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

**Wednesday 18 May 2011**

## **Journal des débats (Hansard)**

**Mercredi 18 mai 2011**

**Standing Committee on  
Estimates**

Ministry of Government Services

**Comité permanent des  
budgets des dépenses**

Ministère des Services  
gouvernementaux

Chair: Garfield Dunlop  
Clerk: Sylwia Przedziecki

Président : Garfield Dunlop  
Greffière : Sylwia Przedziecki

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 18 May 2011

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*The committee met at 1555 in room 151.*

**The Clerk of the Committee (Ms. Sylwia Przewdziecki):** Good afternoon, honourable members. Owing to the absence of both the Chair and the Vice-Chair, it is my duty to call upon you to elect an Acting Chair. Are there any nominations?

**Mr. Paul Miller:** I nominate Joyce Savoline as Chair.

**The Clerk of the Committee (Ms. Sylwia Przewdziecki):** Ms. Savoline, do you accept the nomination?

**Mrs. Joyce Savoline:** I accept.

**The Clerk of the Committee (Ms. Sylwia Przewdziecki):** Are there any further nominations? There being none, I declare the nominations closed and Ms. Savoline duly elected Acting Chair.

**Mrs. Joyce Savoline:** Am I safe with the gavel in my hand?

**Mr. Paul Miller:** Oh, yes, as long as you throw it to the right.

## MINISTRY OF GOVERNMENT SERVICES

**The Acting Chair (Mrs. Joyce Savoline):** We are here to resume the consideration of the estimates of the Ministry of Government Services, vote 1801. There's a total of two hours and 48 minutes remaining.

When the committee was adjourned, the government still had six minutes remaining in the 20-minute rotation. It is now the turn of the government. Mr. McNeely, you have six minutes.

**Mr. Phil McNeely:** Thank you, Minister, again, for being here.

When we were last sitting around this table, we were talking about the many improvements that you carried out from 2003 until now and that people generally are very happy with ServiceOntario and the many improvements that have been made that facilitate people doing the things they have to do with licences, birth certificates etc.

If we look at that, you've gone from 37 offices where you can get health cards to 300. I'm just wondering if this is costing a lot of money. We often get asked, "What is the government doing to save dollars?" This seems to be a lot better service. What is this in cost? I think you said that about two thirds of the offices are private and one third are government-run, something like that.

Ontarians understand that our government listens to their concerns and, unlike governments in the past, we

certainly take action. There have been many changes. I know there have been significant savings found across government. I know that travel has been reduced by government officials, but my constituents would like to know how much money these measures have saved.

Could you please share how the government is ensuring we keep costs down while ensuring that the delivery of services is not compromised?

**Hon. Harinder S. Takhar:** Let me just start by saying that technology has helped us a lot in reducing our travel expenditures. This has been helped by webcasting, video conferencing technology and other technology that we have been able to use.

Let me just give you some numbers. Better use of technology and tighter rules on travel have reduced employee expenses by about \$30 million last year alone. That is roughly about a 24% reduction in the travel budget. We expect to reduce travel expenses by \$10 million more going forward.

If we break down the \$30 million: \$7.1 million in reduced accommodations, because now we can basically do it through video conferencing and webcasting, so you don't need to stay anywhere; \$6.2 million in air travel; \$6.2 million, roughly, in road travel as well; \$1.4 million in meal expenses; and \$9.1 million in other related travel expenses. If you add all these up, it adds up to roughly about \$30 million. This has been accomplished through using technology effectively, like video conferencing and webcasting.

The other area that we have focused on is reducing paper and office equipment. This will save about \$15.6 million over the next two years. We have eliminated about 15,000 printers and computer servers, and that has saved about \$8 million. Paper use was reduced by 50%, saving \$7 million. We are actually making it mandatory to use paper on both sides. The fax machines are gone—another savings of \$640,000. And some of these services are now being provided by one piece of equipment, rather than different pieces of equipment, and we're also centralizing the services. By reducing the number of daily news packages by 96%, we'll save another \$1.5 million.

**1600**

The reduction in our office equipment alone will save 30.5 million kilowatt hours per year, so it's not just a dollar savings, but it's also a savings in electricity and all that. That 30.5 million kilowatt hours is enough to power about 2,700 houses for one year. There is a savings of

approximately \$2 million there as well. This also will reduce CO<sub>2</sub> emissions by 6,750 tonnes annually, and it has saved more than 200 million litres of water annually.

So those are some of the savings that we have accomplished already. There are a few more. I think I'm going to ask the deputy minister if he wants to speak to the other savings.

**The Acting Chair (Mrs. Joyce Savoline):** There's about a minute left.

**Mr. Ron McKerlie:** Sure, thank you very much.

Of course, one of the big things the government has done in the 2011 budget is commit to reduce the size of the OPS by another 1,500 full-time equivalent positions by March 31, 2014. This is in addition to an earlier commitment to reduce the size of the Ontario public service by 5%, or about 3,400 full-time staff, by March 31, 2012. So we're reducing the size of the Ontario public service by 4,900 full-time equivalents. We'll save about \$500 million a year once this is fully implemented, so there are significant cost savings available.

We already had the lowest number of provincial public servants per capita and the lowest expenses at \$9,300 per person for the fiscal 2010-11 year. What it means is that by March 31, 2012, the size of the OPS will be 65,245, and by March 31, 2014, that'll be down to about 63,745.

Just a couple of other areas where we have saved money: The Ontario public service senior managers earning \$150,000 or more didn't receive any performance pay for the 2009 calendar year, so that had some significant savings for us.

**The Acting Chair (Mrs. Joyce Savoline):** I'm going to ask you to wrap up, please.

**Mr. Ron McKerlie:** Great, thank you.

In terms of consulting services, again, we've reduced consulting services over the last 10 years by over \$300 million a year, which is a significant savings as well. I'll stop there.

**The Acting Chair (Mrs. Joyce Savoline):** Thank you. We'll now take the rotation back to the official opposition. Mr. O'Toole?

**Mr. John O'Toole:** A very nice segue. We're talking about a reduction in the size of the civil service, as well as the issue on performance pay.

It's strange and odd that in the last little round of questioning, I asked the minister directly if there were other things he would like to disclose at this time. I had mentioned Ron Sapsford and the secret deal there. We couldn't find out; you never answered that question. Then I asked, would Sarah Kramer still be on the sunshine list next year, even though she has been away for a couple of years?

Then this morning, surprise, surprise, we find out—it makes me very cynical. Minister, you're familiar with the headlines. I'm sure they've briefed you on them, so I expect to have the information here. When did you become aware of this deal?

**Hon. Harinder S. Takhar:** I read it in the paper, as you did.

**Mr. John O'Toole:** So you're telling this committee you did not know anything about it? Otherwise, if you did, then you misled this committee yesterday.

**Hon. Harinder S. Takhar:** You got my answer.

**Mr. John O'Toole:** I'm asking you again. When did you find out?

This is troubling, because it stems to the very—the cynicism around Ontario and the voters of Ontario, and you've got this new election bill out there, which is another cynical move. When did you know it? And it turns out you didn't know it. Do you agree, now that you know, because of the good work of the media, that it was wrong?

**Hon. Harinder S. Takhar:** I think I basically—

**Mr. John O'Toole:** No, I'd like a yes or no.

**Hon. Harinder S. Takhar:** It's not just a no. Let me just say this—

**Mr. John O'Toole:** So you agree with it then?

**Hon. Harinder S. Takhar:** Let me just answer it, all right?

I said this in the House; let me repeat it again. I absolutely expect all agencies, including eHealth Ontario, to adhere to the rules around compensation restraint. Our government was very clear about our expectations, and I expect everybody to follow that.

