people of the province of Ontario, to decide whether or not it should be privatized. My own personal perspective from this point of view is that I believe that the LCBO is doing an excellent job as it stands today and serving the people extremely well. In reading that report, I immediately saw some questions that I would have about the suggestion that there would be more revenue. It's based on a potential increase through licensing fees, but it's based on an assumption of what those fees would be. So if I was asked to investigate the question, I would want to look very, very carefully at that to see whether those assumptions are in fact correct or are not correct.

In reviewing the LCBO's annual report, I think there's also a responsibility that the government still has with alcohol toward social responsibility. When it's in the arms of the government, I think they are better equipped to handle those particular issues.

Again, those are personal views, not of the corporation, but I'm trying to be as candid with you as I can.

Ms. Horwath: That's fair.

The Acting Chair: Ms. Horwath, you have one minute.

Ms. Horwath: Thank you, Mr. Gravelle.

It's interesting, because I think the evidence has shown that most Ontarians would be of the same opinion as yourself as a result of the debate that came up when the report was issued.

I think I'm finished with the questioning. I appreciate your candour, and thank you for taking the time.

Mr. Diamond: Thank you.

The Acting Chair: Thank you, Ms. Horwath, and I'll return the chair to you.

The Vice-Chair: Thank you very much, Mr. Gravelle. I guess there are no questions for—oh, sorry, Mr.

Diamond. I was the first questioner, so now it's members of the government side and then the official opposition.

Interjections.

The Vice-Chair: No questions from the government side? Thank you.

Members of the opposition?

Mr. Tascona: Yes. It's good to see you again, Mr. Diamond.

Mr. Diamond: It's good to see you.

Mr. Tascona: We haven't seen each other since you were working for CN Real Estate in Barrie. I hope you've seen the waterfront since.

Mr. Diamond: I have, actually.

Mr. Tascona: There are no houses on our waterfront; it's all publicly owned.

Mr. Diamond: Yes. It's beautiful.

Mr. Tascona: But you were very professional through that exercise when I was on council, so I appreciate that.

Mr. Diamond: Thank you.

Mr. Tascona: So you're still in the land development business.

Mr. Diamond: Yes. I'm a lawyer, a partner at McCarthy, still doing the same type of work.

Mr. Tascona: Isn't that the same firm that Mr. Bryant, the Attorney General, practised at?

Mr. Diamond: I believe he did, yes. He left before I joined the firm. I joined the firm about eight or 10 years ago. I had my own firm for a long time, and he was not an associate or partner there when I joined the firm.

Mr. Tascona: I understand that.

You said you were called by the appointments secretariat about some issues that you could help in. Obviously, you have a lot of expertise in the land development business. I recently read about you in terms of some of the land development issues you're dealing with in the city of Toronto. What were the issues that were shared with you that you could be of any help on?

Mr. Diamond: What I had understood is that there is a large portfolio of real estate that the LCBO owns and that they're looking for ways to ensure that it is properly managed and it's bringing the highest return to the province in terms of its potential for either development or redevelopment. Those were some of the issues that were discussed with me.

Mr. Tascona: I understand that your expertise would be used—because you have substantial expertise and knowledge in this area and you're active in it—in the private holdings of the LCBO in terms of their redeveloping their own lands and perhaps looking at, if they do expand into other areas, that they would not be buying land but they would be dealing with private sector landholders. Is that correct?

Mr. Diamond: Potentially.

Mr. Tascona: So your expertise is going to be utilized with respect to their real estate portfolio.

Mr. Diamond: I believe that was the reason they were looking and asking for someone to come on the board with my expertise.

Mr. Tascona: I have to be quite frank. Where would you get the time? You're an active land development lawyer, highly priced, and you're going into an area, the LCBO—I know you've got the expertise, but don't you feel that there's a fairly substantial conflict in terms of your expertise and advice on land holdings when you represent a lot of the big developers?

Mr. Diamond: I don't really see that there would be any conflict, because the LCBO owns these particular assets. They are going to be looking to make sure that the properties have their highest and greatest return for the LCBO. That could involve rezoning the lands or redeveloping themselves.

Mr. Tascona: I know, but if you're phoned up—people know now that you're on the LCBO. They've got some fairly attractive real estate holdings. They're also looking to expand. I get calls from realtors saying, "I want my land to be used for an LCBO store." It's like a gold-plated lease. You've got that expertise. Now, maybe they phone you directly, and you say, "Well, I can't do that because I'm the director," but you can sort of pass it off to one of your partners; you know, the Chinese Wall theory. Does that apply at McCarthy, the Chinese Wall theory? You know that.

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Mr. Diamond: Actually, that law—there was a report in the paper again today. They refer to them now as just walls. But you can't necessarily do that any more, and that means you have to have the consent of both parties. My own view is that if there were a private interest that I was aware of or knew of that I was involved with that had an interest, I would then say, "Look, I can't get involved in this particular matter as it's being addressed before the board, because I happen to know that company or do work for that company."

Mr. Tascona: Then how do you deal with sharing your knowledge with respect to the future prospects and dealings of the LCBO and how that applies to your own practice? How do you separate those two things? You're actively in the land development business. You've got great expertise, clients with the pocketbook. How do you separate that: your knowledge of where they're going to go and what you do with your practice?

Mr. Diamond: I don't understand how there could be that conflict. I don't understand the point you're trying to raise.

Mr. Tascona: Well, if you know how an area is going to be developed—an LCBO as part of a mall, which could be an anchor. They're going for bigger stores; you know that. They want cars to be right in front of it; they want total visibility. They've totally changed their marketing strategy in terms of being a big player. How do you separate that in terms of how you want to develop an area for your client? Because they are into condominium development, into all kinds of different development. They're a major player commercially. How do you separate your knowledge in terms of how you develop an area for your client?

Mr. Diamond: First of all, I don't see that as being a conflict. To be able to take one's expertise and apply it to

a certain real estate holding is completely independent from having a client who is acting on the same matter. The LCBO—

Mr. Tascona: I agree with you there, but it also gives you a leg up in terms of the planning because you have the inside knowledge. I'm just saying, how do you separate that? You can say to your client, "I know the LCBO is going into that area. I don't think I can really advise you." You're going to have that knowledge of how an area is going to be developed. The LCBO, in my view, even though they've said, "We're not going to privatize the service," are certainly going to privatize their land holdings big time. That's where they're going with respect to making sure that their bottom line looks more responsive to the private sector. But the private sector holdings of the LCBO—to me, they're a very active real estate arm, and a lot of people find them difficult to deal with. But the fact is that everybody wants a lease with the LCBO or to own the land where they're going to provide the lease. I'm just raising the point that, because you're so active in the land development business, you certainly get yourself a leg up in the industry in saying, "Gee, this guy is with the LCBO. He's certainly going to have some knowledge." I can see some business coming your way just because of that particular appointment.

Let's face it, you're a busy guy. I really can't understand, other than your expertise, why you would take on the appointment, because of your time limitations.

Mr. Diamond: First of all, as I said, I was approached and, as I started off this morning, because I was asked and I thought I could offer some assistance, I said I thought it would be an honour to be able to serve something that would assist in a public initiative. I just don't see, with the greatest of respect, there being a conflict.

Mr. Tascona: I didn't say there was a conflict. There may not be one where you get a direct client, because you can always back out of that. But your knowledge of how to develop an area, because you know where the stores are going and whatever—it's because it's crucial to get an LCBO lease for some malls. You'd be able to use that. That's all I'm saying, in terms of the knowledge, in terms of your being an active player. You're not going to back out of the land development business; you're going to stay in that land development business.

I want to ask you a question. If you were at that dinner with the Sorbara family that was reported March 9, and I think you said you were at the dinner—

Mr. Diamond: Yes.

Mr. Tascona: —in what capacity were you there? Nobody gets into those gatherings unless they've got a little bit of coin to put in. Either your client paid for you or you were there for some capacity. What was your capacity?

Mr. Diamond: Because I had said I'd worked for the party during the election, I think what may have occurred was that they had a spot, or someone cancelled at the last minute, and they told me that if I wanted to attend the dinner, I could attend.

Mr. Tascona: So that ticket already would have been paid for; you were just coming for somebody else?

Mr. Diamond: No, I don't think so. Nobody—

Mr. Tascona: You never checked that out? They told you, "Someone else isn't coming; you can come"?

Mr. Diamond: No, but I was told about the dinner and I went.

Mr. Tascona: Who told you?

Mr. Diamond: It was Greg Wong, who at the time was the head of the Ontario Liberal fund. It was three or four days before the dinner, and he asked me if I wanted to attend the dinner, and I said, "Sure."

Mr. Tascona: And it was related to any discussion with respect to land development holdings?

Mr. Diamond: No, none whatsoever.

Mr. Tascona: But the main players were from land development. You know as well as I do—my area isn't covered by the greenbelt. Then you've got Metrus there, you've got a couple of other big developers up in our area. There are also the issues around Durham in terms of lifting the freeze. The major players that are involved in that were all there. So what were you doing there, other than—

Mr. Diamond: They were all where?

Mr. Tascona: At that particular type of dinner. The major players in the development industry were at that dinner.

Mr. Diamond: First of all, I think you're mistaken about who was at that dinner. Again, I have nothing to do with the greenbelt. I haven't had anything to do with the greenbelt—

Mr. Tascona: No, but you've got clients that are in the greenbelt.

The Vice-Chair: You have got one minute left.

Mr. Diamond: No, actually, I don't. I have nothing to do with the greenbelt. The majority of my practice is in the 416 area code today. It has evolved since I joined McCarthy's. It's mostly within the boundaries of the city of Toronto. I have very little to do with—

Mr. Tascona: No development interests up in Simcoe county?

Mr. Diamond: Nope. None.

Mr. Tascona: What about your clients?

Mr. Diamond: My clients are one part of a group. One client may own land up there; I'm just not dealing with it. The stuff I deal with is mostly in the 416 area code. That's the majority of my practice today, and has been for the last 10 years. I don't have anything to do with the greenbelt. I haven't made any submissions to the government about the greenbelt; I haven't asked any clients about the greenbelt. So that's just the way it sits.

You asked why I was out to dinner. I was involved with the Liberal Party when they were in opposition. You asked why I attended: I hosted a reception for Dalton McGuinty at my home. It was at a time when it couldn't even be a fundraising event, because no one would pay to meet the Leader of the Opposition. OK? Perhaps I was invited to the dinner because there was some sense of

appreciation of those who were working at a time when they were trying to get the word around there to help.

Mr. Tascona: What was the cost of the ticket to the dinner, do you know?

Mr. Diamond: At my home? It was free.

Mr. Tascona: No, no. At the one that you attended in March.

Mr. Diamond: I'm not sure.

Mr. Tascona: Wasn't that \$10,000 a ticket? You just got asked to walk in to the dinner?

Mr. Diamond: Yes.

Mr. Tascona: That's interesting. Those are all the questions I've got.

