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ISSN 1180-4335

Legislative Assembly  
of Ontario  
Second Session, 38<sup>th</sup> Parliament

Assemblée législative  
de l'Ontario  
Deuxième session, 38<sup>e</sup> législature

## **Official Report of Debates (Hansard)**

**Wednesday 18 October 2006**

## **Journal des débats (Hansard)**

**Mercredi 18 octobre 2006**

**Standing committee on  
government agencies**

Intended appointments

Agency Review:  
Liquor Control Board of Ontario

**Comité permanent des  
organismes gouvernementaux**

Nominations prévues

Examen des organismes  
gouvernementaux :  
Régie des alcools de l'Ontario

Chair: Julia Munro  
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Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation  
Salle 500, aile ouest, Édifice du Parlement  
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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 18 October 2006

Mercredi 18 octobre 2006

*The committee met at 1007 in room 151.*

## SUBCOMMITTEE REPORT

**The Chair (Mrs. Julia Munro):** Good morning. I'd like to call the standing committee on government agencies to order. Our first order of business this morning is the report of the subcommittee on committee business dated Thursday, October 12.

**Mr. Ernie Parsons (Prince Edward–Hastings):** I would move acceptance.

**Mr. Gilles Bisson (Timmins–James Bay):** Could you let me see the committee report, just to make sure?

**The Chair:** I think you have it.

**Mr. Bisson:** I unfortunately don't. Sorry, I don't. I walked in at the last minute here.

**The Chair:** It's the second page.

**Mr. Bisson:** Yes, no problem. Got it.

**The Chair:** Any comments? Mr. Parsons has moved it. All in favour? Thank you.

## INTENDED APPOINTMENTS

## SUZANNE GILBERT

Review of intended appointment, selected by third party: Suzanne Gilbert, intended appointee as chair, Child and Family Services Review Board/Custody Review Board.

**The Chair:** We will now move to the appointments review. This morning, our interview is with Suzanne Gilbert, the intended appointee as chair, Child and Family Services Review Board and Custody Review Board. Please come forward.

Good morning and welcome to the committee. As you may be aware, you have an opportunity, should you choose to do so, to make an initial statement. Subsequent to that, there are questions from members of the committee. We will, at that point, commence with questioning with the official opposition. Each party will have 10 minutes allocated for questions, and we will go in rotation.

As is also the practice of the committee, any time you take in your statement will be deducted from the time allocated to the government party. Welcome, and you may begin.

**Ms. Suzanne Gilbert:** Thank you. Bonjour, monsieur le Président et les membres du comité. I will speak in

English this morning. Of course, if you have questions in French, I will be more than happy to answer them.

I would like to thank you for inviting me and giving me the opportunity to introduce myself. I am a lawyer, a member of the Quebec bar. I have a master's degree in health law from the University of Sherbrooke. I have practised for nine years as a lawyer for children and parents, involving proceedings before the youth court in Quebec under the Youth Protection Act, which is partly the equivalent of the Child and Family Services Act in Ontario. I have represented children accused of criminal acts under the Young Offenders Act. I have practised in the field of adoption and representation of children before the Superior Court in divorce cases.

In 1988, I was appointed as the lawyer for a group of children—around 100 children—for the commission of inquiry into allegations of sexual abuse against staff and social workers working in a group home. This commission of inquiry was ordered by both the Ministry of Justice and the Ministry of Social Services of Quebec.

As you may see, my practice gave me an in-depth knowledge of the various problems experienced by children and families facing difficulties.

For three years, I worked in the cabinet of a provincial minister in Quebec as a political attaché and chief of staff of the Ministry of Cultural Community and Immigration, the Ministry of Finance and, finally, the Quebec Treasury Board.

I was appointed as a member of the Immigration and Refugee Board of Canada in 1996. I moved to Toronto in 2000 and became a coordinating member of a team of 11 to 13 members at the RB, and last year I was appointed as the acting assistant deputy chair of the Toronto region, which is the largest region in Canada.

The assistant deputy chair is the senior governor-in-council appointee in the regional office, with local management duties delegated from the chairperson, including case management, training and performance appraisal.

At the time of my appointment, I was leading a complement of 70 members. Members were supported by a staff of approximately 200 civil servants. During this last year with the board, I had to manage many changes in practices and policies, and a significant reorganization of the office. My 10 years with the board were coming to an end in August 2006.

In conclusion, I bring nine years of experience as a child representative, and 10 years of experience as a

board member, during which I have served for four years as a manager in a very large administrative tribunal. It would be an honour to be appointed as the chair of the Child and Family Services Review Board and the Custody Review Board. Thank you.

**The Chair:** Thank you very much. Ms. Scott, we'll begin with you.

**Ms. Laurie Scott (Haliburton–Victoria–Brock):** Thank you very much for appearing here before us today. Your background that you presented to us is quite extensive and you have a lot of experience.

I was wondering, how did you hear about this appointment?

**Ms. Gilbert:** I read the advertisement in the *Globe and Mail* in June.

**Ms. Scott:** All right. Did you apply online or did you speak to anyone after you applied?

**Ms. Gilbert:** What you have to do is go through the process of the secretariat, which I did, so I applied online through the secretariat. That was in June. I was then called for an interview before four people. It was in August—the end of August, I believe. Then I was selected to meet the minister. I think there were two or three candidates at the time.

**Ms. Scott:** You met the minister. Is that usual protocol, or is it because you're applying for the chair position?

**Ms. Gilbert:** I don't really know. I believe that as it is the decision of the minister to choose and to present the person to the committee, that's probably the reason why I had to meet the minister.

**Ms. Scott:** Who were the other four people that you spoke to—and if you could just give the minister's name.

**Ms. Gilbert:** The persons on the panel were Madam Roberts from the secretariat; Mr. Chisanga Puta-Chekwe is the chair of the Social Benefits Tribunal; one person from the cabinet of Madam Chambers; and one civil servant from the ministry, I believe.

**Ms. Scott:** And the minister's name that you met?

**Ms. Gilbert:** Madam Chambers.

**Ms. Scott:** Okay, thank you.

You've had a lot of experience in the political area of Quebec and you've been in Toronto since 2000. How do you think that you would like to change or expedite or deal with the Child and Family Services Review Board and Custody Review Board? As in, do you know how it operates now, roughly? I know that you haven't become a member and there's orientation involved, but can you give us kind of a broad idea of maybe some changes that you'd like to see, compare it to what you experienced in Quebec and maybe of what knowledge you have of what occurs in Ontario?

**Ms. Gilbert:** Of course, I have limited experience with that board because I've never been a member of that board. There are around nine members at the present time and one person acting as chair. From what I understand, this board is facing challenges with the coming into force of two bills. These two bills are increasing the jurisdiction of that board, on the adoption side and the

capacity of the board to review complaints made against children's aid societies. So my vision, or what I see as challenges for me as a chair, is to bring that board to a point that they will be able to efficiently deal with the new responsibility they have.

I cannot, at this point, tell you what could be the volume and the impact on the board. I haven't made this assessment. I presume it's on its way, that they are doing it. I'm eager to see what it will be, and the challenge is to bring the membership to these new responsibilities through training. There's probably a need to hire more members if the volume demands it. These are all the changes that are probably facing this organization, which is quite important.

**Ms. Scott:** Yes, very. When you mentioned the need to hire new members, was that a reference to the board?

**Ms. Gilbert:** I mean for the Child and Family Services Review Board. If the new jurisdiction involves a high volume or an increase in the volume of files and applications, that could be an issue. I don't know. I have to be there to do a proper assessment of that.

**Ms. Scott:** But in your capacity as chair, you do have the authority to extend the board?

**Ms. Gilbert:** Yes.

**Ms. Scott:** Okay; I was just clarifying that. I didn't know that for sure.

The new bill on the adoption side, were you referring to Marilyn Churley's bill—I can't remember the name—about adoption that was brought in?