**Mr. John O'Toole:** This is a 10% increase in income, some of it as a bonus for performance. That's a whole different line of questioning—bonusing—and this idea of the secret transaction again. Now, it's clear you did not. Would you like to hypothesize or suggest who initiated this action on behalf of the McGuinty government, this secret, distasteful—in the climate of—let's put this frame around this.

If you look into the media and the media reports, you had a whole PR campaign around this freeze and this discipline within the expenditure side of the province of Ontario. We're finding out piece by piece—first of all, the Sapsford deal. Then we find out about the secret OPS deal. Now we're finding out—are there any other secret deals that we should be prepared for? When will the other shoe fall? The other shoe? It must be a four-headed monster. Just quickly, because I'm very—

**Hon. Harinder S. Takhar:** I think the member knows, but let me just repeat it for the sake of the record: EHealth is an agency of government with an independent board of directors, and this agency reports to the Minister of Health and Long-Term Care. So I have very little to do with this agency. You can keep asking me the questions, but I won't be able to provide you with any information on this because this agency reports to the Minister of Health and Long-Term Care. I think that's where the—

**Mr. John O'Toole:** It's the Minister of Health. Will you intercede on behalf of this committee and have the Minister of Health table the instructions to go ahead and reward eHealth? Will you get the Minister of Health to table that information?

**Hon. Harinder S. Takhar:** I can't instruct the Minister of Health to do anything, but I can tell her that you made this request, and it's up to her to do it.

**Mr. John O'Toole:** Failing that—because it's the same with the Sapsford deal. These secret deals—you don't know anything. That's true? That's what you're saying to me? You read out these statements, the prepared text that the political staff have written for you, not the deputy minister sitting beside you. I have the greatest confidence in what they're trying to do. They understand that Ontario's going off the cliff and you're still spending money like a drunken sailor—well, an intoxicated sailor. We'll leave it at that.

**Mr. Bob Delaney:** Let's keep the rhetoric low.

**Mr. John O'Toole:** The point being here is, will you take a step on your behalf to make this—and the media might pick this up, Minister. Will you categorically say that you'll make every effort to roll this back?

**Hon. Harinder S. Takhar:** Let me say this—and I said this in the House—I expect all agencies, including eHealth, to abide by the rules and regulations that we put in place.

**Mr. John O'Toole:** Apparently they're not abiding by—

**Hon. Harinder S. Takhar:** There is no exception to that. We brought in a compensation freeze to ensure no one would be paid more this year than they were allowed to earn last year. That was what the compensation guidelines were.

**Mr. John O'Toole:** Well, we'll say this much, that you're refusing now to say you'll roll it back. That means you implicitly approve of it. I'm not trying to read into it. I want to make it clear, when I report in the media, when they ask me hopefully after this scrum in here, that you tacitly approve of this increase; right?

**Hon. Harinder S. Takhar:** I didn't approve it. I don't approve it. It is not up to me to approve it.

**Mr. John O'Toole:** So you don't approve it?

**Hon. Harinder S. Takhar:** I said this—

**Mr. John O'Toole:** I heard, "I don't approve of it." So will you ask for it back?

**Mr. Ted Chudleigh:** Who's it up to?

**Mr. John O'Toole:** My colleague Mr. Chudleigh will be picking up these questions because he's irate about it as well. Here he is fighting for a hospital and you're giving away money for no outcomes that were expected.

Give us one small—you probably know this. It will be the first thing you actually knew. Anyway, how much is it going to cost? That's a pretty straightforward question. It's about a 10% increase, with some of it bonusing and some of it annualized funding. How much is it going to cost? We just heard there's about 65,000 or 66,000 OPS. They'll all want this now because the OPS is getting it. AMAPCEO's going to want it. EHealth's getting it. There's no freeze. How much is it going to cost? Come on.

**Hon. Harinder S. Takhar:** Look, you are just making assumptions. You are entitled to keep making those assumptions. I said in the House that the Minister of Health and Long-Term Care had asked for the chair and CEO to provide a full accounting of all this, and when she gets that information—and she has made it very clear

outside as well that she is taking this very seriously. She takes this seriously because Ontarians are taking it seriously. We want to make sure that she gets the full information. She's calling those people, and once she gets the information, she will make the decision.

1610

**Mr. John O'Toole:** At about 10 minutes, I'm going to let Mr. Chudleigh take the line of questioning, because I'm exhausted. I think I've exhausted—I'm going to ask you one more time: Do you approve of this eHealth increase?

**Hon. Harinder S. Takhar:** I expect all agencies to abide by the rules and regulations that we put in place. That's what we expect.

**Mr. John O'Toole:** Okay, I heard that. It's already on the record. I've got that. Now, would you relate this to a specific increase in service delivery to the people of Ontario for this increased cost? You won't tell me the cost; maybe you'll tell me what I can expect to get for it.

**Hon. Harinder S. Takhar:** Listen, I think this question—

**Mr. John O'Toole:** You don't know that either. Holy smokes. That's terrible.

**Hon. Harinder S. Takhar:** This question is best directed to the Minister of Health, because this agency reports to the Minister of Health and Long-Term Care. From my point of view, I am responsible for the general guidelines and expect all agencies to follow those guidelines, and they are supposed to do a report to the Minister of Finance. It's very fine that they have complied with the rules and regulations that we put in place.

**Mr. John O'Toole:** Look, we've always understood—at least, you present yourself as the all-knowing czar of everything—that all deals, all contracts, cross your desk and you do the ministerial duty and approve them. I assume either they have no confidence in you so they're bypassing you—I guess it's Minister Matthews who has got the real power. Is that it? You aren't even informed. You had no clue until you read it in the paper. This is what you're telling me. You've got the same notes that I've got. Yesterday, I asked the same question: Is Sarah Kramer on the sunshine list next year? You should know that. Is there another deal there? Tell me right now. I'm sure she's on there next year.

**Hon. Harinder S. Takhar:** I'm sure you know Eleanor Clitheroe was making \$2.2 million, and \$172,000 for the cars, and then you—the chief of staff of the former—

**Mr. John O'Toole:** That's fine. You can bring that up on your own time. This is my time, and I've got a question with you now.

Through the Chair now, respectfully. We'll tone it down a little bit, but not much.

**The Acting Chair (Mrs. Joyce Savoline):** You ask the question; the minister will answer.

**Mr. John O'Toole:** He won't answer, though. Chair, can you force the minister to answer one of these questions?

**The Acting Chair (Mrs. Joyce Savoline):** You could ask the questions.

**Mr. John O'Toole:** I presented three questions; he hasn't answered one of them. I'll give him a chance. There are three questions. I'll read them very quickly, and you can say yes or no. Don't read me that same statement that the ministry people wrote out for you. That's all you've been giving me.

First of all, you didn't know about it. You've told me that. That's one answer you did give me. You didn't know a thing about it until you read it in the paper. That's shameful. You're the minister of one of the large—spending billions of dollars a year.

Would he roll it back? He wouldn't answer that one. I'll give you another chance. Look, I'll take my foot off the brake here. Would you roll this back? You had a business.

**Hon. Harinder S. Takhar:** I made it very clear in the House. We expect them to follow the rules. If they don't follow the rules—

**Mr. John O'Toole:** And how much did it cost? You don't know any of the questions. I think we could almost adjourn.

**The Acting Chair (Mrs. Joyce Savoline):** You're at 10 minutes. If you want to pass it to Mr. Chudleigh, his 10 minutes will start.