The Vice-Chair: Thank you, Mr. Tascona.

I believe that's the end of all the questions, Mr. Diamond. Thank you very much for appearing before us today. At the end of the process of all the interviews this morning, we'll be making our final recommendations. So you're welcome to stay or get on with your busy day. Thanks once again.

W. DAVID WILSON

Review of intended appointment, selected by official opposition party: W. David Wilson, intended appointee as chair, Ontario Securities Commission.

The Vice-Chair: Our next interview is with W. David Wilson, the intended appointee as chair of the Ontario Securities Commission.

Mr. Wilson, please come forward. Make yourself comfortable. As you are probably aware, you will have an opportunity to initially make a statement, if you choose to do so. That time will be deducted from the government's opportunity to ask any questions. Then we'll go through the rotation of questions by each party for about 10 minutes each. So any time you're ready. Welcome once again. The floor is yours.

Mr. W. David Wilson: Thank you very much, Madam Chair.

Good morning, ladies and gentlemen. I am honoured to have been nominated to become chair of the Ontario Securities Commission. I'll keep my remarks this morning brief to leave you more time for any questions that you may have. In my opening remarks today, I'd like to touch on three areas: my relevant business experience, my involvement in regulatory activities in the past and the priorities I would bring to this position.

As you know from my biography, I have had direct experience in the securities industry for the past 35 years. I would be the first OSC chair since 1974 whose educational background and career experience is outside of the legal profession. Over the past 20 years, I have been responsible at one time or another for the management of virtually all of the investment banking activities conducted by a large securities firm. So with my street experience, I have seen the issues from the market participant's perspective over many years. Having worked with corporate and government clients in the raising of debt and equity capital, I know first-hand how important it is to

ensure the global competitiveness of our capital markets here in Ontario.

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My regulatory experience goes back to 1994, when I was appointed to the executive committee of the Investment Dealers Association, the IDA. In 1996-97, I was chair of that self-regulatory organization. During my term as IDA chair, the IDA took the lead role in creating a new self-regulatory body for the mutual fund industry, the Mutual Fund Dealers Association. That association, the MFDA, has evolved to become a very important participant in the securities industry regulatory landscape.

As a member of the ministerial committee mandated to review the Securities Act, I participated over a two-year period in developing a detailed set of recommendations which were considered by the standing committee on finance and economic affairs. Many of the issues are still under debate, and I look forward to the opportunity to help address them as chair of the OSC. In addition, I have advised the government of Ontario on its initiative to establish a common securities regulator for Canada. I deeply believe in the OSC mandate: to provide strong investor protection and to foster fair and efficient capital markets and confidence in their integrity.

One of Ontario's most important assets is confidence in our financial system. It has helped to make our province an engine for growth for all of Canada. To maintain investor confidence, we must make it clear that our markets are characterized by integrity and backed by enforcement. Investors have a right to expect that when they invest, they are protected by laws and regulations and that those laws and regulations will be enforced. This must include vigorous consumer protection activities.

In dealing with financial service providers, retail investors have a right to be treated honestly and fairly. The OSC and other regulators have a responsibility to ensure that they are. I am very proud to have been asked to take on this important responsibility to help foster the efficiency and integrity of our capital markets, and I look forward to having the opportunity to take the position.

I'd be pleased to answer your questions, Madam Chair.

The Vice-Chair: Thank you very much, Mr. Wilson. The questions will begin with the government side this time, I believe.

Mr. Parsons: Mr. Wilson, your presence here today tells me that my resumé didn't even get short-listed for this position, and rightfully so.

On a serious note, this is an extremely critical position, given financial events over the past few years in more than one country. Could you briefly run through the process that you were part of to reach this point in time? How were you contacted? Did you contact first, or whatever?

Mr. Wilson: Sure. I'm happy to answer that. When David Brown, the predecessor chair of the OSC, announced his intention to retire back in November, I privately mused about the possibility of making a career shift. So I asked David if he would have lunch with me,

and we talked about the reasons for his retirement and the sort of job that it was. That was in February of last year. I just kept my thoughts to myself and nothing really happened until April, when the recruiting firm that was retained by the government to fill the position contacted me. I had two meetings with the professionals at the recruiting firm. That led to further meetings with, first, the advisory committee that the minister had on the selection of the new OSC chair; I then met with the deputy minister. I received a phone call from the minister, as I gather he called each of the final three candidates. Then I received a final phone call from the minister offering me the position. So that's the sequence of events that led to where we are today.

Mr. Parsons: That's all our questions.

The Vice-Chair: Mr. Tascona?

Mr. Tascona: I appreciate you coming here today, sir. Have you ever had any involvement financially or organizationally in the Ontario Liberal Party?

Mr. Wilson: I have personally donated to two political parties and I've made donations to candidates in two parties, but active involvement in the Liberal Party in terms of position or membership, no.

Mr. Tascona: So you've contributed financially to the Liberal Party through candidates?

Mr. Wilson: And to the party itself, yes.

Mr. Tascona: OK. With respect to the appointment, who was the recruiting firm for this particular—

Mr. Wilson: Korn/Ferry International.

Mr. Tascona: You said you'd received two calls from the minister. When was the final call made?

Mr. Wilson: The final call from the minister was around the middle of June. I believe that the announcement of my nomination was June 22.

Mr. Tascona: I just have one area I want to probe with you. I'm sure that you're aware of a Globe and Mail article that was published June 29, 2005. It was written by Sinclair Stewart and Andrew Willis. Are you aware of that article?

Mr. Wilson: I'm not sure what the topic was.

Mr. Tascona: It was about "Flashy Bay St. Trader Faces Probe." It was about a David Berry.

Mr. Wilson: Yes, I'm aware of the article.

Mr. Tascona: In the article, sir, it indicates—and I don't know whether this is true or not true, but if you just want to comment on it—"Mr. Berry's de facto boss, meanwhile, Scotiabank vice-chairman David Wilson, announced Thursday he was resigning from Scotia Capital to head up the Ontario Securities Commission, the country's largest securities watchdog." I don't know whether that's true or not. They call it the "de facto boss." Could you maybe explain whatever relationship you had organizationally to Mr. Berry, if any?

Mr. Wilson: Sure. I'm chairman of Scotia Capital, which is a wholesale division of the Bank of Nova Scotia, and I have a layer of direct reports in the organizational structure. A layer below that is another layer of direct reports, and then it's the layer below that where the equity trading people report. David Berry reported four

layers down from where I was in the organizational structure.

Mr. Tascona: I don't know if there's an investigation going on through the Ontario Securities Commission of this particular matter. Are you aware of any?

Mr. Wilson: This particular matter—let me back up a little. When I was nominated for the OSC chair on June 22, I entered into an agreement with the Ontario government regarding my conduct between June 22 and the assumption of the position, presuming my nomination was confirmed, on November 1. There were some protocols put in writing that were approved by the ethics commissioner of the Ontario government and the conflicts commissioner.

One of the conditions in those protocols was that I would be excluded from any discussions at Scotiabank during that four-month period regarding any regulatory matters between the Bank of Nova Scotia and the Ontario Securities Commission. Because of that, since June 22, I have been completely excluded and have no knowledge of any matters relating to any regulatory activities between the bank, its employees and the regulator. In the matter you speak of, I have no knowledge of any developments there since June 22.

Mr. Tascona: I have to ask this question, because you are in front of the committee and this is an important appointment, as you're aware: Are you personally under investigation with respect to any matter that could affect your appointment?

Mr. Wilson: No.

Mr. Tascona: I understand that there have been town hall meetings and there's been a concern with respect to the OSC complaints system. I think you're probably aware that there have been some fairly high-profile cases in terms of this. Do you have any ideas in terms of some areas you'd like to address as chair in terms of the complaints system?

Mr. Wilson: Yes. You referred to a town hall meeting, which was held in the spring, hosted by the Ontario Securities Commission. It was quite a lively meeting, I gather, with lots of investor comments and concerns about the redress mechanisms they have when they have a complaint and they feel they've been harmed by the financial intermediary system.

I've read the report that the OSC published after the town hall meeting, and there are issues that should be addressed, in my opinion, to give investors clear access to forms of redress when they think they've been wronged by the system. I think some work should be done in this area, and I gather it is being done. Retail investors should have a clear knowledge of where they can go and it should be pretty seamless that they can get somebody to deal with their complaint and make a decision on it. The system, as I understand it, is not working as smoothly that way as I think it should be.

Mr. Tascona: Do you think they have the adequate resources to actually do the job legally, as opposed to the other functions of the OSC? In the state of New York, they have Eliot Spitzer, who is fairly high-profile. He's

the Attorney General, and it comes to the Attorney General where they, in effect, are monitoring and enforcing the law. Any comments on that in terms of whether our model is the best?

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Mr. Wilson: Certainly enforcement, effective enforcement and protection of investors, is probably the highest priority of the Ontario Securities Commission. I've looked into resources in the enforcement branch of the OSC. The number of people engaged in that activity has grown substantially in the last five years. I think the number in the OSC's total professional head count is over 100 people now. Is that adequate, is really your question. I don't know enough at this stage to know. But if it isn't, it would certainly be a priority to add resources to make sure the job is getting done. It's a very, very important function of the securities regulator.

Mr. Tascona: I agree. I'm just wondering whether the Attorney General's office should have a stronger role in that particular area, seeing that his main job is to uphold the rule of law in the province and enforce it.

Mr. Wilson: I can't really comment on that. I do know that the RCMP white-collar crime unit and the Ontario Securities Commission have been working much more closely together in the last 12 months or so than they have in the past. That's a very constructive step. There is a law enforcement agency called IMET, the white-collar part of the RCMP, that works closely with the OSC in Ontario, so I know there has been movement in that area. Is it enough? Maybe not. It's something I would want to look at.

Mr. Tascona: You have said that you favour the creation of a single regulator. Is that correct?

Mr. Wilson: Yes. I think a single common regulator for the whole country would be a very positive development.

Mr. Tascona: Your predecessor wasn't that optimistic in terms of that happening. What are your thoughts on where it stands right now?

Mr. Wilson: I believe that eventually it will happen because it's the right thing for the country; it's the proper way to regulate securities in a large country like Canada. Right now, my understanding is that Minister Phillips has formed a committee, headed by Purdy Crawford, to come back with a recommendation on a structure for a common regulator for Canada. That committee is expected to give a report to the minister some time in the fall of this year. It's a blue-ribbon group of business people who have been put together by Purdy Crawford. That will be one step in the evolution of this process. Will it be successful? I hope so, but it's been 20 years that people have been working on it, trying to create this single national regulator, and it hasn't happened yet. I believe we should keep trying.

Mr. Tascona: I'd like to thank you for your time. I know that you're very highly qualified and I welcome you to the post.

Mr. Wilson: Thank you very much.

The Vice-Chair: I'm going to have to call on Mr. Gravelle to take the chair, please.