**Ms. Gilbert:** Yes, I have it here.

**Ms. Scott:** Can you expand a little bit on that, on what challenges you might see specifically with that bill that's gone through?

**Ms. Gilbert:** The bill is repealing the actual jurisdiction given to the board in the Child and Family Services Act. There's a new process, and there's a change in the approach when you want to have access to some information regarding your file as an adopted person, and the same thing for a birth parent.

There is a change in the approach and there are some hearings that have to be held. This will demand some training for the members and training for myself too, obviously. I suppose we will have to change some practices and modify certain ways in which the board is operating now.

**The Chair:** You have two minutes.

**Ms. Scott:** Okay. I just have—

**The Chair:** A minute and a half.

**Ms. Scott:** Okay. I just have a minute left, really.

I will just ask you some quick questions. There's been a lot in the news about the CAS and the tragic deaths of the two young children in Barrie. Can you expand a little bit on what you see the challenges may be in dealing with the CAS process on these?

**Ms. Gilbert:** As I said previously—I always come back to this—we need to make an assessment of the actual volume of complaints that are brought before, I believe, each children's aid society. With these numbers, we'll be in a position to appreciate what the scope of the

work will be for the board. It will be an approximation, I believe.

This new process, which is the direct access to the board for the population, will give them an opportunity if they want to make a complaint. They now have the option to do it directly to the board. It's important that the population is aware of that, so there's some level of publicity. Of course, an administrative tribunal is not necessarily there to make publicity, but to make it known by the population.

We need to see the regulation. There's a lot of provisions in the actual act which are referring to the regulation coming. Of course, I haven't seen that regulation, so it's hard for me at this stage to make any more comments on what has to be done.

**Ms. Scott:** Thank you very much for appearing here before us today and answering my questions.

**The Chair:** We move on, then, to Ms. DiNovo.

**Ms. Gilbert:** Bonjour.

**Ms. Cheri DiNovo (Parkdale-High Park):** Thank you for appearing before us. Certainly, your background is extensive and covers a great deal of territory. I just wanted to start, perhaps, with your background. You have been assistant deputy chairperson of the refugee protection division. You have worked with refugees for a number of years. What prompts this move to a new area?

1020

**Ms. Gilbert:** What?

**Ms. DiNovo:** What prompts your move from the work that you have done with refugees to this area?

**Ms. Gilbert:** This position has given me a lot of experience. It's a large organization and it's a well-structured board. It was a challenge for a year to be the acting assistant deputy chair. All this experience will help me, I think, hopefully in the coming years as chair of this tribunal. I think I'm ready to move forward in my responsibilities and to now assume the position of chair.

**Ms. DiNovo:** What accomplishment are you proudest of from those years?

**Ms. Gilbert:** Well, mainly the last year, which has been extremely busy. You know, a board changes its membership. At the federal government, 10 years is a virtual deadline in your appointment. There were a lot of people that we lost during the year I was there, so I had to bring up to speed, if I can say it that way, a completely new team of coordinating members. I had to mentor them and give them a good idea of what their work was. I won't go into details, but we had a lot of changes in the structure at the office in Toronto. I'm very proud that in a few months we have been able to put in place practices and policies that made the work of the members and access for claimants to the board easier. It's mainly that.

**Ms. DiNovo:** Is there anything you would have done differently, looking back at that experience, any regrets you have about your performance there?

**Ms. Gilbert:** Not a lot, I have to say. I think I had a successful year. The regrets are in leaving an organization that you got to know and to see your colleagues

going also. That's my regret. But aside from that, we had quite a good year.

**Ms. DiNovo:** Wise woman. I have a few other questions, mainly about some of the challenges you'll be facing in this new role. First of all, Bill 183, the Adoption Information Disclosure Act that my colleague referred to: I just wanted to ask you about your personal opinion about that bill and what pitfalls you perhaps see in its implementation and, again, what challenges lie ahead in implementing the new disclosure rules.

**Ms. Gilbert:** I have no specific opinion on this legislation. I think it's the prerogative of the government to adopt this act. I am comfortable with it. The challenges, as I mentioned previously, will be to put in place some procedures. There are questions around how the hearings have to be held. These hearings are in camera, which is not an issue for me. I have long experience with in camera hearings. There's no problem with the rights of people involved in it, but there's an obligation to have hearings without the presence of other witnesses or parties at the hearings. At the registrar level, there are all these sealed files that have to be maintained and the training of the members, I think, mainly, because the test is quite clear to have access to some information, to prevent that the information be given. So I think there's a lot to do before this is ready to go. I believe, and I may be wrong, that it's coming in 2007; I think I read that it will be in force in 2007. So there's some time in front of us put it in place.

**Ms. DiNovo:** There was quite a publicized case—I think it made CBC Radio—about a young man who didn't want disclosure of his own adoption records. I wonder what you would see in that kind of pushback to the adoption of this bill. What would you do in a case like that?

**Ms. Gilbert:** What case do you mean?

**Ms. DiNovo:** Where someone, in his own instance, did not want disclosure and was actually struggling against the implementation of this bill.

**Ms. Gilbert:** Well, it's not for me to deal with that. As the chair, my responsibility, when this act is in force and promulgated, is to make sure that the process is in place to respond to the request of a citizen.

**Ms. DiNovo:** Defence for Children International—Canada is an organization that has advocated the position of a child and youth advocate. Many countries and many jurisdictions in the world have such a position, an ombudsman sort of position for children. Certainly Premier McGuinty said in 2003 that he would support such a role, but we have not seen such a role come to fruition. Would you support such a role?

**Ms. Gilbert:** I know, for example, in British Columbia, they are now in the process of hiring a new ombudsman for children after an extensive report. My position is that I would be in agreement with any decision that supports the best interests of children, if it's the best way to do it. That's an assessment that has to be done by Parliament.

**Ms. DiNovo:** Another question: The Safe Schools Act, which has resulted in a number of student ex-

pulsions, falls under your jurisdiction as well. How do you feel about the Safe Schools Act?

**Ms. Gilbert:** I don't have any specific comment about that one. I haven't been able to go through it specifically. I'm sorry about that.

**Ms. DiNovo:** Just generally, what is your feeling about expelling children from school for behavioural problems on a semi-permanent basis?

**Ms. Gilbert:** As long as the process is clear and gives an opportunity to children and parents to bring forward their position and get an explanation of why their children are not kept in the system—basically, I think we need a fair system for those people to be able to express their opinion. If that's the case, it's fine with me.

**Ms. DiNovo:** Thank you.

**The Chair:** I want to thank you very much for coming.

We do have a moment or two here if you'd like to ask questions. Ms. Smith, did you have a question? No. Mr. Parsons?

**Mr. Parsons:** I have a comment; I can't phrase it as a question, so I'm going to present it as a comment. I don't know a lot of things about many things, but this is an area I have a little bit of knowledge on: 25 years as a CAS board member, 19 years as a foster parent and 17 years as a school board trustee. I think this is one of the most important roles in this province, in that it very directly influences the lives of young people who need to be positively influenced. It is a very challenging role, and I think you're the person for it. Thank you for applying.

**Ms. Gilbert:** Thank you.

**The Chair:** There being no further comments, I certainly think that's the right one to end on. Thank you very much for coming today.

We will now deal with concurrences, and we will now consider the intended appointment of Suzanne Gilbert, intended appointee as chair, Child and Family Services Review Board, Custody Review Board.

1030

**Mr. Parsons:** I would move concurrence.

**The Chair:** Thank you. Concurrence in the appointment has been moved by Mr. Parsons. Any discussion? There being none, all in favour? Opposed? The motion is carried. Thank you.