**Mr. John O'Toole:** I'm going to Mr. Chudleigh. He might be able to—

**Mr. Kim Craiton:** Sorry, Paul, there's no time left for you. We're adjourning.

**Mr. John O'Toole:** No, no.

**The Acting Chair (Mrs. Joyce Savoline):** He didn't say that.

**Mr. John O'Toole:** I was going to—

**The Acting Chair (Mrs. Joyce Savoline):** Mr. Chudleigh?

**Mr. Ted Chudleigh:** I thought I heard the minister say that you don't approve of what happened at eHealth.

**Hon. Harinder S. Takhar:** What I said is, I expect all agencies to comply with the rules and regulations put in place and to not get around the rules and regulations.

**Mr. Ted Chudleigh:** Just prior to that, you said that you don't approve of it. Obviously, you didn't know when—

**Hon. Harinder S. Takhar:** No, I said either way, I expect—

**Mr. Ted Chudleigh:** I think it'll be recorded in Hansard that you said you didn't approve of it. You do disapprove of this. The sentence that you keep reading there would indicate that you—

**Hon. Harinder S. Takhar:** Listen, you can put your words—

**Mr. Ted Chudleigh:** What I would like to ask, Mr. McKerlie, is if you knew about this bonus system and when you might have known about it.

**Mr. Ron McKerlie:** I knew what their payouts were when I read the paper this morning, so that was the first time I had seen it. But eHealth, which is an independent agency with an independent board, is able, within the

rules that we've set out in the compensation act that was passed, as long as they already had the program in place, to have a pay-for-performance component in their total compensation. That's what we're talking about, not a bonus scheme or something in addition. We're talking about a part of their compensation which is at risk. In other words, if they do not meet their performance objectives, which are set at the beginning of the year, they don't get it.

**Mr. Ted Chudleigh:** Sorry. You're suggesting that the wage freeze that was applied to the Ontario civil service by the Minister of Finance didn't apply to that element of the civil service. That's what you're suggesting?

**Mr. Ron McKerlie:** In 1996, when we set up pay for performance, we put a portion of a senior manager's pay at risk; in other words, they had to meet their objectives for the year or they didn't get that portion of the pay, and—

**Mr. Ted Chudleigh:** I think your concept of a wage freeze—

**Mr. Ron McKerlie:** I'm answering the rest of your question.

**Mr. Ted Chudleigh:** I think your concept of a wage freeze is far different than mine. A wage freeze is when no one gets an increase in pay, like the civil servants and like the MPPs have done for the last few years.

**Mr. Ron McKerlie:** If the pay-for-performance component didn't go out, it would be a wage cut, so if you didn't get paid the at-risk portion, it would be a wage cut. So what's happened in terms of pay for performance, at-risk pay, the actual payouts have decreased year over year.

**Mr. Ted Chudleigh:** Now, does this same bonus system apply to OLG employees as well? They have an arm's-length board. Are OLG employees able to get bonuses out of the government as well? Minister, do you know that? The OLG operates under your ministry.

**Hon. Harinder S. Takhar:** No, it doesn't; under the Ministry of Finance.

**Mr. John O'Toole:** I want to pick up—we're acting like a tag team here. We asked you yesterday if there were other senior civil servants who got a bonus. That's part one of this. Now, are there other senior civil servants you'd like to disclose in public today who got a bonus?

**Hon. Harinder S. Takhar:** Let me just refer this to the deputy.

**Mr. Ron McKerlie:** Performance pay is an allowable exception under the legislation; it's part of the organization's compensation plan going back well before the legislation, and it was an allowable exception. In other words, if a portion of your pay is at risk, you have to meet a set of objectives set at the beginning of the year and you get a payout as a result of that. That's part of your total compensation package.

**Mr. John O'Toole:** Now, let's be clear. I'm listening to you, Deputy, and I respect that. Were there two—this was reported in the media about four weeks ago, that there were two deputies and even though they did not achieve the goals, a decision was made, I believe at Man-

agement Board, to give them the bonus. Do you want to admit to that today? Because it was in the media.

You said that they had to achieve a certain outcome to be entitled to the bonus. That might be something in a sales kind of arena. This is a true question: Are there two high-ranking civil servants who would have qualified for a bonus—I think it's in your ministry—had they achieved their outcomes, but did not achieve the outcomes, and the decision was, "To be fair, we'll just give it to them anyway"?"

**Mr. Ron McKerlie:** I'm not aware of that.

**Mr. John O'Toole:** Well, you'd better look it up, and I'm asking you to look it up because it was reported in the media, and I'm not fabricating this.

The inconsistencies here—yes, a bonus is permissible, and yet it should be tied to some outcome. That might even be understandable if there are deliverables on the table. Would you say that eHealth—I'm asking the deputy now, and this is a fair question—given all things, if I look back to the Auditor General's report: "In a searing report" in 2009, "Auditor General Jim McCarter criticized both the Liberals" for creating eHealth as well as overspending in eHealth, and one of the inside Liberals said in this article, "These guys just don't get it." This was from a high-ranking Liberal official, as reported in the media today.

They even had a focus group on the whole eHealth model since Sarah Kramer sort of took over. Do you think, with their performance, that they were entitled to a 10% increase?

**Mr. Ron McKerlie:** So the number of things that the Ministry of Health—

**Mr. John O'Toole:** The 10% increase, was that on for what they're delivering?

**Mr. Ron McKerlie:** It's not a 10% increase; it's a pay-for-performance payout, so a number of their criteria, I understand from the Minister of Health's announcement this morning, included things like delivering the emergency neuroimage transfer system. It connects all Ontario hospitals, allowing them to share diagnostic information. This was a big delivery. It went live in January 2009 and meant 1,558 patient transfers have been avoided. It saved \$50 million.

**Mr. John O'Toole:** This is 2011.

**Mr. Ron McKerlie:** But you're talking about payouts for last year. You're talking about performance for the year past; you're not talking about—

**Mr. John O'Toole:** That was 2010. You said 2009; this is 2011. I can see 2010. I'm sure they're doing something over there. They're spending millions and millions of dollars. I'm sure they're doing something, and I don't blame them. They should be taking advantage of every lack of management that is evident in the McGuinty government.

That's really what this comes down to. The minister, who is supposed to be signing all these contracts, whether they're consultants or third party providers, hasn't got the foggiest idea what's going around; they're spending and he doesn't even know how much they're

spending. Some 10% of their budget—what's the budget of eHealth? Do you have any idea?

**1620**

**Mr. Ron McKerlie:** It reports to the Ministry of Health and Long-Term Care.

**Mr. John O'Toole:** Ministry of Finance, here we go again. No answer.

I'm going to let Mr. Chudleigh ask a question, because it's just so frustrating for me.

**The Acting Chair (Mrs. Joyce Savoline):** About two and a half minutes.

**Mr. Ted Chudleigh:** Are you sure I can have it all?

**Mr. John O'Toole:** You can have it all.

**Mr. Ted Chudleigh:** I guess I'd like to ask the minister when he knew about this. You haven't answered that question. That is something that you know, as to when this came to light. When did you actually know that these bonuses were being paid?

**Hon. Harinder S. Takhar:** Which bonuses are you talking about?

**Mr. Ted Chudleigh:** I'm talking about the 7.8% bonus and the 1.7% wage increase. When did you know that came to light?

**Hon. Harinder S. Takhar:** I think I answered that question, but let me just—

**The Acting Chair (Mrs. Joyce Savoline):** Mr. Chudleigh was not in the room when you answered it. Please answer it again.