The Acting Chair: Ms. Horwath, your 10 minutes.

Ms. Horwath: Mr. Wilson, I actually just wanted to follow up a little bit in regard to the idea of a single regulator and ask what your perspective is on the challenges that are currently facing security regulators in Canada.

Mr. Wilson: As it relates to 13 regulators as opposed to one?

Ms. Horwath: Absolutely.

Mr. Wilson: Canada has 13 different provincial regulators. There is a spirit of co-operation among them, but in my view that's no substitute for a single regulator with one set of laws, one set of regulations, one set of fees for all the users of the system. It simply would be more efficient to have a single body looking across the country at all securities matters.

Do things fall between the cracks? Is the system broken because there are 13 regulators? I don't think so, but it's not as efficient as it should be. Things don't happen as quickly as they should. It takes longer to get a decision when you've got to get 13 different people to agree, if you're trying to get some common decision made, and in a fast-changing world, delays effectively cost money. So it's not as efficient; it's suboptimal. I think it would be a big step forward if Canada joined virtually all the rest of the world and had one single regulator for the country.

Ms. Horwath: You spoke a little bit in your introductory remarks about the integrity of markets and the need to have that secured and backed up by enforcement. You might know that Ontario investors have been stung by a number of high-profile stock frauds and scandals. Can you delineate in a little bit more detail what you see as being the steps that are necessary to basically fully protect investors in Ontario?

Mr. Wilson: I think it's resources at the enforcement level at the Ontario Securities Commission, and at the self-regulatory bodies that are there to protect investors as well: the Investment Dealers Association, the Mutual Fund Dealers Association, and the Ontario Securities Commission. So resources are the critical ingredient.

I'm a realist. No matter what resources you throw at enforcement, there will still be some people who will find ways around the rules and will be able to defraud people. It will never be perfect, but it can be improved; I'm convinced of that. As I say, one of my objectives if I were OSC chair would be to do everything possible to make the system as good as it can be to protect investors. Investors are entitled to be protected when they're putting their money up, at risk, in good faith.

Ms. Horwath: You talked about enforcement of existing rules. Any changes that you think need to be made to the rules themselves?

Mr. Wilson: The capital markets are characterized by a high degree of innovation, so there are new products being developed all the time, and the regulators must stay on top of new developments. A good example that's quite topical these days is the development of hedge fund

investments. The regulators are looking hard right now at hedge funds and what regulatory oversight they should have. There have been some publicized cases of apparent frauds in hedge funds already, and so the regulators should be nimble in getting on top of the situation. That is happening, I understand, but that's a case of an innovation where the regulators have to stay on top of innovation to protect investors.

Ms. Horwath: The NDP put together a paper not too long ago called A Brighter Idea to Protect Investors. There are a number of recommendations in there, and I'm not going to bore you with every single one, but I thought I might pick and choose a few, because they were specific recommendations around how to change the existing framework to better protect investors particularly.

One of them was to ban inside directors from serving on audit committees, so this is the accountability piece on audit committees. Any comment on that?

Mr. Wilson: By "inside directors," you mean not independent?

Ms. Horwath: Yes.

Mr. Wilson: My understanding is that new rules have been announced that are coming into force late this year or early next year that require audit committee members of public companies to all be independent. "Independent" is defined in the regulations. So that actually, I believe, has happened. At least it has been approved and is in the process of being implemented, that particular recommendation.

Ms. Horwath: That's great to hear.

Is the issue of forbidding public accounting firms from providing non-auditing services in conjunction with auditing services at the same time similarly covered off?

Mr. Wilson: There's been a lot of discussion about that over the last couple of years, and I believe that division of service provision with auditing firms has happened, by and large, in Canada and the US. That was a very big topic some years ago. The former chair of the SEC took that policy on, and there has been significant change. So it's pretty much happened.

Ms. Horwath: It's addressed? That's great.

What about the idea of reforming the accounting standards that would require the immediate expensing of executive stock options so it's straight out there?

Mr. Wilson: That is, again, a very topical subject of a couple of years ago, and in Canada, under Canadian regulatory accounting regulations, stock options now must be expensed. In the US, it hasn't been approved yet for final implementation, but it's likely that it will be. But in Canada, it has, again, been approved for expensing of stock options based on a valuation of the option as the expense item. So that has happened as well.

Ms. Horwath: That's good to hear.

What about the protection of mutual fund unit holders through an independent governance structure?

Mr. Wilson: On that subject, the Canadian securities regulators, of which the OSC is a member, of course, have published for comment a proposal on independent

oversight of mutual fund boards. I believe the comments are due in on that proposed regulation this month, and there should be some action on it. So that is, again, very topical, underway, and there will be some new rules regarding independent oversight of mutual funds.

Ms. Horwath: Can I get your opinion on that particularly?

Mr. Wilson: I'm supportive.

Ms. Horwath: Supportive of that idea?

Mr. Wilson: Yes, I am supportive of that. It's an independent review to oversee conflicts and conflict issues between the mutual fund manager and the funds that they manage.

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Ms. Horwath: I wanted to go into a little bit different field. One of our members is quite concerned, and we've raised it many times in the Legislature, about the issue of payday lending businesses. Do you have any opinion on how payday lending businesses—

Mr. Wilson: Payday lending businesses? I must admit I'm not familiar with exactly what that is.

Ms. Horwath: They are basically the storefronts that are set up to give people advances on their pay. They've usually got high interest rates. In fact, oftentimes people are brought into a cycle where they never actually pay off their payday loan because the interest rate is so high that when they get their pay they can't pay it off, so then they borrow again. It often ends up in a cycle of financial devastation for those who are desperate and end up using the payday lending operations.

Mr. Wilson: Your description of that lending product is the first I've heard of it. It's not really a securities matter, so I do not believe it's part of the mandate of the securities commission.

Ms. Horwath: No, it's not, but it's a financial issue that I thought with your expertise you might have an opinion on.

Mr. Wilson: I must admit that I'm not known for that one.

Ms. Horwath: The Money Marts and cheque-cashing services: You're not aware of those?

Mr. Wilson: My part of the Bank of Nova Scotia is the wholesale part. We deal with large institutional investors and corporations. So I apologize; I'm just not familiar with that particular activity.

Ms. Horwath: Well, it's often the inaccessibility of some of the larger banks for people that prevents them from being able to open accounts and leads them into those other situations. But OK; that's fine. I'll go off of that, if that's not a comfortable place for you to respond.

I think that was it, then. That was the last question that I had, Mr. Chairman, so thank you for your indulgence.

The Acting Chair: Thank you very much, Ms. Horwath. You came in under your 10 minutes again, so I will pass the chair back to you, if I may.

Ms. Horwath: All right, then.

Interjection.

Ms. Horwath: No problem. I was going to do that as well.

The Acting Chair: Thanks very much, Mr. Wilson. That does complete the questioning, I guess.

The Vice-Chair: Yes, it does. It completes the questioning, so thank you very much for your time here. Again, if you wish to stay while the committee deliberates at the end of all of the interviews this afternoon, you're welcome to do that; otherwise, you'll be notified as to the committee's decision.

Mr. Wilson: Thank you very much.

DORTE DEANS

Review of intended appointment, selected by third party: Dorte Deans, intended appointment as member, Social Benefits Tribunal.

The Vice-Chair: Our fourth interview is with Dorte Deans, the intended appointee as a member of the Social Benefits Tribunal.

Ms. Deans, if you'd like to come forward. You've probably had some time to observe what's been happening so far, so welcome, and make yourself comfortable.

As you do so, I'll just explain once again that you have an opportunity to make some initial comments. After that, we'll go through a rotation of about 10 minutes for each party to ask some questions of you. That will begin, I believe, with the Progressive Conservative Party this time around. You're welcome to begin at any time.

Ms. Dorte Deans: Thank you. I do have a statement.

Madam Chair and members of the committee, I'd like to thank you for this opportunity to come and speak with you today with regard to my application to the Social Benefits Tribunal. As an opening statement, I'd like to share with you how my experiences as a high school teacher and vice-principal have prepared me for this role and how I feel I can make a meaningful contribution to the tribunal.

This is a tough job and will not always be pleasant. I know there will be many challenges and difficult decisions, and many of the people I will deal with will be angry, frustrated, perhaps ill, and marginalized. The job will require tact, compassion, inclusiveness and fairness.

My long career as a teacher and my 10 years as a vice-principal, together with my volunteer work, have taught me about people and about the difficult situations they can find themselves in. I have worked with people and families in different economic, social and cultural circumstances. Through my volunteer and other work, I have met people who find themselves in difficult and disorienting new situations, either through disabilities, cultural changes or economic hardships. I have handled many types of challenges as well as challenging people, and I know I can bring patience, respect and impartiality to this position.

I've had experience assessing conflicting stories, and I know that every story has several sides to it. I am fair when I assess such situations, and my communication skills were honed when I wrote a book several years ago.

Recently, I spent three months teaching adults who were on the Ontario disability support program and were undergoing retraining and job search training. From them I learned a lot about that process and how they felt about what was happening to them.

Also, many years ago, I worked with a group that helped a Vietnamese family come to Canada, teaching them English, finding them housing, supporting them financially and connecting with them over many years as they built their success in their new country.

In my schools, the ESL population was always large and continually growing. I had many conversations with these people as they adjusted to their new life. As a result, I'm familiar with some of the hardships such changes present to people, as well as some of the community agencies that can help them.

While I feel I would like to be empathic and helpful to all people in difficult circumstances, I also understand that the public purse needs to be protected. There needs to be accountability. The rules and regulations concerning such help need to be carefully followed and I will work hard to be just and diligent in my decisions. As vice-principal, I often would consult the Education Act, which we were guided by, before coming to decisions about procedures in my schools. So I'm familiar with working under such regulations.

I really look forward to taking on this challenge and doing the best job I can for the people of Ontario. Thank you for the opportunity to speak with you today.

The Vice-Chair: Thank you very much. As I had mentioned, the first opportunity to question you comes from the official opposition.

Ms. Laurie Scott (Haliburton-Victoria-Brock): Thank you for coming here today and appearing before the committee. We just have some questions to ask about background and so on, so not to worry; just feel at ease.

I notice from your resumé that you volunteer at the Royal Botanical Gardens.

Ms. Deans: Yes, I do.

Ms. Scott: OK. That's great. Unfortunately, we've just had a withdrawal from the board of directors, Gordon Bullock. Did you know Gordon in any way in connection with the botanical gardens?

Ms. Deans: No. I've heard the name but I don't know—

Ms. Scott: OK. Being a volunteer there, how do you feel about the current provincial funding at the Royal Botanical Gardens? I know they've asked for more. What did you see from the volunteer's side?

Ms. Deans: There were some things that have happened in the RBG that I'm happy to see. One of the changes they've made with their staffing is that although they've unfortunately had to release about half their staff, the volunteers have been allowed to take some of those positions, which is a difficult thing in terms of employment. But at the same time, it helps the gardens as a whole to be more presentable to the—

Ms. Scott: Would you say that more funding should be recommended?