## AGENCY REVIEW

### LIQUOR CONTROL BOARD OF ONTARIO

**The Chair:** Now we will move to the report-writing stage of the meeting. We are looking at consideration of the draft report on the Liquor Control Board of Ontario. I'll just give you a moment to find your copy, and we will open the floor for discussion.

All right. I think we're looking now at draft 2 of the Liquor Control Board of Ontario, and I suggest that we look at this on a page-by-page basis. You will see those areas where there has been change made between draft 1 and 2. If we can just go through pages 1, 2, 3, 4 and 5 and turn then to the inclusions on 6, 7 and 8; and then we're

looking at page 9 as the first section where there's significant change.

I would invite comment. We're looking at page 9. Any comments?

**Ms. Monique M. Smith (Nipissing):** In fact, pages 3 through 8 were all new to us. This is all the background information that we requested. I think we all noted that we didn't get a lot of advance notice on this report, but I don't see a problem with pages 1 to 9 on a quick read—leaving myself open to coming back again.

**Ms. Carrie Hull:** This is the information that was presented in the background report that we did prior to the hearings.

**Ms. Smith:** I suppose I didn't read the back of the report.

**The Chair:** All right. Are we satisfied with the information, then, that has been provided as additional information in this draft? Okay. I'd ask you, then, to look at page 9 in terms of any comments you wish to make. These, of course, continue on to page 10.

Perhaps we could ask you, Ms. Hull, to just give us a bit of background to the additions here.

**Ms. Hull:** Certainly. We were asked to add a section on the opening remarks presented by the LCBO, so pages 9 and 10 are a summary of the first five or 10 minutes of the hearings from that day.

I think it's fairly straightforward. It discusses the two key aspects of the LCBO as seen by Mr. Olsson: the social responsibility role, and the recent transformation of the LCBO into a modern, innovative, dynamic and efficient retailer.

Mr. Olsson spoke of some of the awards the LCBO has received. He mentioned it's a leading exponent of retailing in areas such as supply chain, marketing, consumer research, staff development and store design. That's basically a summary of the dividends paid in 2005-06.

In the first pages of this draft report I've presented more detailed analysis of the LCBO's financial performance in the last few years. I think that's pretty much the high point of that first section.

**The Chair:** Any comments?

**Ms. Smith:** I'm fine right until page 11.

**The Chair:** All right. Any others? When we turn to page 10, obviously we're looking at the issue of the recycling, the bottle return and the Tetra Paks.

Then if we turn to page 11, Ms. Hull, you might wish to just give us an idea of what changes are contained herein.

**Ms. Hull:** Page 11 is a continuation of what started on page 10, just a discussion of the Environmental Commissioner's presentation. On the day of the hearings, I was asked to make some changes, drawing attention more clearly to the aspects of the text that were mentioned by the Environmental Commissioner. Some changes have been made regarding a few linguistic terms. I'm not certain there's much more changed on these pages, other than a few words here and there, on page 11 at least.

**The Chair:** All right. Page 11, comments?

**Ms. Smith:** When we look at the hierarchy of recycling, if we could just do a similar source line as we did on page 12 for the chart; I believe that was also one of the Environmental Commissioner's charts.

**The Chair:** Certainly.

**Ms. Smith:** You guys have colour copies. Do I have a colour copy here?

**Mr. John Wilkinson (Perth–Middlesex):** Yes. It's in your lap.

**Ms. Smith:** Yes, aha. Even better.

**The Chair:** Any other comments on page 11?

Okay, turning then to page 12, which is a further discussion on the bottle returns and the issue of recycling. You'll notice here on page 12 that you have as the first recommendation that the LCBO implement a deposit return system for all LCBO containers and the discussion that follows from there. Any comments, then, with regard to page 12 or the first recommendation?

All right. On page 13 we have two more recommendations, and I would just again ask Ms. Hull to give us an overview of the rationales there.

**Ms. Hull:** On page 13, in the red section, we discussed last time that the Environmental Commissioner had recommended that the LCBO be designated as a prescribed agency under the province's Environmental Bill of Rights. The committee had asked me for more information about what would happen were the LCBO so prescribed. I was also asked to determine whether the LCBO had been a prescribed agency. At this point, this is where our question package comes into play: The first section of this is the various questions regarding the LCBO; the second document that you received, the first section of that paper answers those questions.

The first part of that—I'm on page 1 of the second document. I've summarized the six requirements of what a ministry may be asked to do if it's prescribed under the Environmental Bill of Rights. But perhaps before we look at those more closely, I'll just mention that the LCBO has never been a prescribed agency, even when it was under ministries that have been prescribed. It does not necessarily follow that agencies under the various ministries are prescribed. In fact, only one provincial agency has even been prescribed under the Environmental Bill of Rights, and that's the Technical Standards and Safety Authority.

**The Chair:** Okay. We have some discussion on this issue. Any comments?

**Ms. Smith:** I'm just not really sure about the value of including it under the Environmental Bill of Rights. I mean, all of their policies are available publicly. They're reviewed by this committee. There seems to be a fairly transparent management of the LCBO. I don't really see what the benefits would be of including them under the Environmental Bill of Rights, other than maybe giving the Environmental Commissioner a little more work; I don't know.

1040

**Ms. DiNovo:** I think the commissioner did indicate that that role would be a happy one. But more to the point, I think this might highlight this recycling en-

deavour by the LCBO. I think this would be a wonderful way, if somebody did pick up on this, to highlight whether the system is working. We hope it does. We hope it's the beginning of other systems like it in the province. This would be a way of really bringing light to bear upon that process in a positive way. So I don't see it necessarily as an overseer role in a negative sense but in a positive sense and certainly would like to see more and more agencies being included under the Environmental Bill of Rights, not fewer and fewer.

**The Chair:** Further discussion?

**Ms. Scott:** What we're saying in here is that the Environmental Commissioner did ask that the LCBO be designated as a prescribed agency. I agree with my colleague that it is something that should be looked at, especially in light of the new contract, which we haven't seen yet, about recycling with the Beer Store. We're asking for positive input on how we can better recycle, reuse etc., so comments from the Environmental Commissioner—which he would like to make, so it needs to be prescribed—I don't think is a bad thing. I think it's a good thing for the environment that we get feedback from him in a formal way. So when we say here that we recommend that "The LCBO be designated as a prescribed agency under Ontario's Environmental Bill of Rights," I don't have a problem with that. Is that what you were saying, Monique?

**Ms. Smith:** I'm just a bit concerned—

**The Chair:** Sorry. For the purpose of Hansard, I need to—Ms. Smith.

**Ms. Smith:** Oh, we're going to get into trouble today.

I understand what you're saying on the environment, but one of my concerns is that if there's only one agency that's ever been prescribed under the Environmental Bill of Rights, we're setting a precedent here, or we could be setting a precedent here, without a whole lot of context as to what the implications are. I just didn't want to be hasty in that, but I'm not going to—

**Ms. Scott:** Do you have a—

**The Chair:** Sorry, I must interrupt. Ms. Smith.

**Ms. Smith:** Wow, she's way tighter than Tim, eh?

Maybe we could say something like, "The committee recommends," something around "it be considered that it be designated" as opposed to "that it be designated"; that we look at "the implications of designating it" or "the possibility of designating it."

**The Chair:** Ms. Scott.

**Ms. Scott:** If you say we look at "the possibility of designating it," it's not as strong as recommending it. So you could say, "The LCBO be considered to be designated as a prescribed agency under Ontario's Environmental Bill of Rights."