**Hon. Harinder S. Takhar:** Anyway, let me just answer this question again. First, eHealth is not an agency of my ministry; eHealth is an agency of the Ministry of Health and Long-Term Care. The agency reports to that minister, not me, so there was no reason for me to know about it. I read about it, like you, in the newspaper.

**Mr. Ted Chudleigh:** So that's the first time you knew about it?

**Hon. Harinder S. Takhar:** That's what I said.

**Mr. Ted Chudleigh:** And you say that you disapprove of these bonuses.

**Hon. Harinder S. Takhar:** What I said is I expect all agencies to abide by the rules and regulations that were put into place in not only the spirit but the letter of the law as well.

**Mr. Ted Chudleigh:** And if we find that that has not been done, will you roll back that bonus and wage increase?

**Hon. Harinder S. Takhar:** I think the Minister of Health is meeting with the CEO. She's also meeting with the chair of the board, and she has asked for a full report. I think she needs to determine whether this complies with the legislation or not. That is the first thing we need to determine. After that, the decision will be made.

**Mr. Ted Chudleigh:** So this problem rests on the shoulders of the Minister of Health. Is that what you're saying?

**Hon. Harinder S. Takhar:** This agency reports to the Minister of Health and Long-Term Care. It's her agency and she needs to comply with the rules and regulations that were put in place. Also, every agency is supposed to

send a report to the Minister of Finance attesting to the fact that they are complying with the rules and regulations.

**Mr. Ted Chudleigh:** So every agency, board or commission in Ontario that operates with government funding could, in fact, circumvent the wage freeze and give their employees wage increases above and beyond zero?

**Hon. Harinder S. Takhar:** Let me pass this on to the DM.

**Mr. Ron McKerlie:** The way you phrase the question, no. But performance pay is an allowable exception under the legislation, if it was part of the organization's compensation plan prior to the legislation coming into effect.

In other words, if a portion of your pay was at risk and you continued to meet your objectives, which are set at the beginning of every year, then you are entitled to a payment. That includes agencies, boards and commissions that had those programs in place prior to the legislation coming into effect.

**The Acting Chair (Mrs. Joyce Savoline):** Thank you. The rotation is over. Now we'll move on to the NDP.

**Mr. Paul Miller:** Yesterday, I was following a line of questioning in reference to the wages and benefits and percentages on your costs for employee benefits. I was surprised at the amount in the pie chart. Now that I look at it, I realize that civil servants and the costs, your ministry actually takes the entire—

**Hon. Harinder S. Takhar:** That's right.

**Mr. Paul Miller:** So that's understandable at that rate. I feel more comfortable with that. I certainly believe that all civil servants deserve their pension benefits and all things they're entitled to, through their collective bargaining, which is absolutely a must.

Where I was going with that is that I'm concerned about the golden handshakes. I'm concerned with whether that is put under your budget as a cost to you, when it could be coming from different areas of the government. Buyouts and payouts to golden handshakes, is that included in the 70% of salaries in your pie chart?

**Mr. Ron McKerlie:** I'm not sure I know what a golden handshake is. Are you talking about legislated severance?

**Mr. Paul Miller:** Well, I think you know what a golden handshake is.

**Mr. Ron McKerlie:** Are you talking about legislated severance?

**Mr. Paul Miller:** I'm talking about all the extra bonuses and things that go to Hydro One and all the big executives who leave and aren't working and get money. You know what I'm talking about. Is that part of that pie chart?

**Hon. Harinder S. Takhar:** First, agencies and boards have their own budget. It's in their budgets, right?

**Mr. Paul Miller:** But does it fall under your charts?

**Mr. Ron McKerlie:** Yes, so severance, if you're talking about legislated severance—

**Mr. Paul Miller:** That's what I'm talking about.

**Mr. Ron McKerlie:** That is included in our costs on page 31.

**Mr. Paul Miller:** Okay, so this discussion will end quickly, because I now understand why your costs are so high with these buyouts that you have to put in your pie chart, which you shouldn't have to. It falls under your ministry. I don't think you should take the brunt of the criticism of the cost of employee benefits and employee payouts. I don't think it's fair. I think the civil servants earn their money. I think they're entitled to the benefits that they should get. But I don't think it's fair to put these—you said you didn't understand what golden handshakes are. I think you know exactly what I'm talking about. The golden handshakes are included in the pie chart. They shouldn't be, because that certainly reflects on the overall civil service as the cost and the money, and the public sometimes becomes critical of what is being paid out in these ministries.

I really feel that you're doing yourself a disservice by allowing payouts—whether it is the health or whoever it is—for government services and people in high management positions who get these buyouts, because it goes on your chart and people are criticizing the amount of money that is paid out in civil service buyouts. I don't think that's fair to the workers who are still there. I don't think it's fair to the overall ministry.

What can you do about that to separate those kinds of questionable contracts, I would say, that are signed, and these special inserts that are in these deals where, you know, I don't have to work and I still get \$500,000 when I go out the door? These types of things happen. I think if you were smart, as a minister and a ministry, you would certainly kick up a fuss, because when it shows up on your pie chart, it's very concerning, the amount of money that is paid out in benefits. I believe 70% of your entire—and I understand that people are entitled to their pensions. But we're not talking about the front-line workers; we're talking about these guys in hospitals and Hydro One who walk away with hundreds of thousands of dollars. Is that part of your chart?

**Hon. Harinder S. Takhar:** No.

**Mr. Paul Miller:** It's not.

**Mr. Ron McKerlie:** It's just the OPS.

**Mr. Paul Miller:** It's not.

**Hon. Harinder S. Takhar:** First, it's only the Ontario public service costs, and even in the Ontario public service costs, if I understand it right, although we can ask the chief administrative officer to clarify this as well, only the legislated, statutory severances will be part of this.

**Mr. Paul Miller:** Okay. Thank you. I just wanted to clarify that. Thanks.

My next question is the sunshine list. Yesterday, a response was given to a question about the sunshine list that gave me pause. The deputy said that any payments that you get show up on the sunshine list if they are on your T4. Well, that left me to question why—if this money was paid out to Mr. Sapsford, it obviously showed up on the T4, and therefore was included in the sunshine



list. Following that line of thinking, there must be documentation setting out the details of this payout. Why is the minister refusing to answer questions about the deal Mr. Sapsford got when he left the public service?

**Hon. Harinder S. Takhar:** Okay—

**Mr. Paul Miller:** Do you want me to repeat it?

**Hon. Harinder S. Takhar:** No, no, you don't need to repeat it. Let me just answer the question.

Whenever you enter into a contract and somebody's services are terminated, there are two ways you can handle it. This has been a practice not just in the public sector but in the private sector as well. You either say to the person, "This is what you're entitled to and you can get that in a lump sum," and it becomes his severance pay, or the person can choose to get that pay over whatever the period decided, whatever their contract is, and then they can keep getting their regular pay.

**Mr. Paul Miller:** In increments.

**Hon. Harinder S. Takhar:** Like, monthly—they will carry on. Let's say somebody's severance is six months, right? You can actually basically get that every month for six months.

**Mr. Paul Miller:** But would it be fair to say, Minister, that the deal initially is signed by your ministry with whomever, whether it be a consultant or whether it be a person under your jurisdiction? You sign those deals initially, and I think that the public perception out there is that these deals that are signed initially are out of whack—even in the private sector they are out of whack—and these people are signing sweetheart deals when they go to the ministry initially to do the job they're going to do for the ministry. And you are locked in, whether the deal, the contract, is for two or three years, whether you're giving them monthly increments, whether you're increasing their pay annually, whatever you're doing, part of their deal.