Ms. Deans: Yes.

Ms. Scott: OK. Also, I noticed on your resumé that you have worked with the United Way before. I wonder, in your capacity—something that you have mentioned before—in teaching and ESL and ODSP retraining, do you feel that you have a good background to be on the tribunal? Do you feel you have that background, specifically maybe with the United Way, in dealing with people who are receiving social assistance?

Ms. Deans: Yes. When I worked with the United Way, it was as a member of the citizens' review committee. We met with, usually, the executives of the different organizations that were asking for funding. So I didn't really deal with the people who were actually the receivers of the funding, per se.

Where I do feel I have that experience is, again, through my teaching and being a VP. Two of my positions were in inner-city schools in Hamilton, where there were a lot of people on social assistance. I've seen firsthand the kinds of things that happen. For example, I was at Scott Park as a vice-principal when the funding was cut by 21%, and I had several students come to me and say, "I have to quit school because I can't afford to live on this assistance. I have to get a full-time job." Students coming and saying, "I have to take the day off school because I have to go to the food bank." Those kind of things have really given me a lot of insight into the kinds of hardships that people can find themselves in, and the kinds of things that can be done to help them; not just to understand it but also to see what kinds of community service that is out there to help these people. I'm very familiar with those organizations and where you would send certain people to find help and so on.

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Ms. Scott: I've had a lot of discussions with the women's shelter and the food banks, and there have been some reports done about revamping the system. I just wondered, maybe from your past experience, do you feel that the system should be more individualized? I got a lot of feedback in that direction from within my own riding, which is a rural riding, that the system should be more individualized with the clients' needs. Do you have any comments on—I don't know if you know the Deb Matthews report or any of the reports that have gone on before.

Ms. Deans: Yes. I've read the Deb Matthews report. To as large an extent as can be done, I know that when an individual is asking for assistance, they meet with a case worker and their individual needs are assessed at that level. I'm afraid that until I get the training, I'm not as familiar as perhaps I should be to answer that question fully. But I think there is such a difference between the needs of different individuals, and you can find yourself in tough circumstances if you only follow the rules to the letter. On the other hand, of course, you have to be realistic with how the system can respond.

Ms. Scott: In one case there was, in housing particularly—different areas of the province—and in following the individuals in that housing.

Ms. Deans: Yes. I think certainly somebody living on assistance in Toronto has a more difficult time than somebody who lives in Grimsby, perhaps. So there might be things built in for cost of living and that kind of thing, but that would not be under my purview as a member of the tribunal; that would be the decision-makers who sit around this table.

Ms. Scott: That's fine.

Because the people appearing before the board do so without the benefit of counsel, what would you do to make the individuals feel comfortable, so that they received a fair hearing? Coming today before the committee, you mentioned, is a bit of an intimidating process. Are there any ways that you think, just from drawing from your experience or maybe what you've heard, you could accommodate their fears before coming before the tribunal?

Ms. Deans: I think it will be a very intimidating experience for some people. I've thought about even little things, like if I'm sitting behind a desk, to get out from behind the desk and walk over to shake their hand and say, "Welcome today." There has to be a balance between the formality of the proceeding, that they understand that this is a proceeding that follows certain rules and regulations, but you certainly can work to smile a lot and just speak in a language that is understandable by people. I've had a lot of experience with that, because when you're talking to a 14-year-old, you can't use 27-letter words. It's something I've thought about a lot. When I wrote the book, that was one of things I really thought about, because it was for high school students and I wanted to make sure that they could understand what I was trying to tell them.

Ms. Scott: Do you feel that you have enough experience in arbitration?

Ms. Deans: Yes. As a vice-principal, a lot of what I did was talking to people, coming to a compromise, understanding different sides of the situation, being able to look at a situation where people were telling me several different sides to a story, and being able to understand more or less and say to the people, "You're telling me this; you're telling me that. Can we agree that the truth is somewhere in the middle here?" Usually we would come to a kind of compromise.

Ms. Scott: How did you hear about this appointment?

Ms. Deans: I heard about it—when I retired, it was not necessarily for the sake of being retired; it was for the sake of finding another career. I really enjoyed my career in education but I thought perhaps there was something else. A friend of mine, whose name is Elizabeth Beckett, is the vice-chair of the Ontario Rental Housing Tribunal, and she phoned me and said, "I really think you should apply for a position like this." I thought, OK, that sounded interesting. She invited me to come and sit in on one of her hearings, which are public hearings, and I did that and found it very interesting. So I applied to four different tribunals and was called for an interview for the social benefits. At the end of March, I went to an interview for that tribunal.

Ms. Scott: OK. Thank you very much for coming today and answering my questions.

That's all the questions that I have, Madam Chair. Thank you.

The Vice-Chair: Thank you, Ms. Scott. Could I turn the chair over, Mr. Gravelle, please?

The Acting Chair: Ms. Horwath, please feel free to ask some questions.

Ms. Horwath: Thanks very much.

Good morning. Thank you for coming. I had a couple of questions about the RBG, which I probably shouldn't get too much into, but as you know, I've been a little bit interested in what's been happening in terms of the lack of funding. Of course, having read the report, everyone realizes that the funding has been withdrawn over a period of years by all funding agencies, including the provincial government. I guess I just had one question, and it's more of an opinion, around what your personal opinion is about the importance of the RBG to the Hamilton-Burlington community as a cultural asset.

Ms. Deans: Oh, wow. I just love the RBG. It's such a beautiful place. As Hamilton gets more and more built up, I think it will become more and more just a little jewel sitting in the midst of growth. It shows Hamilton so well, especially when you come in on the 403 and see all those lands around Cootes Paradise. It just makes the city look so beautiful, especially compared to if you go the other way.

I feel that if we were to lose that kind of asset, we would never, ever be able to regain it. I think it's really, really important to keep it going and make sure that we maintain it.

Ms. Horwath: Absolutely. I would agree. Thank you for making those comments. I think it's really important to get that on the record from people other than just myself as a representative for the area. So thank you for that, and thank you for all the volunteer work you do there. It's a fabulous asset.

One of the things that we often ask people who are appointed to various boards and agencies is their political experience or their political affiliations. Is there any political affiliation that you have that you wanted to disclose?

Ms. Deans: I vote, usually, depending on issues and personalities.

Ms. Horwath: So you're not a member of a political party?

Ms. Deans: No, I'm not. When I applied for this appointment, I wrote to the Honourable Marie Bountrogianni to inform her. I also wrote to Judy Marsales; she's the MPP for my area. Marie I knew because we both worked at the Hamilton Board of Education when she was chief psychiatrist there. We've known each other professionally over the years, but I have no affiliation with her right now. I mean, we don't see each other socially or anything. I helped her with her campaign two campaigns ago, and I also helped Judy Marsales with her campaign most recently. But other than that, you know, there's not a tight—

Ms. Horwath: So in terms of volunteer work, and donations as well?

Ms. Deans: Yes. I donate federally to the NDP and I donate provincially to the Liberals.

Ms. Horwath: Lots of people in Hamilton do that. OK, that's fair.

I actually wanted to ask you a couple of questions about your experience. I'm glad that you raised it with this example you gave around Scott Park and what your experience is in terms of the effect of cuts to social benefits and to many of the programs that used to exist to assist people through tough times, particularly as it pertains to the community that we're from, which is the community of Hamilton. Could you provide some more information in that vein?

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Ms. Deans: Certainly. One of the things that's happened is, I used to teach in one of our vocational schools. For those who are not from Hamilton, that was like a trade school. Those, as you know, have been cut down to two in Hamilton, and the two that remain are constantly being looked at to see if we should cut those as well.

As a teacher and VP, I have dealt with many, many students who would have done very well going to a vocational school, but because it's so limited now, everybody wants their child to be a lawyer, and to tell them that their child has the ability and the interest, that they should be going to a vocational school and become a plumber, they don't want to hear that. I think that's partly because it's such a narrow opportunity now. So it does have a stigma, unfortunately. When I was there—that was a long time ago—it really didn't. There were many people who went there because they wanted to learn hairdressing, for example.

We've read a lot lately about the huge rise in the dropout rate from high schools, and it occurs to me, from my experience at Scott Park, where kids were quitting because they had to live, whether part of that might be still attributable to the fact that they can't get student assistance that they can actually live on. I think that's a difficulty that we will find many years from now, that we don't have as large an educated base of employees as we could have had, had we kept those kids in school.

Ms. Horwath: I think I would agree, actually, that there's a block of young people that we've failed and that are not going to be able to contribute in the way they perhaps could have, had some of those changes not been made.

It's interesting, because I often call the members of the Social Benefits Tribunal because, unfortunately, there have been instances where this tribunal has, at least in my opinion, ended up having appointments that really don't know much about anything in regard to the field. So I mostly call people just to make sure that it doesn't continue to just be a slush fund of appointments that are not qualified. Unfortunately, we've had several. I'm happy to say that I don't find you to be one of those. So it's actually quite nice to see someone coming before us for this particular tribunal who I believe is going to have some positive things to contribute.

Having said that, I don't think that there are any other questions. I think you've done a great job of explaining

what your qualifications are. Thank you very much for appearing.

The Acting Chair: Thank you very much, Ms. Horwath, and I will return the chair to you.

The Vice-Chair: Thank you, Mr. Gravelle.

So that, I believe, is now the opportunity for the government members to ask a couple of questions.

Mr. Parsons: Ms. Deans, we have some questions for you about Royal Botanical Gardens, but since they're off topic, we're not going to. So we will pass.

The Vice-Chair: Was that it?

Mr. Parsons: Yes, that's it.

The Vice-Chair: Thank you, Mr. Parsons.

So that concludes the interview. You're welcome to step down. Again, if you wanted to stay till the end—I think we have two or three left; I'm not positive here. Yes, we have two interviews, three interviews left. You can stay if you like, or if not, you'll be notified as to the result of the committee's decision. Thanks again for coming.

LYNDA NEWMAN

Review of intended appointment, selected by official opposition party: Lynda Newman, intended appointee as member, Bradford West Gwillimbury/Innisfil Police Services Board.

The Vice-Chair: The next interview is with Lynda Newman, intended appointee as member of the Bradford West Gwillimbury/Innisfil Police Services Board.

Ms. Newman, welcome. Make yourself comfortable. As you've observed, likely, the process is such that you're given an opportunity to make an initial statement. After having done so, we go through a rotating process of questions by all of the various parties. Any comments that you make will be deducted from the time allotted to the government party. That leaves 10 minutes for each party, actually, except for the ones that will be deducted from the government side for your initial comments. With that, welcome, and the floor is yours.