**Ms. Smith:** Yes.

**The Chair:** Ms. DiNovo.

**Ms. DiNovo:** I would have to go along with the Environmental Commissioner. I think the Environmental Commissioner knows best on this. That's why he is the Environmental Commissioner. I think we've already discussed this as a committee and we've already gone

forward with this recommendation. It concerns me that we're backtracking on it. Again, this is just a move towards transparency and accountability. This is a move that will benefit the LCBO, particularly this program; that is to say, it will highlight this program if anybody does decide to exercise their option under the Environmental Bill of Rights and hopefully encourage others to go along this path. I don't think—and I'm sure that's not what the Environmental Commissioner had in mind—that this will hamper them in any way, shape or form. Again, just transparency and accountability and a way of looking at what might be a groundbreaking new endeavour.

**The Chair:** Ms. Smith.

**Ms. Smith:** Just a point for clarification: We're not in fact backtracking on this recommendation. When we first discussed this report—I'm not sure if you were at that meeting—we actually asked for more information before we made any determination on the recommendation. So just for clarity, we're not backtracking from where we were a few weeks ago; we just asked for more information, which we have now received, and we're making our determination.

**The Chair:** Further comments? All right. Is there agreement that we're going to leave recommendation 2 as it stands?

**Ms. Smith:** No. I think that—sorry.

**The Chair:** Ms. Smith.

**Ms. Smith:** I think Ms. Scott and I had come to some language that I think we could agree on: "The LCBO be considered to be designated."

**The Chair:** I think you might want to just say "consideration to be given."

Ms. DiNovo.

**Ms. DiNovo:** I'd be okay with that. I'm happy with that because it just seems like bureaucratise to me. It doesn't really say anything. I'd like to see us move forward and have more agencies transparent and accountable. I think this is groundbreaking and it would be wonderful to highlight this in the positive sense of an environmental review. So I'd like to go along with the Environmental Commissioner on this and hold my ground.

**The Chair:** Any further comments? That's what we can do. Certainly if you are in a position where you can't agree on how you wish to proceed, then I can ask you to do that.

Mr. Wilkinson.

**Mr. Wilkinson:** I think the concern we have is just the practicality of it. In other words, we're recommending something to be done that's unprecedented. As someone who has dealt a lot at the Ministry of Environment as the parliamentary assistant, I'm just thinking about the practicality of doing this. We understand that we're making a recommendation, that we've considered practically how best to do something which would be precedent-setting.

What I'm not comfortable with is—I'm comfortable with the principle, and I think we all agree with the

principle, but it's the recommendation and not understanding the practical nature of this. That's just the only concern, because one has to govern in prose. That's something we have to do. That's the thing I'm just concerned about, not the principle, because I think we have agreement on that. If we had a bit more information, some more information back from the ministry, from LCBO, from the Environmental Commissioner about how this would work in practice, because we would be the first agency, it is my understanding—

**Ms. Scott:** The TSSA also.

**Mr. Wilkinson:** But on the TSSA, what are the practical implications for that organization? I just don't know whether today, at this point, we're in a position to have the most informed vote on that, other than in the principle. I think that is where the hesitation is.

**Ms. DiNovo:** Just to correct that it's not precedent-setting; there is another agency. I just see this as extending yet another agency under the umbrella of this protection act. My understanding is the Environmental Commissioner is still recommending this. I haven't heard any evidence to the contrary, that the Environmental Commissioner has ceased to recommend this option. I've heard the concerns; I simply don't agree with them, and would like a recorded vote on that.

**The Chair:** Any further conversation? Then in order to make a decision on this recommendation—

**Ms. Smith:** I move an amendment to the recommendation as drafted. This would be recommendation number 2: "The committee recommends that consideration be given to have the LCBO designated as a prescribed agency under the Ontario Environmental Bill of Rights."

**The Chair:** Any further discussion? The motion has been made.

### Ayes

Balkissoon, Milloy, Parsons, Scott, Smith, Wilkinson.

### Nays

DiNovo.

**The Chair:** I therefore say that it has been passed.

We will move on. Looking at recommendation 3, any comments taking us to the next section on agency stores? Ms. Smith.

**Ms. Smith:** On the blue box, number 3, I just have some hesitation about the fact that we are moving forward with a deposit return system and that the practicality of having blue boxes available may be confusing. If you're coming to a liquor store and you bring your bottles back and see a blue box out front, you toss them in the blue box because you think that's what you're supposed to do. Then you go in and say, "I want my 10 cents back," or whatever it's going to be, and they say, "We need to see the bottles." So what I would just say is that maybe we recommend that we make blue boxes available until the deposit-return system is in place and fully functional across the province. That way, I think we

get at what we want, but we don't in fact confuse consumers when we do have the system in place. I think that was also recommended.

**The Chair:** Comments?

**Ms. DiNovo:** I would agree. We had this discussion before and it's just confusing. Why would you have a blue box when you're trying to implement this? Again, we had a discussion around this being a transition period, that the blue box be there and kind of make a point environmentally, and then moving into the new program. So I would agree that this needs some work.

**Ms. Scott:** That makes perfect sense. So do we need to move an amendment to that effect, that the blue boxes will be available until such—

**Ms. Smith:** I think if we all agree, we don't actually have to move—

**The Chair:** I was going to say that if there's general agreement, then we just move ahead. So we're going to make this an interim recommendation.

**Ms. Smith:** Just so we're all on the same page: "Blue boxes be made available at LCBO retail outlets until a deposit-return system is in place across the province."

**The Chair:** Thank you very much.

If there are no further comments there, we're looking at the section on agency stores that begins at the bottom of page 13. Once again, I'll ask Ms. Hull to take us through the section on agency stores.

**Ms. Hull:** I'm at the bottom of page 13. This first section in the red was taken from the background report done prior to the hearings, but I've just moved it here to add a little bit of clarification at the beginning of the section—a brief, two-sentence history of the agency store program.

Then we get into OPSEU's fairly lengthy recommendations. Last time we met, we agreed to scratch recommendation 4. Actually, the remainder of the recommendations do depend to a great extent on questions that were asked by the committee two weeks ago. If we go to my second document again—the various questions regarding the LCBO—to page 3, there's a fairly lengthy section on the LCBO's responses to the committee's questions about the agency store program.

**The Chair:** I'm open to any questions on this section.

**Ms. Smith:** With respect to recommendation 5, I know that we did have a fairly long discussion and tried to modify it in order to deal with local circumstances. But now that we've actually read the background—and I don't know if everybody's had a chance. It's on page 3, hours of operation:

"The LCBO states that store hours are set based upon market demand, seasonality and community practice. Changes to hours are determined at the regional level on the recommendation of the local LCBO district manager to ensure reasonable consistency among like communities. Hours are reviewed and changed as required in keeping with these criteria. Some communities, particularly in rural areas, experience significant swings in demand on a seasonal basis. To ensure appropriate service levels and operational efficiency, the LCBO commonly adjusts store operating hours seasonally."

As someone who comes from a somewhat rural community that has a number of agency stores, and where tourism is very important, I applaud the policy of the LCBO in being that responsive to the needs of our communities. I'm not sure that we wouldn't be tying their hands a bit with recommendation number 5. So I just put that out there.

**Ms. Hull:** I just need to interject that the question I was asked pertained to how the LCBO sets its hours for its own stores. The LCBO doesn't set the hours of the agency stores.

**Ms. DiNovo:** I still would defend this. The concern behind this, I think, is not consumer-driven but worker-driven, in terms of the LCBO's ability to function and not be privatized. The concern is, of course, that you're much more competitive, in some senses, if you're open 24 hours a day than if you're open prescribed hours, but we want to protect the LCBO and its function here. So really, it's just a recommendation that says that if the LCBO can't stay open, or if there are some reasons why it maybe shouldn't stay open, those reasons, then, should extend to the agency stores as well, that the agency stores shouldn't be put in a position where they're siphoning off business from the LCBO outlets. In fact, it goes on to recommend later that they'd like to see more agency stores be replaced with regular LCBO stores, that they want to move in that direction, not the other direction. That's our concern about these particular recommendations, so we would want to see them as stated.