**1630**

I think it would be safe to say that you are signing bad deals with these executives or these consultants initially, or you wouldn't find yourself in the position where you're being criticized. It's not just your ministry; it's all of them. You wouldn't be being criticized by the opposition or the public for these sweetheart payout deals. You may laugh, but if you go into my community, there are a lot of people who can't even spend a day in the hospital because they can't pay the fees and are discharged early because they can't afford the bed, and you've got guys walking away from Hamilton health services with hundreds of thousands of dollars. Minister, with all due respect, your priorities are screwed up. Twenty percent of the people in my riding are living below the poverty level. I have single mothers coming into my office with nowhere to go with two kids, who can't pay their hydro bill, and you've got guys walking away under your jurisdiction with millions and millions of dollars.

The eHealth scandal: I asked a question last year and didn't get any answers for it, and this would certainly dovetail into what's going on here. I asked how much they spent on the electronic card thing. They said they

spent \$388 million on the whole four-year process of creating, consulting, hardware, software for these cards' development. They spent \$388 million, Minister. I asked them what they got for that in hardware, software, programs, advice—you name it. They said, "We can't tell you that, Mr. Miller. You're going to have to go through freedom of information."

I am part of this government, and our party had to pay money through freedom of information to get that. When they came back to me, Minister, they told me, "Mr. Miller, we got \$100 million worth." I said, "Okay. What happened to the \$288 million?" It went to Liberal-friendly consultants. Sixty-six percent of that budget went to Liberal-friendly consultants over a four-year period. You ask me why the public is upset; you ask me why they're concerned? It's waste like that.

Minister, in all due respect, if you take that into consideration, that's one ministry. There are 22 major ministries. There are another 260 tribunals, agencies and what have you, whether it's education or hospitals, that fall under the duress or direction—it is duress—of this government. It would be safe to say that billions of dollars were spent on consultants and other things in the last five years under your direction and your government. It's really scary to me, Minister, because what could Paul Miller do with a billion dollars in Hamilton? I could do a lot. I could put a lot of people back to work. I could feed those kids who haven't got any place to go and need help.

That's just one ministry. I really think that we need a big shake-up in this government. We need a big shake-up at Queen's Park.

I'm a layman, Minister, and I come from a steel mill. I'll tell you, in the last four years, my eyes—I need toothpicks, my eyes are open so wide to see the waste that goes on in government: the waste, waste, waste.

Anyway, now that I've done my rant, getting back to the question about the sunshine list, yesterday a response was given to a question about the sunshine list that gave me pause, as I said. That left me to question why—if the money was paid out to Mr. Sapsford, it obviously showed up on the T4 and therefore was included in the sunshine list, so there must be documentation setting out the details of this payout, which you claim is the Ministry of Health. Why is the minister refusing to answer the question about the deal that Mr. Sapsford got when he left public—I repeat, public—service?

**Hon. Harinder S. Takhar:** Through you, Chair, I don't know how I can answer the question. That relates to some other ministry. I'm here to defend my estimates, and if there's a question on the estimates, we'd be more than pleased to take it.

**Mr. Paul Miller:** Well, I guess I'm getting a little frustrated, like Mr. O'Toole. It does fall under your ministry.

**Hon. Harinder S. Takhar:** It doesn't.

**Mr. Paul Miller:** What processes are in place to ensure that any severance deals for senior management, particularly, set out exactly what is being paid, why and how it is being paid, and if that will be clearly identified

on the sunshine list? We're not talking about Mr. Sapsford now. Forget the Ministry of Health. This would fall under any ministry. What are you doing to rectify that situation?

**Hon. Harinder S. Takhar:** Let me just give it to the deputy minister, but before I do, the sunshine list is actually compiled in the Ministry of Finance as well. I think you just keep mixing everything and—

**Mr. Paul Miller:** Well, you can keep passing the buck to other ministries—

**Hon. Harinder S. Takhar:** No, it's not passing the buck. You are just bringing in the other thing, and it has nothing to do—

**Mr. Paul Miller:** Minister, with all due respect, I asked you what processes are in place to ensure that any severances, deals—you pay severances out of this ministry too—for senior management, particularly, set out exactly what is being paid out, how it's being paid out, and if that's clearly identified on the sunshine list. How, why, when?

**Hon. Harinder S. Takhar:** I said we will answer that question. I was going to pass it on to the deputy minister. If you want to go on and ask the same question again, that's up to you.

**Mr. Paul Miller:** Well, you're not answering it three times, so I've got to keep asking it.

**The Acting Chair (Mrs. Joyce Savoline):** Okay, the bantering back and forth isn't making good use of time.

Mr. McKerlie.

**Mr. Ron McKerlie:** The Ministry of Government Services would set rules, including the fact that you can either take severance as a lump sum payment or you can have it as salary continuance. If it's paid as salary continuance, it shows up as employment income on your T4. If it shows up as employment income on your T4, it will be reported on the sunshine list.

Individual deals for employment contracts would be negotiated directly with the individual. The minister does not do that, and wouldn't necessarily have access to the details of those contracts.

**Mr. Paul Miller:** Thank you. Yesterday, I mentioned diversity. I asked for the percentage of members of OPS upper management that are visible minorities, and I asked about the barriers you see to greater diversity in the OPS. Ms. Coke responded that she did not have the information with her. Is that information available for me today, and if it isn't, why not?

**Mr. Ron McKerlie:** It is available for you today. If I can just remember which—

**Hon. Harinder S. Takhar:** I have it here. In the 2009 employee survey, 11% of the senior managers responded and identified themselves as visible minorities, and 15% of the managers—MCP excluded, which is the specialists—who responded identified themselves as visible minorities. Overall, 15% of all OPS employees identified themselves as visible minorities in the 2009 employee survey.

Let me just go on. If we compare this to the 2000 employee survey, in the senior management ranks it was

9%; in the manager and the MCP ranks it was 14%; and, overall, it was 13%.

So if you look at this, I think there was gradual progress made. I think the new survey may even indicate better results.

**Mr. Paul Miller:** Thank you. I realize that the deputy talked about the mentorship program yesterday, but I want to know what else is being done, not just at that level.

Also, the internship program sounds very good, but to whom is it accessible and how do you plan to make it available to more diverse groups at all levels of employment?

**Hon. Harinder S. Takhar:** Let me just talk about the internship program a little bit, and the deputy can pick up on the mentorship program.

I think the internship program is very good. In the last four or five years, we have made really good strides in actually getting new immigrants, to give them the experience—because one of the hurdles new immigrants always face is, “Are your qualifications recognized?” or “Do you have Canadian experience?”

Our effort was to give them some Canadian experience in the field that they are qualified in so that they can go and get the jobs outside. This program has been successful, to the extent that 80%-plus employees have been retained by the OPS because they're qualified, they do a good job—and that also helps us to improve our diversity numbers.

This program has been successful. It's available to all new immigrants who are professional and who are looking for experience in their own field, so that they can either apply here or go and get the jobs outside. But the objective was to give them the experience to go and get the jobs outside.

Almost 600 people have been trained in this environment. We do this through an agency that actually goes through the list of the people who apply, and then they try to match them with the positions that are available within different ministries.

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**Mr. Paul Miller:** Thank you.

The Drummond commission: Again yesterday I asked about the mysterious Drummond commission about which I have another question. I didn't get any answers—who's on it or how it's going. It was very vague.