Ms. Lynda Newman: Thank you for the opportunity to speak to the committee concerning the South Simcoe Police Services Board that serves Bradford West Gwillimbury and Innisfil. I am a resident of Bradford West Gwillimbury and have been for 17 years. I have been active in the community for most of that time, serving in a number of volunteer capacities. Some of those include being vice-chair of the HEART committee, which was a committee of town council; chair of the tourism committee, another committee of town council; director and president of the Bradford and District Chamber of Commerce on two occasions; founder and president of the 27 Way Marketing Group; and leader in the training and consulting services program of the United Way of Greater Simcoe County. My volunteer service has been recognized on a number of occasions in my community.

I am a registered professional planner and I'm an active member of the Ontario Professional Planners In-

stitute, volunteering my services to guide development and implementation of our strategic plan and related organizational change.

The background information you received shows the range of senior positions that I have held with various government departments and agencies, including the Ministry of Municipal Affairs and Housing.

For the past nine years, I have operated my own consulting firm, Clara Consulting. I offer my skills in a variety of areas, including strategic and long-range planning, restructuring and organizational change, group facilitation and conflict resolution, and public consultation. My clients are found throughout southern Ontario and are largely municipalities, although I have undertaken a number of provincial projects as well. My interest in downtown revitalization and affordable housing has resulted in my affiliation with CPTED Ontario, which is interested in crime prevention through environmental design.

I have recently completed my second term as president of the local chamber of commerce. I am always interested in undertaking new challenges and maintaining my service to the community. The South Simcoe Police Service is a relatively new entity and is facing many challenges, not least of which is serving a rapidly growing population. New programs are being introduced to meet the distinct needs of children and youth and of seniors. We patrol both land and water, and efforts are underway to make both safer for travellers and residents.

Two municipalities are served, which are composed of several distinct communities with varying policing requirements. Fiscal management is always a challenge, and there are some important decisions required in the near future on capital expenditures.

I believe that I am up for the challenge and want to help guide the service through the strategic decisions and their implementation. I know that I can assist the service as it works with municipal and community representatives. That is why I have sought this position and am here today. Thank you.

The Vice-Chair: Thank you very much, Ms. Newman. I believe I have to ask that the chair be sent over to Mr. Gravelle.

The Acting Chair: We will begin the questioning with the third party. Ms. Horwath, go ahead, please.

Ms. Horwath: Can I ask right off the top, Ms. Newman, if you're a member of any political party or if you've donated to any political party in the past?

Ms. Newman: I'm a member of the Liberal Party.

Ms. Horwath: Are you a donator to the Liberal Party?

Ms. Newman: Yes.

Ms. Horwath: Large amounts or sums?

Ms. Newman: Not large amounts, no.

Ms. Horwath: Have you been a member of the Liberal Party for quite some time? Most of your life?

Ms. Newman: Yes.

Ms. Horwath: You have quite a varied resumé, quite a number of experiences and quite a number of different initiatives that you're involved in. What in your back-

ground would you say is the key factor that gives you the experience that you need for this position?

Ms. Newman: As I mentioned in the presentation, our community is growing rapidly, and all services, including police, are going to have to come to grips with how they deal with that, to serve that large and expanding population. I think that my professional background will be useful to the service board from a practical point of view of capital projects. We have facility needs that the service board has. I think also that my skill set in public consultation, strategic planning, fiscal management, organizational change, all of that skill set, is probably quite relevant and very useful to the board at this time.

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Ms. Horwath: What would be the key crime issues in your region?

Ms. Newman: We are a largely rural community with a fairly concentrated urban area. We are in between Toronto and cottage country, which means that we get a great deal of commuter traffic going through the area. So certainly for rural residents, the most significant issue has to do with traffic, speeding and various kinds of traffic-related incidents. We are a community that has seen an increase in crimes that we didn't experience, say, 20 years ago, but I would say that those are still not too predominant in our community, fortunately.

Ms. Horwath: Many forces turn to something called community-based policing to work on emerging issues. Are you aware of that model, and what's your opinion about it?

Ms. Newman: Yes. I think that's great. We need to work with community groups to ensure that we are working toward prevention of crime.

Ms. Horwath: Would you say that your region, at this point in time, requires more police officers, or is it appropriately staffed?

Ms. Newman: Certainly we continue to grow. That is going to continue to put pressure on our service and we will need to have the service grow as our population grows. There have been issues around the package of programs that the service is offering. I'm sure that the service itself, the chief, would say that we have some places where we lack skills and manpower.

Ms. Horwath: OK. All chiefs say that. I come from the municipal sector too.

Having been active in the business community, I'm sure you're aware of what your municipal budgets are all about as well. Would it be your opinion that your municipal budgets are able to absorb the costs of expanding the force, of hiring more officers?

Ms. Newman: Certainly, fiscal management has been a challenge. The proportion of the municipal budget that is allocated for the police service has been increasing as a percentage, and that's been causing consternation among the two councils, because we have two municipalities, two councils. I was at a board meeting not too long ago where they invited the representatives of both councils to attend. They were talking about needs, and there are stress and strains there, for sure. But I think what I heard

from those two councils was that generally they are still very supportive of the service and they want to work with them to make things happen.

Ms. Horwath: I'm wondering if you know whether the cost-shared program that the McGuinty government announced is going to be taken advantage of by your region.

Ms. Newman: I don't know the answer to that.

Ms. Horwath: You don't know whether they're planning on hiring more officers at, I think it is, 35 cents to the dollar?

Ms. Newman: I don't know if a decision has been made. I don't know the answer to that.

Ms. Horwath: OK. But you would—

Ms. Newman: I would assume so, but I don't know.

Ms. Horwath: I guess it's probably a no-brainer to assume that if they were 100% dollars, then you would be hiring more police officers, as per the comments you've made. Is that correct?

Ms. Newman: I would think so, based on what's been said.

Ms. Horwath: Thank you. Can I ask you to just remind me about how it was that you came upon the position?

Ms. Newman: Councillor Doug White, who is with the town of Bradford West Gwillimbury, contacted me, indicating that the provincial appointments were coming up. He and I have had quite a lot of interaction through the chamber of commerce; he represents the council at chamber. He called and said, "I think you'd be a good candidate and I'd like you to think about this." I did, and I applied.

Ms. Horwath: Very good. Is he also a member of the Liberal Party, do you know?

Ms. Newman: I'm not sure. I haven't asked him that.

Ms. Horwath: OK. I think that's all. I was going to ask some more about your contribution as a member of the board, but it seems to me that through your work with the chamber and some of your other experiences, you've actually got the perspectives that you need to be an effective board member, so I'm not going to bother with those questions.

Mr. Chairman, I'll end my questioning there. Thank you so much.

The Acting Chair: Thank you very much. Once again, you came in under the 10 minutes, so congratulations. I will now pass the chair back to you, Ms. Horwath.

The Vice-Chair: Thank you very much, Mr. Gravelle. I'll then ask the government side to ask any questions that they will of the candidate.

Mr. Parsons: No questions, thank you, Chair.

The Vice-Chair: OK. Thanks very much, then. Members of the official opposition? Mr. Tascona.

Mr. Tascona: Thank you, Lynda, for attending here today.

From my information, I think Councillor Doug White is a Liberal, but I certainly think his reasons for contacting you have merit. You've been very involved in the

community. Certainly, this is not going to be all that easy a task. I think the Bradford West Gwillimbury police service is an important service in the community. I think it has a huge role to play, because the area is so large, and also the resources and the debates that have gone on.

I'd like to ask you a few questions, just to get your thoughts, if you want to offer them. For the police services board, and this is what I'm informed of in terms of the cost of policing, "Budget increases over the last five years have totalled over 77%, with significant cost overruns in each year. The budget tabled in January 2005 proposed a 14.7% increase over the previous year." Are you aware of that?

Ms. Newman: Yes.

Mr. Tascona: "The police services board blames the rising costs on wage and benefit increases that are beyond its control. Other municipal officials, however, have called for a re-examination of the way police services are provided in the region. In the summer of 2004, the Innisfil council asked the South Simcoe Police Service to conduct a comprehensive audit and to consider the possibility of returning to a single police service or contracting out. Regarding this last option, it was suggested that the service obtain quotes from neighbouring police services, such as York region. The chair of the police services board, Marty Toombs, a former member of the Bradford West Gwillimbury council, is opposed to such a review. He says a full audit of police services would be costly, and points out that previous reviews concluded the area is receiving good police services.

"In January 2005, after the board rejected a request to hire two additional police officers, the South Simcoe Police Association called for a provincial audit of the force. According to the association's president, Brian Miller, the board should be taking into account the fact that the region is growing and becoming more urbanized."

Do you have any views on this issue, because I think that seems to come up every year? I was at the mayor's golf tournament, and they were doing fundraising for a particular piece of equipment for the police services. I guess there are different views on that. I totally respect Mayor Jonkman. I think he's done great work, and there have always been tremendous volunteer efforts in terms of helping the police services. But, you know, this is a time of real challenges on costs, and you've got two different councils. Any comments?

Ms. Newman: I certainly respect the perspectives of the two councils. They are always looking at it from a fiscal point of view, and they need to be responsible about that. My perspective is that all three entities—the board and the two municipalities—need to be a little more strategic and long term in their thinking about the service, and that there needs to be better and ongoing communication between them in regard to this, because the two councils have not always been on the same page about this either. So I would certainly hope that one of the things that I can help with is to get us out of some of the shorter-term thinking and discussion that's been

going on and maybe get it into a more strategic discussion, so that maybe we can smooth out some of the shorter-term debates that keep going on.

Mr. Tascona: Yes. Well, it's good to see a woman on the board too, to be very honest.

Ms. Newman: Yes, and that too.

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Mr. Tascona: It's been a few years.

There are some issues provincially that have arisen and are going to get into the area. One of them is the public complaints system. I don't know if you're familiar with that, but it has to do with a person who has a complaint. In the current system, I believe they go to the police station and file that complaint with the police chief and then it's investigated, and then if there's a problem, it would go to OCCOPS. The Attorney General is looking at a different way of doing it, in terms of it not being that direct access with the local police station. Do you have any comments on that proposal?

Ms. Newman: I certainly don't think I'm an expert on this. Perhaps after I've been on the board a while, I might have more of an opinion. Thinking of this in a different context, thinking of it more in experiences I've had in other ways, I do tend to prefer something that is more arm's-length for this kind of review. But I don't have a particular opinion about the proposal that has come forward by the government.

Mr. Tascona: Chief Davis, as you're aware, would have that responsibility. He seems like a fairly approachable chief. One of the two offices you have, though, is downtown on Holland Street, in Bradford West Gwillimbury, and then the other one is up on Seventh Line, off Highway 11, in the town of Innisfil. Do you have any comments in terms of the location and the type of building that would be best suited for the police services?

Ms. Newman: Certainly that is a current issue. The need for some kind of a capital expenditure has been discussed for some time now. There was a proposal by the service for a single location where the Bradford West Gwillimbury Administration Centre is now, because the municipality is talking about a new campus for its facilities.