**The Chair:** Further comment?

**Ms. Smith:** Just from a practical perspective, if you're an agency store—I'm thinking of one of my agency stores. They're open a lot because they serve a rural community, so they're open from whatever time to whatever time. I guess what we'd be saying is that we're limiting when they can actually open the LCBO section of their store, if we want to try to mirror what's going on in neighbouring LCBO stores. I just think it's going to be logistically difficult, but we've put in language around "where possible" and "for special local circumstances," so I could probably live with that.

**Ms. DiNovo:** I hear Ms. Smith's concern. That's why I think the language is "where possible" and "allowing for special local circumstances." I wouldn't want to get any softer than that.

**Ms. Scott:** It's certainly important not to restrict the agency stores and the service, especially in our rural areas. Reading number 5, and looking at the answers to the questions, I don't think it's absolutely necessary, but it's soft enough that—as long as it allows the agency stores to have the flexibility. It is just a recommendation. So that's fine.

**The Chair:** So I need some direction here. Is everyone in agreement that you want to leave number 5 in as it is, or not?

**Ms. Smith:** We can live with it.

**The Chair:** All right. So then we need to look at anything specifically with, I guess, 6 and 7.

**Ms. Smith:** I think number 6 was addressed in some of the background material.

**The Chair:** Yes, obviously that is the case.

**Ms. Smith:** They already are supplied and monitored by the closest—

**The Chair:** Yes, so we're going to omit 6. I think 7 is also part of a regular business plan.

**Ms. Smith:** I think 7 was deleted in the last round.

**The Chair:** I'm somewhat confused by 7, as a matter of fact. So 7 is deleted.

**Ms. Hull:** I'm sorry, 7 is not deleted. There was nothing I could do to remove that little line from the "7," though I tried many times.

**The Chair:** All right. I think that the committee needed that clarification. Then we need to look at 7.

**Ms. Smith:** No. I actually thought we had deleted it in our discussions last time, but I don't have all my notes here from last time. You didn't have it as deleted?

**Ms. Hull:** No, we did not.

**Ms. DiNovo:** I certainly wouldn't want to see it deleted. I might live with softer language. It sounds pretty dogmatic: "Existing agency stores be replaced with regular LCBO stores...." I would say something like, "Wherever possible, where the current or projected agency store sales volumes meet the minimum level to sustain an LCBO-run outlet." Again, this is a concern, in part generated from OPSEU, about the increasing privatization, and it's a pretty important concern. I wouldn't want to see that go.

**Ms. Smith:** We did hear from the LCBO that there were plans to look at a couple that were reaching that kind of magic number. I appreciate Ms. DiNovo's recommendation of "wherever possible," and I would take out "where the current or projected." So I would put, "Where the agency store sales volumes meet the minimum level." I think trying to change something on a projection is a bit iffy, at best. It's kind of hard to figure out what the current one is. Are we saying the current one today, October whatever-we-are, or are we saying the current one at that time? If we say, "where the agency store sales volumes meet the minimum level," we probably get at what we're trying to achieve.

1100

**Ms. DiNovo:** That's fine with me.

**Ms. Scott:** That's fine.

**The Chair:** Thank you. Recommendation 7, with those minor changes. We'll move on, then.

The bottom of page 15 has a recommendation which I guess would be 9 in our numbering system here. It begins on page 15 and goes to page 16, so I'd ask Ms. Hull to look at giving us an overview of the rationale that went into that.

**Ms. Hull:** This group of questions—I kept the numbering the same as last time in order that committee members could make reference to our previous discussions. So at the bottom of page 15, this box of recommendations continuing on to page 16, the committee asked that more information be given about the LCBO's policy for opening new agency stores: how communities were selected, how communities were notified, and questions like that. I've answered those on pages 3 through 6 in my second paper.

**Ms. Smith:** This is another one of those sections that we passed on, given that we wanted some more information on what the process was, because my understanding was that there was a fairly robust process in place. I think, if we look at pages 3, 4 and 5 of the background information that we've now received, there is a robust process in place. I would recommend deleting recommendation 9.

**The Chair:** Any comments?

**Ms. Scott:** I think that the LCBO is doing a thorough job on that. I have no problem with the deletion of number 9, because I think that there is reasonable public consultation, input from the community and input from the municipalities involved. So that's fine.

**The Chair:** Thank you. Seeing no further discussion, I want to look at the currently listed number 10.

**Ms. Smith:** Just on number 10, we had discussed the fact—and it's in the next paragraph—that the organization does not approve agency stores that are located less than 10 kilometres from an existing LCBO outlet. So when we say that no "agency store location be considered unless it is demonstrated that there is no existing LCBO outlet within 15 kilometres," I thought we had all agreed that 10 kilometres was fine at the last meeting. That just may have been lost in translation. There were a lot of changes, but if we're all okay with 10, I'm fine with the rest of that.

**The Chair:** So you would want to change this or delete it? I'm not clear.

**Ms. Smith:** Sorry, I just want to change it from "15" to "10" in the first bullet point of recommendation 10.

**The Chair:** All right. And the rest of the bullet points?

**Ms. DiNovo:** I just have a question. Maybe I just can't remember what the discussion was, but under number 10, "the approval of an agency store will have no serious negative impact on other area businesses or put them at a significant competitive disadvantage"—I'm just wondering what the rationale is behind having that there. I can't imagine any negative consequences. I'm just wondering where that came from. Perhaps somebody could refresh my memory?

**The Chair:** Are you able to do that?

**Ms. Hull:** I'm not 100% sure on this point, but I thought it was that if you have the added attraction of being the only LCBO outlet in your community, you could potentially draw customers away from other grocery stores etc.

**Ms. DiNovo:** Is anybody else clearer on this?

**The Chair:** Is there a concern about that particular bullet? Do you want to leave it in?

**Ms. DiNovo:** I'm just not sure what it means. As I say, we were all sitting around the same table, so if somebody can clarify a little bit better—I just can't imagine an agency starting to have a serious negative impact on other area business. I can see them having a negative impact perhaps on an LCBO outlet but not on other area businesses.

Again, this harks back to the transparency of the public hearings and everything else. I can imagine per-

haps local businesses wanting to be dry or wanting not to have a liquor outlet of any sort in their area, then presumably this is covered by the transparency of the process that the LCBO is already engaged in. I don't know. It kind of raises a negative spectre where I'm not sure one exists, if the procedure is as transparent as it seems to be.

**The Chair:** If I might just interject here, if you look on the secondary documentation that we've received, in the third paragraph from the bottom on page 4 it does talk about the process, which would seem to indicate perhaps a clarification of this issue, where it says they must put "advertisements in local papers to inform the community ... to provide this additional service within their existing business and of the process ... to participate in the competition. Prior to placing ... the LCBO consults the local municipality regarding service..." In the paragraphs that follow there's a continuation of the kind of research that goes on prior to any kind of decision-making. I just point that out to you as a matter of clarification in looking at this particular part.

**Ms. DiNovo:** It seems to be redundant at best and, as I say, possibly raising a negative spectre at worst, in a place where one need not be raised.

**The Chair:** Yes.

**Ms. Smith:** I'm happy to delete the fourth bullet point of recommendation 10.

**Ms. Scott:** That's fine. I'm good.

**The Chair:** All right. Thank you very much. If we could look at number 11 then, Ms. Smith.

**Ms. Smith:** My memory may be failing me again, but I believe this was deleted at the last meeting. It wasn't deleted, Laurie? You don't have it?