What processes will be put in place to reflect how the cost and mandate of this commission will be reported by all ministries for which he addresses issues, and who will respond to questions that may be raised about the commission during next year's estimates process?

**Hon. Harinder S. Takhar:** Actually, the Drummond commission reports to the Minister of Finance. He should really be the person who should be answering these, but basically the mandate of this has already been outlined on page 71 of the 2011 Ontario budget.

**Mr. Paul Miller:** It may have been outlined, but the questions I asked yesterday, Minister, were: Who's on it? You didn't know. When is it going to start? You didn't

know. All you know is that one guy has been appointed to it. It's an extremely grey area of how this is going to transpire. I'm very concerned about the players and who will be—as the deputy minister said, probably bureaucrats will be appointed to it.

I'm very concerned about the direction, under the influence of a governing body, which may be one of the three parties at the time, that Mr. Drummond will take—what direction he'll take from the ministry or high ministry staff, whether they're deputy ministers or high bureaucrats, when no one—I repeat no one—from the public will be involved.

**Hon. Harinder S. Takhar:** I think this question will actually be better addressed by the Minister of Finance, but the deputy seems to have some more information which he can share with you.

**Mr. Ron McKerlie:** As the minister said, it is a commission that reports to the Minister of Finance, but on page 71 of the budget document it does outline what the commission is intended to do.

As I mentioned the other day, MGS has offered up resources to support the commission. They would be public servants who are available to help them. I'm not aware—and I don't think the minister is aware—of anybody else who's been appointed to the commission other than Don Drummond himself. But I can certainly go through, if it's of interest to you, what their mandate is as spelled out in the budget document.

**Mr. Paul Miller:** I don't think you have to go through the mandate. I think my main concern was the lack of public participation, the lack of public people being on the commission. With all due respect to the bureaucrats who are being assigned to the position, there may be a direction that they've been instructed to take through the ministry, if they're working for the ministry at the time and if they're advising Mr. Drummond.

My question is—and you know that sometimes, when the car gets driven and everybody's put in the back seat—

**The Acting Chair (Mrs. Joyce Savoline):** Thirty seconds.

**Mr. Paul Miller:** —nobody knows really what direction it's taking and who's driving the car.

What I'm saying is, why wasn't this tendered for public participation and why do people appoint people—why is the surplus of the committee made up of bureaucrats appointed by various ministries? I have great concern about that.

**The Acting Chair (Mrs. Joyce Savoline):** A quick answer, please.

**Hon. Harinder S. Takhar:** I think the quick answer I can give is, I hear the concerns and we will be more than pleased to pass them on to the Minister of Finance.

**Mr. Paul Miller:** Thank you.

**The Acting Chair (Mrs. Joyce Savoline):** The rotation now goes to the government. Mr. Delaney.

**Mr. Bob Delaney:** Chair, I would ask unanimous consent that if the government stands down its 20-minute

rotation, that such rotation not be added to the pool and we would pass the turn to the opposition for its 20 minutes.

**The Acting Chair (Mrs. Joyce Savoline):** Agreed?

**Mr. Paul Miller:** I don't have a problem with that.

**Mr. Ted Chudleigh:** Yes.

**The Acting Chair (Mrs. Joyce Savoline):** Agreed. Thank you. Then we will move on to the official opposition. Mr. Chudleigh.

**Mr. Ted Chudleigh:** In the eHealth story in the Toronto Star this morning there was a paragraph that talked about a comment by a high-ranking Liberal, and I guess we can all speculate on who that high-ranking Liberal might have been—the guy who hangs around the halls all the time. His quote is, “These guys just don't get it.” I think he was referring to the people who were giving out bonuses and wage increases when there was a government freeze on.

There were a lot of people in the government ranks who were very surprised that this was going on. Yet the deputy tells me that this was part of their wage agreement and that any agency, board or commission in Ontario that has these clauses in their wage agreements, we can expect to hear that they are getting bonuses and they're getting wage increases—that they are, in fact, not affected by the wage freeze.

There's a lot of different deals for a lot of different people at different levels of the government. Do you think that's fair?

**Hon. Harinder S. Takhar:** Let me say that the unions have their own collective agreements. We have made it very clear that we would honour those collective agreements, but we also expect the employees, at the end of their collective agreements, to actually honour the legislation that we have passed.

You know as well as I know that agencies have independent boards that basically manage those organizations. Those agencies report wherever they belong in different ministries, and they have their mandate letters between the minister and the agency. So I think it is unfair for me to even speculate as to whether they have separate agreements or don't have separate agreements. If the DM has any more information on this, he can share it with you.

**Mr. Ted Chudleigh:** I was interested in your opinion, Minister, as to whether you thought that different deals—some of these people, like the nurses in my riding, are non-union, and they're being held at a wage freeze. For the past year, they've been frozen, and for the next year they're frozen, yet other nurses in other hospitals, some of which service parts of my riding, are under union agreements and they're getting wage increases. So there are different deals out there for different people and different groups of people, and apparently, the agencies, boards and commissions—such as eHealth, which is an arm's-length organization, as the deputy pointed out—are not affected by this wage freeze at all. It seems to me that it's inherently unfair.

I wonder whether or not the consequences of these different deals that are happening across Ontario have been considered in the budgeting of the various ministries who support these agencies, boards and commissions. The consequences of that, of course, would be higher budgets, higher expenditures for those ministries—and whether those higher budgets have been taken into consideration in the budget that was presented in March of this year.

I'm very concerned that any money that was spent unexpectedly by the government is going to lead to the government having to raise taxes, something that your government has not hesitated to do in the past, but Ontario families are feeling the pinch. It's Ontario families that have to pay for the government not knowing that these bonuses and wage increases were actually happening.

It seems to me, from the story in the Star, from what I heard in the House today and what I could read into the faces of the backbenchers and some cabinet ministers on the other side of the House, that a lot of them are very surprised and a lot of them are very upset that these types of management decisions are being made; that they didn't account for it in the budget and Ontario families are going to have to pay increased taxes because the government didn't know what was going on in their own ministries. So I'm very concerned that this is going to result in a tax increase to Ontario families.

I wonder if your ministry, and, to your knowledge, your government, had budgeted these wage increases into the budget that was presented last March.

**Hon. Harinder S. Takhar:** We all represent ridings, and we're all aware that we have gone through two years of very tough times, not just in Ontario but in Canada and throughout the world. That's why we brought in this legislation that says that we need to constrain our salaries and benefits for the public sector, even though they perform very useful services.

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At the same time, what we also made clear was that if there's a contract in place, those contracts will be honoured, but at the end of the contract, we expect them to have a freeze. I made that very clear in the House today, and I'm making it clear here now that we expect all of our agencies, including eHealth—no exceptions—to follow the rules around compensation. There are no exceptions to it. That's why the Minister of Health is actually meeting with the CEO. She's going to meet with the chair of the board, and she's going to ask for the complete accounting for it.

The Minister of Finance has a process in place. Under that process, every organization, including agencies and boards, are supposed to report to the Minister of Finance and indicate that they have lived not just with the intent but the letter and the spirit of the agreement, and they're supposed to confirm that in writing.

There is legislation in place; there is a process in place. And if somebody is not complying with it, that will be dealt with.

**Mr. Ted Chudleigh:** So it would be rolled back if someone's not complying with it. Is that what you're saying?

**Hon. Harinder S. Takhar:** What I'm saying is, if they do not comply with the spirit of the legislation—every legislation has enforcement in it, whatever the enforcement will be, if you don't comply with the spirit of the legislation and the intent of the legislation and you try to get around it.