I, again, am of the opinion that we need to be thinking a little longer-term. We're two municipalities that expect, and have already planned for, a doubling of population, and I think that needs to be large in our perspective on what we should do about these facilities. I haven't read everything, but I'm not yet convinced that a single location is the answer under these circumstances.

Mr. Tascona: I should add too that you also have the outlet mall, where they have some service there for the police. I guess the biggest challenge is the size of the area, and certainly the prospects in terms of future growth. I think that it's going to be a big challenge.

Ms. Newman: Definitely a big challenge.

Mr. Tascona: Also, with the administrative justice, we have the courthouse in downtown Bradford on Holland Street, and yet there's none in Innisfil, and we have the one service in the city of Barrie, but we do have

a courthouse in Newmarket. Bradford has always been sort of strategically located with Newmarket in terms of some of the offset of the services, but I think that's going to be a challenge as the force grows.

The other area too is that I've been somewhat impressed with the police's work with respect to highway enforcement and street enforcement. I think they've done a fairly diligent job. Do you have any opinions on the red-light cameras in terms of assisting the police?

Ms. Newman: I personally believe that many of our traffic problems actually are not occurring where you would have those kinds of systems. It's mostly either on the highways or on rural roads, where probably policing is the answer. Perhaps in the urban centres—I'm not aware that we've actually, as a service, analyzed where they would want to put lights. I don't have enough experience with them to really have an opinion on that as far as, say, Bradford is concerned.

Mr. Tascona: With them getting larger, there are certainly some pressure points off Highway 88, where Bradford District High School is, and also the downtown with the traffic. I guess one part of it is if they ever get to the Bradford bypass. Any thoughts on that?

Ms. Newman: There are many, many growth-related issues here. The service will be challenged to deal with all of them.

Mr. Tascona: If they ever go ahead with that, though, that's going to be a huge challenge in terms of where they're going to go. But that's all the questions I have, and I certainly look forward to your appointment.

The Vice-Chair: Thanks very much, Mr. Tascona.

I believe that's it for your interview. Thank you very much for joining us today. Again, if you wanted to stay for a few minutes, the committee will go through all of the interviews to make a final decision. But otherwise, you're free to go on with your business, and you'll be notified as to the outcome. Thanks very much for joining us.

HUGH CHRISTIE

Review of intended appointment, selected by official opposition party: Hugh Christie, intended appointee as member and chair, Algonquin Forestry Authority.

The Vice-Chair: We're just moving right along here, eh? We're half an hour ahead of schedule. That's great. Hopefully we have our next interviewee here, who is Hugh Christie, intended appointee as member and chair of the Algonquin Forestry Authority.

Welcome, Mr. Christie. Make yourself comfortable. You might have been here for the last couple of interviews. If not, I can just run through the process with you. You'll be given an opportunity to make a few initial comments, an opening statement. After that, all of the three parties will have an opportunity to ask you some questions. The time that you take in your statement will be deducted from the government's opportunity to ask questions. It'll be about 10 minutes for each of the parties. Of course, with that in mind, the government

party's time will be deducted from the amount of time you've spent on your statement. When you're ready, the floor is yours. Welcome, once again.

Mr. Hugh Christie: Thanks, Madam Vice-Chair. Members of the committee, it's a pleasure to appear before you today, and a particular pleasure to appear as a nominee for the position of member and chair of the Algonquin Forestry Authority.

I'm an employment lawyer by vocation, but I've always had a great love of the outdoors, particularly the Canadian wilderness. It all began as a kid canoeing in Algonquin Park. That's why I'm so excited about the prospect of helping out with the protection, governance and long-term planning of that magnificent asset.

I've canoed through much of the park from Kiosk to the Highway 60 corridor. In fact, I've canoed the Arctic. The first time I went up there, someone said, "So is this your first trip north of 60?" I said, "No, I've been north of 60 often. I've been up all the way to Kiosk." They meant the 60th parallel. I've seen the successes and failures of forest management in various regions of Canada. I've cross-country skied around our province, particularly in eastern Ontario, and that culminated in completing a 90-kilometre ski loppet in Sweden a few years ago. I've seen forest management on that continent, too. But that doesn't really answer the question of why a Bay Street lawyer wants to be chair of the Algonquin Forestry Authority.

I believe in volunteer service. I believe in public service. I believe that those most fortunate in society have an obligation to give back. I believe what I offer to the position are a good sense of governance rules and skills in public sector boards. I have been a trustee of Queen's University, and sat on its board for 10 years plus. I'm currently its vice-chair. I'm vice-chair of its audit committee. I was the rector when I was a student at Queen's University, and I was president of its student government. I was a member of a board of a thing called the Centre for Quality in Governance. I've been a director and chair of the board of Campbell House, the little museum down University Avenue at the corner of Queen Street. I was a member of the board of my local community health centre, the Frank O'Leary Community Health Centre, which is now known as the Four Villages Community Health Centre. I'm a member of the board of the foundation of the George Hull Centre for Children and Families in Etobicoke. I was a member of the board of the Association of Universities and Colleges of Canada and a founding member of the board of the Ontario Federation of Students. I was a member of the board of the Advocates' Society.

I believe that I understand the dynamics at play and the issues faced by the Algonquin Forestry Authority. If the park is to continue to be the magnificent public asset that it is for our kids and our grandkids, it needs good management and good governance. It needs wise decision-making, based, wherever possible, on consensus. I believe I can assist that process.

I do not believe that the park needs a markedly different strategy than the one adopted in its latest management

plan. It strikes me as a sensible, well-thought-out document, the product of compromise and consensus. It has clearly benefited from the active involvement of a number of groups, professional park management, staff, experts and dedicated citizens.

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The park is a resource, in my mind, that has to be managed with the longest term in mind. It sits at the head of so many rivers: the Bonnechere, the Magnetawan, the Oxtongue and the Petawawa. It's now so much more proximate to the main population of Ontario, which has grown since it was created in the late 1800s, and so the balance between recreational use and forest management and the economics of forestry—while the issue has been constant throughout the history of the park, the circumstances in which they're played out are clearly different today because of the crush of civilization.

We shouldn't forget, the park employs 420 people directly in forestry, and almost 3,000 people around the periphery of the park rely on its timber for milling. The park is an economic engine for towns like Whitney and Huntsville, where I spent a lot of summers, Madawaska, Killaloe, Pembroke, Palmer Rapids and Mattawa. What a great example—it already is—of sustainable forest harvesting without detracting from the recreational use of the facility. That's why consensus is so important.

The issues and trade-offs of resource exploitation and recreation can be a win-win proposition. It seems, from a brief review of the management plan, that one of the park's goals is to recreate the old-growth forests that were here when our ancestors arrived. Particular species—certain hardwoods; red and white pine—can be preferred over others when replanting takes place. What a wonderful backdrop for the recreation component in the park, and what a solid, long-term goal for the management of the forests of Algonquin for their economic benefit.

Striking that balance isn't a unique goal of Algonquin. The Nahanni, the Thelon, the Queen Charlottes/Haida Gwai, which made the newspapers, all have faced that balancing act and dealt with it with more or less success. Europeans, because of their population density, have had to strike quite a different balance from the one achieved in Algonquin.

All that said, I would be misleading you if I said that what I brought to this position was the background of an expert. That's not what I bring. I am not trained in forestry. I've obviously not spent my career managing those issues, but I understand the issues. I understand the stakes involved and their importance. I'm prepared to listen to expert management and input from interested and committed citizens. I'm prepared to make sure that the governance model established by the act is administered fairly and evenly. I believe that that knowledge and feel for governance and 30 years of involvement on other public boards is what I bring to the table, besides my passion for the park and its preservation as a superb public resource.

Thank you, Madam Chair. I look forward to your questions.

The Vice-Chair: Thank you very much, Mr. Christie. There is about three minutes for the government side to ask some questions.

Mr. Parsons: No questions, thank you.

The Vice-Chair: Then, over to the official opposition. Mr. Tascona?

Mr. Tascona: Thank you, Mr. Christie, for coming here today. You graduated at Queen's, 1981?

Mr. Christie: Yes, that was one of the two times.

Mr. Tascona: I graduated there in 1983.

Mr. Christie: That makes you way smarter than me.

Mr. Tascona: Were you ever the warden at Gordon residence?

Mr. Christie: I was, as a matter of fact.

Mr. Tascona: I followed you. I was the warden in 1982-83.

Mr. Christie: I hope I left the apartment clean.

Mr. Tascona: Well, I had a little bit of work to do.

Mr. Christie: Thanks.

Mr. Tascona: I think I straightened it out. I just wanted to make sure I had the right Hugh Christie. Your legend preceded you there, I guess, in terms of your work at Queen's. There's no doubt about it.

I just wanted to ask you a few questions because I don't think you've hidden the fact that you're connected to the Liberal Party. Laurel Broten, who's the new Minister of the Environment, is one of your references on your resumé. You also were her riding president, I understand.

Mr. Christie: Yes.

Mr. Tascona: OK, and you contributed financially, obviously, to the Liberal Party?

Mr. Christie: Yes to that, and other parties.

Mr. Tascona: OK, and your firm was Gowling Lafleur?

Mr. Christie: Yes, Gowling Lafleur Henderson.

Mr. Tascona: Is Sean Conway, the former MPP for Renfrew-Nipissing-Pembroke, still at that firm?

Mr. Christie: He's not, no. He's the head of the—what's it called?—centre for public policy at Queen's.

Mr. Tascona: Right.

Mr. Christie: Intergovernmental affairs, public policy—one of those two.

Mr. Tascona: He's no longer with Gowling?

Mr. Christie: No.

Mr. Tascona: He was, at one time?

Mr. Christie: Yes, that's right.

Mr. Tascona: Now, you're a labour lawyer, I take it, or an employment lawyer?

Mr. Christie: Unemployment. "Labour" would be gussying it up a bit.

Mr. Tascona: I want to ask you a question, because this is a sensitive area: Basically, because the responsibilities of the position are subject to the Crown Forest Sustainability Act, the Algonquin Forestry Authority is allowed to harvest timber in Algonquin Park "and to sort, sell ... and deliver the logs." It is also empowered to advise on, "undertake and carry out ... forestry, land management and other programs and projects as the"

ministry “may authorize.” That’s a fairly significant authority, especially now, in terms of issues such as high gas prices. I think you’re going to see the price of lumber skyrocket. I think at any time to be able to get your hands on timber in that particular area is of some advantage.

Your being a Bay Street lawyer: Certainly you’ve been quite upfront and frank about the fact that you’ve paddled there, but that doesn’t qualify you, based on interest alone, to be on that authority. But at the same time, that’s a fairly influential post. If your firm had clients that were interested in that particular area, you would be of service in having been appointed to that particular authority. How would you deal with such a situation? You’re not going to deal with it through employment law, but certainly your firm is a large firm, it’s a national firm, and I think that’s a fairly influential post to be on. You’re going to have some issues with respect to not necessarily having a conflict per se yourself, but perhaps your firm may. Certainly you’re going to have knowledge and a role with respect to the distribution of timber. Any comments on that particular thought?