**Ms. Scott:** I don't have it as deleted. I had that we may be changing some of the terminology. I don't have it as deleted, but I haven't really compared the differences here yet.

**The Chair:** Well, perhaps this is the moment at which to make that decision. Could we just look at it from that perspective? Again, I would remind people of the analysis that we have here that in fact might lead you to see it as redundant.

**Ms. Smith:** The second point is definitely redundant, because we've dealt with that up in 7, I believe. The first point is kind of mind-numbing: How would we ever be able to determine that? It was based on some of the evidence that I took some exception to from—

**The Chair:** I'm sorry. Are you referring to the—

**Ms. Smith:** I'm referring to, "No agency store will be located in a host business ... that could raise risks regarding social responsibility..." You could probably make the argument that there isn't a location on the planet that couldn't raise risks of social responsibility. I don't know. It just seems vague, broad and not terribly helpful. I don't know what the point of it was. Maybe that was our discussion, Ms. Scott?

**Ms. Scott:** Yes, I think it was.

**Ms. Smith:** I didn't get the point last time. I'm still not getting the point after sober second thought.

**The Chair:** Any further comments?

**Ms. DiNovo:** Again, I'd concur with that. I can't imagine any such place on the planet either. I'm trying to imagine, you know, grocery stores and things—we don't want, I don't think, in this committee to hamper the day-to-day running of an agency that seems to be doing well. This might just throw a curve at folks, so I would just delete this entire number 11.

**The Chair:** All right. It seems to me there is, again, general agreement on that. Okay. Thank you.

We're looking down at the bottom of page 16. Of course, that's where we get the 10 kilometres and the mandatory training that people must engage in.

If we turn to page 17, I would entertain any comments with regard to that. Perhaps, Ms. Hull, you might wish to just give us a brief overview of that.

**1110**

**Ms. Hull:** Immediately, at the top of page 17, I've just added some of the LCBO's post-hearing response, and some of their response during the hearings, and I just did that to present the LCBO's case as fairly as I could. Some of this information is actually in the second document that I prepared for you, but I just wanted to have something in this draft presenting the LCBO's side.

I don't think there's anything else, up to the domestic small producers section, unless a member has a comment.

**The Chair:** Yes. Ms. DiNovo?

**Ms. DiNovo:** Just on page 17, the second paragraph, it says, "Some committee members suggested that some agency stores were generating more sales than small LCBO outlets, and therefore questioned the rationale for opening an agency store." I don't think that's quite right. "The LCBO notes that it has not converted any agency stores..."

The question, I think, was: Why not? If there are agency stores generating that amount of sales under the previous recommendations, then shouldn't these agency stores become LCBO outlets? That was the nature of the concern, if I remember correctly. Otherwise, it doesn't make a lot of sense that "some agency stores were generating more sales than small LCBO outlets, and therefore questioned the rationale" for not opening an agency store but converting that agency store into an LCBO outlet.

That was the rationale unless, again, I don't remember correctly.

**The Chair:** If I could just remind you that on page 15, you are including the recommendation, "Existing agency stores be replaced where the ... agency store sales volumes meet..." So I just remind you that you are including that in the text.

Ms. Smith, you had a comment.

**Ms. Smith:** Yes. I was here on that lovely day with the LCBO, and in fact the member for Timmins-James Bay went on at some length about why we opened agency stores at all when he thought there was volume to open a real store. As I recall it, this does reflect the discussion. There were two discussions. There was the discussion of converting agency stores to LCBO, if the sales were there, and that's recommendation 7, but he

also went on at some length, as he's wont to do, about, why are we opening agency stores at all if there's a market for an LCBO outlet?

I think that fairly reflects what happened. We could go back and look at Hansard if you want.

**The Chair:** All right. Any further comments? Then we're leaving this paragraph as it is in this draft? Okay.

**Ms. DiNovo:** I'm just going to say that I don't have a problem. Again, there's just a little bit of a redundancy here, but let's leave it.

**The Chair:** All right. I'd like to move on, then, to the domestic small producers section. Ms. Hull, if you could start for us, please.

**Ms. Hull:** At the bottom of page 17, I've added a paragraph summarizing the LCBO's programs for VQA and Ontario wines. Some of these programs are specifically for VQA wines; some of them are for all Ontario wines. I was asked to provide information on quite a few points.

First of all, the issue of the off-site winery retail store licences and the issue of wine labelling, in particular the Wine Content and Labelling Act, the LCBO's shelving policy in regard to VQA wines and cellared-in-Ontario or cellared-in-Canada wines, and just a more general discussion of the LCBO's support for VQA and Ontario wines.

I suppose the first topic we could look at would be the off-site winery retail store licences on page 7 of the other document.

**The Chair:** Questions or comments? Ms. Smith?

**Ms. Smith:** As far as our report, I'm fine with pages 17 and 18 and recommendation 13. If we're going to talk about off-site winery retail store licences, I think we do run into some trouble here, because the issuing of those licences has been very much limited by GATT and NAFTA agreements, and I think that we would be opening a can of worms if we start recommending changes to those. My understanding—and I'm not sure if it's in the note here—is that there's no real mechanism for those off-site winery store licences to be transferred, to be taken away from an existing business and given to another. I don't believe they have that ability. But they also, because of the GATT and NAFTA agreements, don't have the ability to issue any more.

**Ms. Hull:** My understanding is that the licences are sold sometimes. When wineries buy up other wineries, there's often a purchase of the licences as well, or transfer of the licences. But as far as I've been told, it is not possible to issue more licences.

**The Chair:** Okay. Any further comments? All right.

So we're looking at recommendation 13, which there seems to be general agreement on. Any questions? We have a bit of background here on 14. Any change or comments there? The background information is on pages 7 and 8 of the research document.

**Ms. DiNovo:** It does feel a little strange not to be able to make any recommendations around this since, as Ms. Smith pointed out, we're hampered by other legislation outside of our control. I can imagine that if you're a grape grower and producer of wine in southern Ontario,

you'd be a little concerned: Who's control does it come under, and how can we address this? So I don't know that it falls within our purview, but it would certainly be interesting to know. I thank the legislative researchers for doing what they've done. They've done an excellent job. But personally I'd be interested in knowing—what venue do these producers have? If they'd like to see another retail outlet opened, how do they go about that?

**The Chair:** Further comment?

**Ms. Scott:** For number 14, there's nothing wrong with recommending a review. I realize it might get into licensing laws, but we could do a review. Or you're saying from research, really, number 14 isn't possible?

**The Chair:** Carrie, do you have any comment?

**Ms. Hull:** I don't know how you could get a licence from one of the wineries that already has a licence. But I do know that the licences change hands with the purchase and sale of vineyards.

**Ms. Smith:** Perhaps I can suggest—we're frustrated by the present circumstance that we can't change, so maybe we address it by saying, "Given the present circumstance of the distribution of off-site winery retail licences, we recommend that the LCBO look at ways to improve the sales abilities of small and medium VQA producers." It's fairly broad, but we're kind of addressing the fact that we have a concern about X; we can't do anything about X, but let's see what we can do through Y. I'm just trying to find a compromise.

**Ms. DiNovo:** I would agree with that. I would also maybe make some mention of this cap, since in reading our document you wouldn't get a sense. The question would be, "Why is it capped?" So just some mention of the fact that due to international trade agreements, it has been capped at 290 since 1993. The concern is not so much wresting away licences from those wineries that already have them to give to somebody else but, "Why is it capped?" This is a legitimate question by small wine producers and grape growers, so we should make some mention that this is outside of our jurisdiction in that comment and, again, leave it up to the wordsmiths. I don't know quite how you would do that. Right now, one could say, "Why can't we do something about this?" Clearly our hands are tied around it. We need to get that message across somehow.