**Mr. Ted Chudleigh:** So what you're saying, then, is that tomorrow we'll find out the result of the deputy's meeting of today and that these bonuses and wages will probably be rolled back, in your opinion.

**Hon. Harinder S. Takhar:** I think that is a question that you should address to the Minister of Health. What I'm saying is, the legislation is legislation. The rules are clear, and everybody is supposed to comply with the rules and regulations.

**Mr. Ted Chudleigh:** Were you surprised this morning when the Acting Premier passed the question to you?

**Hon. Harinder S. Takhar:** Listen, I actually don't have the background on this to say why these payments were made, whether they complied with the rules and regulations or not. That's why the Minister of Health is meeting.

What I made clear in the House, and I'm making it clear again, is that we expect all our agencies to comply with this legislation—

**Mr. Ted Chudleigh:** With respect, Minister Takhar, you're suggesting that the Minister of Health is responsible for this file and that the Minister of Finance is in meetings today concerning this file, and yet they passed the question to you in the House this morning. It would seem to me that the government thinks this file belongs to you.

**Hon. Harinder S. Takhar:** Because the Minister of Health and the Minister of Finance were not in the House. That's why—

**Mr. Ted Chudleigh:** The Minister of Finance answered a number of questions in the House today.

**Hon. Harinder S. Takhar:** He came later on and you didn't ask him the question.

Let me just say, the Minister of Health is meeting with the chair and the CEO. Whether the Minister of Finance is meeting or not, I'm not aware of that.

**Mr. Ted Chudleigh:** Can you tell me whether the bonuses and wage increases were budgeted into the budget for 2011-12?

**Hon. Harinder S. Takhar:** This is with the Ministry of Health and Long-Term Care; I don't have the details of the Minister of Health and Long-Term Care's budget. I'm not in a position to answer that. If the DM has any more information, he can share it with you.

**Mr. Ron McKerlie:** We can talk about any estimates number for the Ministry of Government Services. If it's related to our own pay for performance, we'd be happy to discuss it. I don't have any information from the Ministry of Health.

**Mr. Ted Chudleigh:** What's the largest agency, board or commission, in a budgetary sense, that reports to the Ministry of Government Services?

**Mr. Ron McKerlie:** In terms of cost? Number of people?

**Mr. Ted Chudleigh:** Budget.

**Mr. Ron McKerlie:** Total budget? Probably the Licence Appeal Tribunal, LAT, would be the largest.

**Mr. Ted Chudleigh:** Would they have a bonus attached to their salaries?

**Mr. Ron McKerlie:** I'll ask the person who manages that, Karen Hughes, who's our chief administrative officer, maybe just to come forward to the table, and she can talk about the Licence Appeal Tribunal.

**Ms. Karen Hughes:** The Licence Appeal Tribunal is an agency within the Ministry of Government Services. They have order-in-council appointments, who do adjudicative work, who are paid on a per diem basis, so they get the per diems in accordance with the Management Board guidelines. The staff of the agency are actually Ontario public service staff, so they have 10 staff who work within the agency to provide support. They receive just in accordance with the OPS staff policies.

**Mr. Ted Chudleigh:** And do they have bonuses attached to their compensation?

**Ms. Karen Hughes:** They would be under the collective agreements because they have staff who are both OPSEU and AMAPCEO staff.

**Mr. Ted Chudleigh:** So they would be actually frozen, then? They wouldn't be getting any bonuses.

**Ms. Karen Hughes:** In accordance with the legislation.

**Mr. Ted Chudleigh:** You're not giving me a clear answer.

**Ms. Karen Hughes:** They don't get pay for performance in that sense. Bonuses are what you're referring to.

**Mr. Ted Chudleigh:** So they would be working on the same per diem now as they were working on last year and will be working on next year?

**Ms. Karen Hughes:** The per diems have been the same for the period of time, yes.

**Mr. Ted Chudleigh:** And they'll remain the same under the wage freeze? There hasn't been—

**Ms. Karen Hughes:** As far as I know.

**Mr. Ted Chudleigh:** Why are you hesitating? They will or they won't? Are they able to negotiate an increase during a period of wage freeze?

**Hon. Harinder S. Takhar:** These are the general per diem allowances for all people who sit on the boards. They basically stay the same.

**Mr. Ted Chudleigh:** So they get X number of dollars per day?

**Hon. Harinder S. Takhar:** Yes, that's right. It stays the same.

**Mr. Ted Chudleigh:** So when we turn the corner into this fall or next winter or after the next budget, are they going to get the same per diem per day?

**Mr. Ron McKerlie:** Per diems have been the same for a number—

**Mr. Ted Chudleigh:** Or is going to be X plus 10 or X plus—

**Mr. Ron McKerlie:** Per diems have been the same for a number of years. They'll continue to be the same, at least until the freeze has passed. If the freeze is extended, they'll stay the same.

**Mr. Ted Chudleigh:** So they are frozen?

**Mr. Ron McKerlie:** Correct.

**Mr. Ted Chudleigh:** Why was it so difficult to get that? If you were sitting here, what would be your next question? There's something that seems a little strange that it took me so long to get you to say there's a freeze in the per diem rates.

**Mr. Ron McKerlie:** There's a number of different classes of employee, so we were trying to figure out exactly what question you were asking. We wanted to answer the question you were asking. We've now answered the question you were asking.

The people who are on per diem rates, the rates are frozen. They've been the same for a number of years; they'll be the same at least through the end of the freeze. The other employees, as Karen mentioned, are covered by collective agreements. Whatever the terms of their collective agreements are, that's what they get. Then, when we go back to the table to negotiate, as we've mentioned before, we'll be looking to get two years of net zero in the new collective agreements.

**Mr. Ted Chudleigh:** How many agencies, boards or commissions report to the ministry?

**Mr. Ron McKerlie:** Ten.

**Mr. Ted Chudleigh:** Ten. Licensing is the largest. What's the next one?

**Mr. Ron McKerlie:** None of them are very big. We've got a couple that would only be a couple of people, and we've got a number that only meet irregularly when they would look at the justices' of the peace compensation, the judges' compensation or the compensation for the deputy judges.

**Mr. Ted Chudleigh:** The Office of the Conflict of Interest Commissioner reports to you?

**Mr. Ron McKerlie:** Yes. I think it's two or three FTE.

**Mr. Ted Chudleigh:** Its expenditure is estimated as about \$1 million.

**Mr. Ron McKerlie:** Yes.

**Mr. Ted Chudleigh:** Does it have bonus clauses attached to it?

**Ms. Karen Hughes:** No.

**Mr. Ted Chudleigh:** Performance clauses?

**Ms. Karen Hughes:** No. They're frozen. They're all non-bargaining staff. Their positions would be frozen.

**Mr. Ted Chudleigh:** Is that true of all the agencies, boards and commissions that report to you, all nine or 10 of them? I have a list of them here, apparently. Thank you, Paul.

**Mr. Ron McKerlie:** We're trying to think through all 10 of them. You've got the list in front of you.

**Mr. Ted Chudleigh:** Advertising Review Board.

**Ms. Karen Hughes:** No, they would be frozen.

**Mr. Ted Chudleigh:** They're civil servants?

**Ms. Karen Hughes:** Right.

**Mr. Ted Chudleigh:** Deputy Judges Remuneration Commission.

**Mr. Ron McKerlie:** They're not meeting right now.

**Ms. Karen Hughes:** If you look on page 21 of the estimates, you can see that some of their estimates are very small. That's the anticipated amount of funding in the coming year. That group is estimated at \$10,000.