Mr. Christie: Yes. Let me tell you what I’ve done so far and then probably tiptoe into the hypothetical of what I would do in the situation you’ve described.

We as a firm keep a computerized database of whom we act for. It doesn’t, from what I can tell, appear that we have any conflict of interest now. We don’t act for anyone who would be opposed in interest or have their issues dealt with by the forestry authority. That said, I have not gone public because I thought it would be premature and presumptuous to do that, but I will do that after the appointment, if that’s what happens.

In terms of direct representation, clearly, if there were any decisions to be made at the authority, I would recuse myself if they were being made with respect to the interests of clients of Gowlings. That’s absolute common sense and good governance. I would likely, whether or not it was with respect to me, have the sorts of rules that the Municipal Conflict of Interest Act and things like that enshrine apply to the authority. I expect there are conflict-of-interest guidelines, and I’ll abide by them. To the extent that there aren’t conflict-of-interest guidelines, that would be just about number one on my agenda, something that good governance ought to have.

Mr. Tascona: I know you applied for a number of other particular agencies—I believe it was the Judicial Appointments Advisory Committee, the Ontario judicial committee, the Order of Ontario, the advisory committee on the centres of excellence—but this is the one you got appointed to. How did you find out about this appointment?

Mr. Christie: I was contacted by the secretariat. You’re right: As you look down that list, you can see the logic behind the other positions that I was interested in. My grand old mentor, who’s passed away now, was Frank Roberts, who was a lawyer at Smith Lyons, and we merged with Gowlings a couple of years ago. Frank was politically active. He was actually the president of the

Rosedale PCs when he was a lawyer, and he took me under his wing when I arrived in Toronto from Queen’s, from your apartment. He said, “You know, I’m the vice-chair of the Algonquin Forestry Authority, and it’s great. You should think about it. Not now, because you’re too young, Christie, but in time you should think about being involved in something like that.” So, when the Web site was made known to me, I thought, “OK, I could be on judicial appointments because that’s sort of lawyerly,” and the university stuff is interesting because I have that background. Then there’s the Algonquin Forestry Authority, and I remember what old Frank said and I thought, “I’m just going to put my name down there and see what happens.”

Mr. Tascona: Your memory is good.

I haven’t got any further questions, but I thank you for coming here today. My colleague Laurie Scott has some.

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Ms. Scott: Thank you for coming and appearing here today and for your interest in the park for a long time now. I think my riding of Haliburton–Victoria–Brock is going to expand when the legislation is finalized to include the boundaries up to Oxtongue Narrows there, up to where you are.

I was just concerned a little bit about someone from the city coming and dictating maybe some of the rules for the rural area. We’re having a hard enough time. The logging industry is certainly suffering. You acknowledged the economic engine that creates around a lot of those communities, and I appreciated that. When you said you like the present management plan that was presented, could you develop a little bit, in a few minutes, what that may include, especially for the local communities?

Mr. Christie: As an economic engine, the park, as with other crown land under the Crown Forest Sustainability Act, ought to be an example of a renewable resource that those communities can count on to maximize employment in the long term. It ought to be run efficiently. It ought to be run with a view to breaking even and passing through to the citizens of your riding and others absolutely as much economic benefit as is possible in balance to the recreational goals of the park. I don’t see it as anything less than that, to do the best job possible.

Ms. Scott: I don’t know the present plan in detail, so that’s why I asked you that. Is there some resistance—

Mr. Christie: I’d be overstating it if I said I’d memorized the plan. I’ve read through it once and thought, “That makes eminent good sense and is a good example of compromise, consensus and balance.” Basically, what it says at its core is that the park’s forests shall be harvested in a sustainable manner in the long term, and improved.

Ms. Scott: That fits in with the logging groups that are involved there now in the managed forest. Does that fit in with the—

Mr. Christie: I gather so, although I don’t think I remember a commitment to the very same logging firms

always sharing in the same percentage. I don't think that was referred to at all in the plan.

Ms. Scott: I don't know if you're aware, but the Canadian Parks and Wilderness Society, CPAWS, had recommended and lobbied the government that it have a 20-year phase-out of the logging industry. Do you have an opinion on their comments at all?

Mr. Christie: I guess my opinion is that the Legislature decides that. That's not for the authority to decide. The Legislature has told the authority what it is to do, and it is to do the quote that Mr. Tascona read out, which is to harvest crown timber and produce logs therefrom and to sort, sell, supply and deliver the logs. Until the Legislature changes that direction, that's the job of the authority.

Ms. Scott: So you feel personally that logging has a place within—

Mr. Christie: Absolutely. That cross-country ski race in Sweden was interesting because it proved the length or breadth of stupidity an individual can have at my age. But it was also—if we think we have a balancing act, it's nowhere near what Sweden, Germany or France have, where they have so much more acute recreational demands and yet also resource requirements. In a sense, we've got it easy because we've got such a big country. I really do believe that it can be a win-win, that there is a place for both aspects of exploitation of the park area.

Ms. Scott: I appreciate your saying that, because we did have some concerns with the appointment of the Bay Street lawyer, as you mentioned before.

I was going to ask your connection to Anne Coghlan of the College of Nurses of Ontario. She's a reference that you've used. I know Anne. I've talked to her over the phone. I'm a nurse in my other life, as I always say.

Mr. Christie: Anne is president of the college of nurses, and the college is a client of mine. I have the greatest respect for her and her sense of the public interest and the volunteer sector. I asked if she could be a reference, and she agreed.

Ms. Scott: So you know her as a client?

Mr. Christie: Yes.

Ms. Scott: OK. I just wondered what the connection might be there.

Thank you very much for coming here today. I have no further questions.

Mr. Christie: You're very welcome. I hope I've allayed your concerns.

Ms. Scott: Yes. I feel much better, thank you.

The Vice-Chair: If I could turn the chair over to Mr. Gravelle.

The Acting Chair: I will now ask Ms. Horwath, on behalf of the third party, to ask her questions.

Ms. Horwath: Thanks very much, Mr. Gravelle.

Mr. Christie, you spoke a little bit about the requirement to have a balance. You also spoke a little bit in your introductory remarks about making sure that you're hearing the voice or the comments of interested and concerned citizens in the process as you move forward, if you receive the appointment. I'm wondering, if you look

at your particular biases, let's say, or your particular belief system, where you fall between the two concepts of economic needs and environmental concerns that are wrapped up in the entire Algonquin Forestry Authority.

Mr. Christie: I think I fall where the management plan says the park falls currently, which is that its number one priority is to avoid pollution. That's a good idea, whether it's pollution created by the forestry itself or created by other third parties. With sustainability go environmental concerns: To sustain something at an environmentally unacceptable level is really no sustaining at all. But I don't concede that it's an either/or proposition. I don't think that the people who live around the park and derive their incomes from the proceeds of the park, from the timber, would countenance a clear-cutting or a denigration of the environment for the sake of short-term income. I don't see that as the mindset of the people whom I've met from around the area. So I don't see it as a trade-off; I see it as a delicate balance that reasonable people properly discussing the issues can come to a compromise and a consensus on.

Ms. Horwath: OK. That's fair. You had responded to Ms. Scott's comments around the current lobby that is looking to see the end of logging after a 20-year horizon, and you did answer that question. One of the things that I wanted to explore with you as a result of the comments you just made is the idea that the same lobby group is interested in getting rid of any exemptions that Algonquin Park would have in any anticipated legislation that might be amending the Ontario parks act. In a way, not only do they see this 20-year horizon as being a way to eventually phase out the logging; they're also saying, "Treat it like any other park." So when you made the comments about avoiding pollution, I'm wondering if you would agree, then, that it's not appropriate to exempt Algonquin Park from any proposed changes to legislation that have to do with Ontario parks.

Mr. Christie: Again, the question of whether to change the legislation is one for the Legislature. The Legislature gives the authority its marching orders, and they currently include a special status, if you want to call it that, for Algonquin relative to other provincial parks. It strikes me, though, as a matter of personal opinion, that Algonquin is different from other provincial parks. It's not the same as Sandbanks Provincial Park, which is more predominantly a day-use or brief, overnight car-accessed park. That's not what Algonquin is, so there may well be very good reasons for continuing the special status.

On the other hand, if the Legislature, in its wisdom, decides that for some reason times have changed, then that's their call, but I don't go in with any preconceived agenda on that issue.

Ms. Horwath: OK. You had mentioned in your remarks that you didn't consider yourself to be an expert in forestry, and that's not the perspective that you're bringing to this position. What about your experience or expertise in community development? Can you expand on that?

Mr. Christie: I do think that's part of the skill set that I bring that's valuable. As I look at the current plan, and in fact at every document on the Web site of the authority, the one issue that is highlighted as something that the authority thinks they ought to do better is the involvement of First Nations in the development of policy for the park. That strikes me as a very sensible thing that, if the appointment is made, will become a little project of mine. I think, if the asset is supposed to reflect the consensus of the community, then the First Nations ought to be at the table providing their input.

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Ms. Horwath: Can you tell me, and I apologize for not knowing this already, whether there is a current dialogue that is occurring with First Nations in regard to Algonquin Park, the history of that?

Mr. Christie: What's on the Web site kind of hedges that, in the way that annual reports want to raise an issue but don't want to highlight shortcomings. It's stated in the positive that more work needs to be done to include the First Nations of the park area, the Golden Lake band, and things like that in the governance of the authority. All I can say is that that sounds like a very reasonable idea and one whose time has come.

Ms. Horwath: Do you have any particular experience in engaging First Nations in dialogue in participation in these kinds of structures?

Mr. Christie: Not on an official basis. In dealing with individuals, I walked along a portage trail with a member of the Dogrib First Nation up near Fort Simpson, who told for me about an hour and a half how the greatest accomplishment in his year just past was that he had tanned a moose using his great-grandmother's recipe for that. He described it in such detail that I almost lost my lunch. Other than that sort of personal anecdotal contact, no, but I look forward to it.

Ms. Horwath: Could you tell me how you would hope to be able to approach beginning to build that relationship?

Mr. Christie: I think the first issue is to be briefed on who the groups are, what's been done so far, whether the current situation is a result of requests for involvement and refusal or simple apathy, or nobody asked the question or whatever it is. You need to understand that dynamic first.

Second, treat people in a sensitive, inclusive, even-handed, fair way to encourage them to participate in the process. That probably applies to all people, not just First Nations.

The Acting Chair: One-minute warning, if I may, Ms. Horwath.

Ms. Horwath: OK. Do you know what? I think I've asked all the questions I needed to ask.

Thank you, Mr. Christie.

The Acting Chair: Thank you very much, Mr. Christie. That does complete the questioning, and we invite you to stay. We will be going through concurrence of the appointments after this.