**The Chair:** Obviously, being able to create the level of understanding is what you're dealing with there. In that context, asking the LCBO to do what it can; what are the options available to it in that international context?

**1120**

**Ms. Smith:** In the third paragraph on page 18, we could give a bit more context as to what we're talking about with off-site winery retail stores and the limitations around the distribution of any further ones, and then reference that in recommendation 14, noting that there is an inability to distribute more or new off-site winery retail stores and that the LCBO should look at different means to assist small and medium VQA producers.

**Ms. DiNovo:** I would like to make some mention that these are international trade agreements that we're dealing with, and there's a cap of 290. I would want the

international trade agreements' cap of 290 in there so that, really, we're getting the message across to those wine producers and small grape growers that we're not ducking this, that this is beyond our capacity to deal with as a committee.

**The Chair:** All right. Thank you.

**Ms. Hull:** Should I propose text for a recommendation to see what the committee thinks? Given our obligations under trade treaties that limit the creation of new off-site winery retail store licences, "review ways to enhance retail opportunities for small and medium VQA wineries."

**Ms. DiNovo:** It sounds good. I almost would like to see that it had been capped at 290 since 1993. I don't think that's too strong, because somebody would say, "What is the cap?" I want to make it quite clear to people reading this document that this is outside of our jurisdiction, that we're hampered here by an international trade agreement. Again, I wasn't at the hearings, but the people who are concerned about this—and I have heard those concerns; so that they're addressed.

**The Chair:** Thank you. Any further comments? All right. I'm happy to accept the recommendation, Ms. Hull. We're looking at 15.

**Ms. Smith:** I just note that the legislative changes to the Wine Content and Labelling Act—the LCBO wouldn't have jurisdiction to make legislative changes, for one. To whom are we making these recommendations? If it's just to the LCBO, then we're barking up the wrong tree, because generally speaking it would go to liquor control or licensing and management boards. It's just a little strange that we'd be talking about it here.

**The Chair:** Do you wish to respond?

**Ms. Hull:** I still think that under the act, the use of language—opportunities are raised and opportunities are shut down for the kind of language that can be used by the LCBO, and our presenters had some questions about how the LCBO was using the language of the act. But you're correct that the legislative changes obviously could not be made by the LCBO.

**The Chair:** Any other comments?

**Ms. DiNovo:** I just wonder if we couldn't skirt the problem by saying, "The LCBO further promote consumers' understanding of the nature of VQA wine and Ontario-grown wine," and then scrap the rest of the sentence. Again, we're out of our jurisdiction here. We're asking them to be out of their jurisdiction. What we're really trying to get at here is that they promote Ontario wine.

**Ms. Smith:** I'm fine with that.

**The Chair:** Okay. Let's move on. Recommendation 16. Here, we're talking about a specific VQA division. Any comments?

**Ms. Smith:** Sorry, did we get any further information on the LCBO's ability to create?

**Ms. Hull:** I think I've actually included it in the report document itself on page 20—sorry, I have to find it first.

**Ms. Smith:** While we're looking for that, Chair, if you don't mind, my understanding is that the sale of Ontario wines is helped by its presence among other wines. So if

someone comes in with a view to buy a certain type of wine, when they see the promotion of the Ontario wines that is done at the LCBO, they're inclined to at least stop and take a look. My understanding is the concern would be that if we started creating stand-alone VQA stores, we wouldn't necessarily have the same traffic. I don't know if that's reflected in the background information or not.

**The Chair:** Ms. Hull, did you have something to add to that?

**Ms. Hull:** I just wanted to say that I found it. It's actually in the secondary document on pages 13 and 14. That directly responds to the questions of whether any LCBO stores specialize in VQA wines. The LCBO responded that three or four stores have more than 100 different varieties. On page 14, the LCBO has told us they are organized around function rather than products and there are no other divisions in their organization for products.

I just wanted to clarify, though, that a presenter, the Grape Growers of Ontario, was particularly concerned about the distinction between VQA and Ontario wines within the LCBO.

**The Chair:** Ms. DiNovo, I think you want to respond.

**Ms. DiNovo:** I was just going to say what Ms. Hull was saying, that it is on pages 13 and 14. I also agree with Ms. Smith—and the point is made on pages 13 and 14—that better sales result from being in a mixed environment than from having stand-alone stores. But I am concerned about the grape growers and their concerns. Is there some way we can say a line about that that obviously isn't this one? I'm not sure what that line would be; that VQA is separated out somehow, or that people understand. Perhaps this is already addressed in number 15. We've said, "The LCBO further promote consumers' understanding of the nature of VQA wine and Ontario-grown wine." Maybe "distinct from Ontario-grown wine," or something like that, and scrap 16 altogether, would address our concerns.

**The Chair:** Any comment? Just following on yours, I'm wondering if it's as simple as saying, "The distinctive nature of VQA wine."

**Ms. DiNovo:** Sounds good, Madam Chair.

**Ms. Smith:** Sorry?

**The Chair:** In 15, if you were just to add "consumers' understanding of the distinctive nature of VQA wine and Ontario-grown wine."

**Ms. Smith:** And then remove 16 altogether?

**The Chair:** Yes, that's the suggestion that's been made. Any further comments? Okay.

Now we're looking at the pages following, pages 19 and on, that deal with the Ontario craft brewers. I'd like to begin by asking Ms. Hull to give a few comments.

**Ms. Hull:** At the top of page 19, I've just added the summary of the LCBO's programs for Ontario craft brewers. This summary was presented by the LCBO at our hearings in September. It just basically says that there are several special programs for Ontario's small breweries.

Further down the page, I was asked to find out profit margins of the microbrewers. I was asked to investigate

the LCBO shelving policy and also the cost-of-service fees at the LCBO as opposed to Brewers Retail. The answers to these questions can be found on pages 15 to 17 of the secondary document.

**The Chair:** Any comments, looking at page 19 and the additional information that is included in there?

**Ms. Smith:** Sorry, I was just trying to get through the new information that we have. Did we not hear about some shelf space growth-based policy already? Do you remember they told us that they already designate some shelf space for a certain length of time? Was that these guys?

1130

**Ms. Hull:** I think it's in there. On page 19, paragraph 4: This is where the microbrewers express concern about the LCBO's shelving policy. The LCBO has acknowledged that they use a sales volume shelving policy, not a growth-based policy. Again, I suppose it was summarized as fairly easy to get on but difficult to stay on unless you have fairly high sales right from the beginning. In my secondary document, the LCBO says that this is standard practice for large retailers and they make an argument in favour of a sales-volume-based shelving policy. That's on page 15 of the secondary document.

**Ms. Smith:** Again, I would suggest that we change the language to say "consider implementing a growth-based shelf space policy" because I don't know that we want to actually dictate that they implement it, and given that their market analysis—it's the business that they're in and we should defer to their expertise in that realm, although I do believe that we should at least ask them to look at it. So "consider implementing a growth-based shelf space policy" would be my recommendation.

**Ms. DiNovo:** I concur. It's obviously come down to a discussion of months here, two months versus six months, what necessitates a growth-based shelf space policy. There are some questions. I would say that that language would be fine, "The LCBO consider implementing a growth-based shelf space policy," but I think it needs to be in there.

**Ms. Scott:** That's fine. I agree. I think to "consider to implement," and not get into details. It's just that it was brought to our attention by the craft brewers and it's fair to ask the LCBO to consider that implementation. So I'm fine with that language.

**The Chair:** Thank you. Any comments with regard to recommendation 18? Number 19?

**Ms. Smith:** Again, if we could say "consider" giving microbrewers a rebate on their service fees. I think it's a bit prescriptive to tell them to give a rebate.

**The Chair:** Thank you. Any further comments or questions? We'll move on to the section on social responsibility. It begins on page 20 and then page 21, with the recommendation on page 21.