I will now pass this back to our Vice-Chair, Ms. Horwath.

The Vice-Chair: I want to also thank you for coming here today. We will then move on to the next portion of our agenda. You're welcome to take a seat or go about your day, whichever you choose.

We're going to start with the consideration of the intended appointees, beginning with Gayle Nathanson, who is an intended appointee as a member of the Office for Victims of Crime.

Mr. Parsons: I would move concurrence.

The Vice-Chair: Concurrence has been moved by Mr. Parsons. Any discussion? All in favour? Any opposed? That's carried.

Next is the intended appointment of Stephen Diamond as a member of the Liquor Control Board of Ontario.

Mr. Parsons: I would move concurrence.

The Vice-Chair: Any discussion?

Mr. Tascona: Yes. With respect to this particular appointment, I know that he was selected by the third party. I think that Mr. Diamond was quite frank with respect to his affiliation with the Liberal Party from a donor aspect and also involvement in their fundraising. He was quite candid with respect to the reasons that he was directly approached by the chair of the Public Appointments Secretariat to be involved as a director on the LCBO with respect to real estate issues. I find it quite noteworthy because of the fact of his contact through the chair of the Public Appointments Secretariat. We've been on this committee almost two years now, and I think that's maybe the first one where there was a direct appointment contact. Through the Premier's office, we're aware of that connection, and Mr. Diamond was quite frank about that. The questions you raised, Madam Vice-Chair, with respect to that particular article in the Toronto Star, his being in attendance at a fairly high-level fundraiser of Liberal-connected people, is something you questioned about and that we got information from Mr. Diamond about with respect to his attendance being verified and also whatever involvement he may have had.

Aside from that, it's apparent that the government engaged in an activity, wasting \$600,000 of taxpayers' money, to look at whether the LCBO should be privatized, and then the Minister of Finance, after the report was done pointing to the fact that there should be something done with respect to the alcohol distribution system in the province of Ontario, cast the recommendations to the wind, for whatever reasons, probably political, because they were involved in negotiations with the LCBO at the time. The fact remains that it's \$600,000 of wasted taxpayers' money, and the service is going to remain public. That's a decision they have made.

I'm not one to question the Minister of Finance's motives or reasons for that, but it seems apparent that the service may stay public but the landholdings may not. I don't think it's any minor bone that's been thrown to Mr. Diamond, his being a prominent land development lawyer. The LCBO, through the Premier's office, is looking

for his expertise with respect to real estate holdings and the fact that the LCBO is obviously looking to market itself in a more prominent manner, with larger stores and front-window parking and front-window access. Divesting themselves of their landholdings may be the agenda of the LCBO—one will have to see—which may be the first step toward their ultimate privatization.

Once they divest themselves of their landholdings and give out the gold-plated leases from the LCBO that anyone who's in the land development business or any landlord would like to get, or selling off their own landholdings to just lease land and get a gold-plated LCBO lease in a mall or in one particular area certainly will be highly sought after. Quite frankly, there'll be tremendous competition in that area.

So I find it confusing why Mr. Diamond, who's a highly respected land development lawyer in a very busy law firm, the same law firm, by the way—McCarthy Tétrault is where Mr. Bryant, the Attorney General, comes from. He's handed this bone. No one's questioning whether there would be a conflict of interest; certainly that firm and Mr. Diamond would exercise their proper judgment. But the knowledge to be gained about where the LCBO, which is no small player in the land development industry—and I put that out—is going to go in terms of developing commercial property, including leases, to me is a very attractive appointment.

It's no small bone that's being thrown to a person who has candidly admitted that he was involved in fundraising. Obviously, he did a very good job, because he was invited, as he indicated, to this particular dinner, which was reported in the March 9 Toronto Star. He didn't have to pay to go there, although I think it was reported—I may stand corrected, Madam Vice-Chair—that the ticket fee was about \$10,000 for that particular dinner, yet he was there.

Shortly thereafter, there was a contact from the Public Appointments Secretariat committee, through the Premier's office, for him to take up a director's role on the LCBO, which falls right within his land development practice. I'm not casting any aspersions on Mr. Diamond. I think he's very qualified. He was professional when I dealt with him on the city of Barrie, when we were able to maintain, through the years that I was on city council, public ownership of CN properties by the South Shore Centre, which are now all in public ownership, as opposed to building houses on the city of Barrie waterfront.

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But I think it really casts a shadow on this appointments process when you have direct involvement of the Premier's office, with a well-known and obviously effective fundraiser being appointed in an area of his own expertise, where there is going to be vast landholding and vast real estate activity. I don't know how many stores the LCBO has, but certainly they've got plenty. They've got plenty of landholdings and they've got plenty of activity in commercial leasing. I think every member gets a call from someone who would love to get an LCBO

lease, or someone looking at their property, because they have a very active real estate arm in the LCBO.

Though I didn't elaborate in terms of the issues, what they wanted his expertise in and what particular areas they were looking for in that, obviously there's something they want from him in terms of his expertise, and certainly he's willing to give that in terms of public service to the Liberal Party, which has obviously been very good to him.

Those are the comments I have. I can't support his appointment. I think the hands of the Liberal Party are all over this. I don't see the public interest being served in terms of this particular type of appointment when there's that much direct involvement of the Premier's office and the fundraising arm of the Liberal Party. I think there should be some tremendous sensitivity out there with respect to where the LCBO is going. Maybe their service at this point in time, through Mr. Sorbara, is not going to be anything more than public, but certainly their landholdings are going in a different direction, and that should be cause for concern for anybody. Obviously, they're outside the Ontario Realty Corp., which is arguably the government's authority to deal with government landholdings. But that doesn't apply to the LCBO because the LCBO is a crown corporation and they'll be dealing with their own landholdings. It's a very complicated, very surprising, very timely, very interesting political appointment.

The Vice-Chair: Thank you, Mr. Tascona.

Are there any other comments, any other discussion? Seeing none, in regards to the appointment, concurrence was moved by Mr. Parsons.

Mr. Tascona: Recorded vote.

The Vice-Chair: For the appointment of Stephen Diamond to the Liquor Control Board of Ontario.

Ayes

Cansfield, Dhillon, Gravelle, Parsons, Racco.

Nays

Scott, Tascona.

The Vice-Chair: Thank you very much. The motion has been carried.

We'll now move to the next intended appointee, which is David Wilson, intended appointee as chair of the Ontario Securities Commission.

Mr. Parsons: I move concurrence.

The Vice-Chair: Concurrence is moved by Mr. Parsons. Is there any discussion? No discussion? All in favour? Any opposed? The motion is carried.

We will now consider the intended appointment of Dorte Deans as a member of the Social Benefits Tribunal.

Mr. Parsons: I move concurrence.

The Vice-Chair: Concurrence is moved by Mr. Parsons. Is there any discussion? All those in favour? Any opposed? That's carried. Thank you.

We'll now consider the intended appointment of Linda Newman as a member of the Bradford West Gwillimbury/Innisfil Police Services Board.

Mr. Tascona: I move concurrence.

Mr. Parsons: I move concurrence.

The Vice-Chair: Jointly moved—OK, moved by Mr. Tascona. Is there any discussion? Seeing none, all those in favour? Any opposed? That's carried. Thank you.

We will now consider the intended appointment of Hugh Christie, intended appointee as member and chair of the Algonquin Forestry Authority.

Mr. Parsons: I move concurrence, and I was first.

The Vice-Chair: Concurrence is moved by Mr. Parsons. Is there any discussion?

Mr. Tascona: I just want to comment on Mr. Christie. He was the warden before me at Queen's University, Gordon residence. Notwithstanding that, I'm going to support his appointment.

The Vice-Chair: Thanks, Mr. Tascona.

Any further discussion? All those in favour? Any opposed? That's carried, then.

COMMITTEE BUSINESS

The Vice-Chair: Is there any other business that members wanted to bring to the committee now that the appointees—

Mr. Tascona: Yes.

The Vice-Chair: OK. Mr. Tascona.

Mr. Tascona: Thanks very much. I really appreciate that. There are a couple of matters that I would like to raise.

I note that we did get a letter addressed to Tim Hudak, the Chair of this committee, from Debra Roberts, director of the Ministry of Government Services Public Appointments Secretariat. It has to do with some matters here in terms of the appointments process. I appreciate the director writing the committee with respect to these concerns. It involved the screening process and the timing of press releases that are being sent. I think it should be brought to the attention of the committee that we do appreciate the work that is done through the Ministry of Government Services. We do appreciate these responses, but certainly it is pretty evident that there obviously is work to be done in terms of the drafting of the orders in council and corrections and whatever. I think the committee has to be vigilant and make sure that we get full disclosure and full information to do our job.

The other area that I want to comment on is that there was an article that called the government to task for their delay in appointing people to fill vacancies on the College of Physicians and Surgeons. Our most recent certificate finally included these names, but it's dis-

treasing to see that the government is taking its obligation to fill vacancies on boards so lightly.

On a visit to the Public Appointments Secretariat Web site, it was found that there are 266 boards that list upcoming vacancies. The Web site indicates that there are almost 630 agencies, boards and commissions. Almost half of the boards are considered to have upcoming vacancies. Not all of those vacancies are going to be filled by reappointments; not all of them can be filled that way. Some of the boards, such as the provincial advisory committee—construction boilermaker, do not show as having any current members, this despite a requirement for this board to have five members. The same thing holds true for the provincial advisory committee—iron-worker, and for the Dryden Police Services Board. That position has been vacant since October of last year.

This Liberal government has to get serious about its responsibility to make sure that the agencies, boards and commissions can function. I would like to find out why the various ministers of these particular boards, agencies and commissions are neglecting their responsibilities and not bringing appointments forward in a timely manner. I'd like to put that forth to the director of the Public Appointments Secretariat. I'd also like the director of the Public Appointments Secretariat to provide this committee with information about which boards currently have fewer than the required number of provincial appointees. If that requires to be put as a motion, I've got two motions there, but I certainly think this committee deserves some answers.

The Vice-Chair: Thank you, Mr. Tascona. I would suggest that there are two ways of going about it. One is simply asking the Chair to send correspondence requesting that those two issues be responded to, or a formal motion, so whichever you prefer.

Mr. Tascona: The former would be preferable, Madam Vice-Chair.

The Vice-Chair: OK. So we'll then ask the Chair to put together a letter outlining the number of committees that have fewer than the required number of appointees on them, and then the first issue, outlining which ministers are responsible for those various vacancies—and why.

Mr. Tascona: Thank you.

The Vice-Chair: Thank you very much. Is there any other new business? Any other business?

All right, then. Seeing none, I'll call the meeting adjourned. Thank you all for your wonderful participation today. When is our next meeting? Do we have our next meeting set?

Interjection.

The Vice-Chair: Well, we have no outstanding appointees; there you go. Have a good day, everyone. Thank you very much.

The committee adjourned at 1241.

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