**Ms. Hull:** We don't have any new information until page 21. I was asked to summarize the LCBO's post-hearing submission of information about the statistics it gathers regarding alcohol-related deaths and illnesses and drinking and driving deaths and illnesses.

I've basically just quickly summarized that the LCBO did provide us with a number of studies. It stresses that it uses the most up-to-date data on alcohol-related motor vehicle accidents. It is guided by independent third party research and program development and, where possible, post-test evaluation.

We're in the second full paragraph on page 21. At the time of the hearings, the LCBO officials had stated that yes, it would be a good idea to track their advertising programs with alcohol-related deaths and injuries, but in their post-hearing comments I was informed that while the LCBO told me it would not be possible to evaluate any single campaign in terms of changes in injury and death rates, the LCBO also stressed that it promotes responsible drinking and that its campaigns are not designed to address problem drinking—independent serious issues best confronted by expert organizations.

**The Chair:** Comments?

**Ms. Smith:** The notion of our recommendation 20 is a good one, but I think practically speaking I would have to agree with the LCBO staff that it would be very difficult, because you can't really factor in all the extenuating factors that come into play. The LCBO has a great anti-drinking campaign, or MADD is running a great anti-drinking campaign, but at the same time, the American beer companies are running beer ads through every hockey game. How do you judge what impact you've had? If that particular community has a bar that's having happy hour every night, how do you judge all those other implications as they pertain to traffic accidents or injuries? I just put it out there as being practically impossible, I think.

**Ms. DiNovo:** Yes, I think that this is putting the onus on the LCBO, and I think they're part of the solution, not part of the problem in many instances. Again, as Ms. Smith pointed out, this is a much larger problem and difficult, if not impossible, to measure anyway. But certainly if there's guilt here, it's not so much with the LCBO, that they're the messenger; it's with the makers of alcohol products, and some of the larger ones, at that. So how could one measure it? I think there's a good idea behind this recommendation. This doesn't address that good idea. The good idea is, how does one measure their programs about social responsibility? What is the measurement tool? I don't think this is it. Is there one? I don't know. Again, I wasn't at the hearings. I'll leave it to my colleagues to figure that one out. It certainly isn't this.

**The Chair:** Any further comment?

**Ms. Scott:** I guess the recommendation is in here. Can we do anything with it, then, or just delete it? I agree with what has been said. How do you do this? There are so many factors that aren't in the LCBO's control or purview. So I guess my question is, what do we suggest?

**Ms. Smith:** I think we want to address the fact that they have social responsibility programs and we believe that they're effective to some degree, so maybe we say that we recommend that the LCBO continue to improve the effectiveness of its social responsibility programs, or something to that effect, just to kind of encourage them

to keep doing it, as opposed to just deleting the notion altogether. Or is that a completely different idea than what was here? I'm fine with deleting it. If we want to keep the thought about approving their social responsibility programs, I think that might be one way.

**The Chair:** I think what we're looking at here, from the conversation—not asking them to do what is in fact suggested by this, because everyone seems to agree that's not possible. So the question, then, that Ms. Smith has proposed is, do you want to give the nod, so to speak, to the efforts that they do make on social responsibility?

**Ms. DiNovo:** I would just suggest that it say very simply that the LCBO continue to improve their social responsibility programs. Really end it there and take out “by explicitly correlating them to trends,” blah, blah.

**The Chair:** Comments?

**Ms. Smith:** Yes. I'm fine with that too.

**The Chair:** All right. We can move on to the last section here, on the specific issues with regard to the police and First Nations and the issue of bootlegging. So we're looking at the top of page 22 as an addition. Comments?

**Ms. Smith:** I'm fine with recommendation 21 as it's written.

**The Chair:** All right. Everyone agree? Thank you. Recommendation 22.

**Ms. Smith:** I'm torn on 22 because I'd like to say, “Consider increasing,” but I'd also like to say, “Increase,” because I totally support what MADD is doing. My management side says that we should say, “Consider increasing,” but the good angels on the other side are saying, “Let's just say, ‘Increase.’” I leave it to my colleagues.

**The Chair:** Perhaps we can open it up to others and have a look at that. Does anyone else wish to comment on “should increase” or “increase”?

**Ms. DiNovo:** I like “increase” as well. However, again, when you can't measure this social responsibility when we're asking them in the previous recommendation just to continue along, thank you very much, it's hard now to sort of put a dollar figure on it and say, “and also.” I unfortunately would want to say, in light of everything else you've done here, “Consider increasing” the percentage of its budget to give them some latitude until we have some way of measuring how these social responsibility programs work. The paragraph before that stressed MADD's support for the LCBO. Again, we don't want to run their business for them. MADD themselves are saying that the LCBO is doing a pretty good job, so I wouldn't want to put a dollar figure on this unless we're softening the language at the front end.

1140

**The Chair:** Any other comments?

**Ms. Scott:** I think we can live with “Consider increasing” if we're going to leave the dollar value. I'm okay with “Consider.” Ms. Smith, are you?

**Ms. Smith:** “Consider increasing the percentage”? Yes.

**Ms. Hull:** I would just like to ask if the committee would like to merge what is presently recommendation

22, the one we just considered, with recommendation 20 on the previous page, or blend them together in some way?

**Ms. Smith:** I think we should leave them as is, because it follows on the MADD discussion. I think that was where the recommendation was coming from.

**The Chair:** Do you want to make a suggestion there, Ms. Scott?

**Ms. Scott:** Sure. Just from speaking with research, I think that maybe it would flow better if we changed the order a little bit. So “Social Responsibility” stays in that flow, and then—you wanted the First Nations, was it?

**Mr. Larry Johnston:** Just switch the MADD discussion and the First Nations discussion.

**Ms. Scott:** Sure. So switch MADD and First Nations just for flow. I don't think anybody has a problem with that.

**The Chair:** Thank you very much, Larry, for recommending that.

So we're ready, then, to look at the end of the document. Recommendation 23 has a change there. Is there any comment? This reflects discussion.

We'll look, then, at the last part. Again, there are a couple of changes on page 23. I'd just ask you to review those. Is there consensus on those?

**Ms. Smith:** I made the change to take out “the LCBO's website indicates.” I'm on “Customer Satisfaction” and the second bullet point. Maybe we could just call the LCBO and ask them for a clarification. Their evidence was that 700 customers were surveyed by telephone. Their website says 250. I just think we want to be accurate. Hansard said 700, but why don't we just call them and ask them, if that's okay with committee members? Then we'll know for sure.

**The Chair:** Any other comments? Okay. So we'll ask that research check on that. I think we're in a position now to ask that this come back as draft 3. Further comments?

I'd just like to mention to the committee that obviously we are in a position, at this point of our allotted time, to be able to look at draft 2 of the Ontario Lottery and Gaming Corp. report. However, I know that members received this very recently. So I'm in the hands of the committee, whether you wish to adjourn or take the next few minutes to discuss draft 2 of this report.

**Ms. Smith:** I think, given the lateness with which we received this report, we should probably put it off until next week. What I would recommend is that maybe we start with Hydro One next week and we bring this back on a day when we have appointments, kind of like today, where we have a couple to review, and then we have an hour at the end. If that's amenable to the other members, that would make sense.

**The Chair:** Yes. Good. That's why I wanted you to entertain the options here.

There being no further business, the committee stands adjourned.

*The committee adjourned at 1146.*

## CONTENTS

Wednesday 18 October 2006

<b>Subcommittee report</b> .....	A-351
<b>Intended appointments</b> .....	A-351
Ms. Suzanne Gilbert .....	A-351
<b>Agency review</b> .....	A-354
Liquor Control Board of Ontario.....	A-354

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