**Mr. Ted Chudleigh:** The Justices of the Peace Remuneration Commission.

**Mr. Ron McKerlie:** They're not meeting.

**Mr. Ted Chudleigh:** The licence review and the Conflict of Interest Commissioner and the Ontario Pension Board.

**Ms. Karen Hughes:** It's \$392,000.

**Hon. Harinder S. Takhar:** These are again per diem for people on the—

**Mr. Ted Chudleigh:** They're all per diems?

**Hon. Harinder S. Takhar:** Yes.

**Ms. Karen Hughes:** Yes.

**Mr. Ted Chudleigh:** Is there an ability for a per diem employee to move from one level of per diem to another?

**Mr. Ron McKerlie:** If they change jobs, they could do that.

**Mr. Ted Chudleigh:** Not if they stay in the same job.

**Hon. Harinder S. Takhar:** But the per diems are basically the same unless you are a professional—a lawyer or a doctor. The per diems—

**Mr. Paul Miller:** He's talking vice-chair or chair.

**Hon. Harinder S. Takhar:** Yes, that could happen.

**Mr. Ted Chudleigh:** Public Service Commission, Public Service Grievance Board—

**Mr. Ron McKerlie:** If somebody moved from a member, for example, to a vice-chair or a chair position, the vice-chairs and chairs are paid at a different per diem than the members are. If they changed responsibilities, yes, they would be paid at a different per diem.

**Mr. Ted Chudleigh:** Thank you. You don't have any responsibility for the OLG at all, the transferring of funds or moving towards that organization?

1700

**Mr. Ron McKerlie:** That's the Minister of Finance.

**Mr. Ted Chudleigh:** I've expressed my concern on the consequences of these bonuses, how they may affect budgets in the future, how those future budgets may reflect an increase in taxes, and how that may reflect on Ontario families. We're very concerned that Ontario families are having a difficult time keeping pace with increased electricity costs, increased auto insurance costs, increased taxes, increased costs because of the HST, increased costs of government in general with government raising government revenues more than 73%, while the economy has only expanded about 10%. The consequences of that is to put a lot of pressure on Ontario families, and that makes life very difficult for people who are living on average income, in Ontario or less. All those things create a real problem for Ontario families.

I guess the question that I'm getting around to is that I think those people who are suffering in Ontario and

finding it difficult to make ends meet would be very interested in how much money was actually spent to provide this 7.8% bonus—performance pay; whatever you want to call it—and the 1.9% wage increase, even though there's a wage freeze. You see, people get very confused about that in Ontario. They hear about a wage freeze with a photo op and lots of stories in newspapers, and then they hear that there's not a wage freeze; there are wage increases for all kinds of civil servants. People don't understand the difference between the people who work at our agencies, boards and commissions and a civil servant. They're all the same to the people in Ontario. When you announce a wage freeze, they think that everybody's wages are frozen, including MPPs' wages, ministers' wages. But, in fact, that has proven not to be the case.

We'd be very interested to know how much money has been spent on these performance increases or bonuses and the wage increase that these eHealth people got.

**The Acting Chair (Mrs. Joyce Savoline):** We have about a minute.

**Hon. Harinder S. Takhar:** I hate to say this but I think this information belongs with the Minister of Health and Long-Term Care. It's not information that I have in my ministry that I can provide to you.

**Mr. Ted Chudleigh:** We're going to throw Deb under the bus. She's meeting with them now. Will she have this information tomorrow?

**Hon. Harinder S. Takhar:** I think you can ask that question to her in the House tomorrow.

**Mr. Ted Chudleigh:** But you expect that she's having this meeting this afternoon. Certainly a government that was concerned about the expenditures in this area and expenditures in all areas, having the interests of Ontario families at heart—that would be one of the first questions she would ask that board, as to how much money this is going to cost the taxpayers of Ontario and Ontario families.

**Hon. Harinder S. Takhar:** I actually don't have any information on when she's meeting or not meeting but I was told that she has called them—

**Mr. Ted Chudleigh:** Maybe she's not meeting now.

**The Acting Chair (Mrs. Joyce Savoline):** The rotation is over.

**Hon. Harinder S. Takhar:** No, I said "when."

**The Acting Chair (Mrs. Joyce Savoline):** Thank you, Mr. Chudleigh. Mr. Miller, your 20-minute rotation begins now.

**Mr. Paul Miller:** I guess my first question would be on government services estimates. According to the ministry website, the supply chain management division, SCM, develops and implements an integrated corporate procurement strategy to:

- leverage and optimize government procurement of goods and services;

- identify and implement procurement process improvements;

- enhance procurement controllership;

—provide strategic advice to Management Board of Cabinet on large-scale procurements.

I guess my question would be, can you tell me if there are any buy-Ontario domestic procurement targets in any government of Ontario procurement areas? I know there are some targets for green energy and transit equipment, but are there any other areas?

**Hon. Harinder S. Takhar:** We actually have an ADM responsible for procurement. I think she's dying to answer your question here.

**Mr. Paul Miller:** Dying to? I'm not done yet. She might not be after.

**Ms. Marian Macdonald:** Thank you very much. My name is Marian Macdonald. I'm the assistant deputy minister of supply chain management division.

Ontario's procurement policies are based on a number of requirements, including Canadian commercial law, both national and now international trade agreements, and through those trade agreements are fairly prescriptive on what we can and cannot do within our procurement. The trade agreements ensure that our vendors here in Ontario have equal access to opportunities in other provinces and now in the United States and with the federal government.

We do not have any buy-Ontario targets in our procurement policies, but I can tell you, through the tracking that we do of our vendor community, that our Ontario vendors are highly competitive, and upwards of 90%-plus of vendors doing business with Ontario government ministries today and in the last fiscal year are located here in Ontario.

**Mr. Paul Miller:** Okay. I guess that would be a "no." My question is, why not?

**Ms. Marian Macdonald:** Again, we are subject—Ontario, going back as far as the mid-1990s, signed an agreement called the Agreement on Internal Trade.

**Mr. Paul Miller:** With who?

**Ms. Marian Macdonald:** This is a national agreement that all provinces, territories with the exception of Nunavut, and the federal government of Canada are subject to. It was signed, I believe, in 1994. In that Agreement on Internal Trade it restricts the ability to have geographical preferences in competitive procurement documents so that the marketplace stays open and that our decisions are geographically neutral.

**Mr. Paul Miller:** That's all well and good, but our friends to the south don't seem to respect our laws.

I can give you a perfect example in Hamilton: US Steel. When they signed a deal with the Canadian government, they promised to maintain 3.5 million tonnes of production a year and maintain 3,100 employees. That was part of the federal agreement. They did none of the above. They locked out the employees at Lake Erie, they now have locked out the employees in Hamilton to force the unions into concessions, and they are using American protectionism. They have opened two blast furnaces in Indiana which were closed for four years and shut down the blast furnaces in Hamilton.

So I guess it wouldn't be beyond my comment to say that the internal trade agreement isn't worth the paper it's written on. Not only does the federal government not enforce the corporate agreement that they signed to take over a Canadian subsidiary; they don't even respect our labour laws, they don't respect our contractual laws, they don't respect our internal trade laws. Recently, Mr. Clement came into Hamilton and told us, "Well, the three years is up, the original agreement"—which he did not enforce and did not do anything about—"and now we can't do anything about it."

I think we should be revisiting this internal trade agreement from 1994, because we're getting kicked in the teeth. I certainly believe that there could be Canadian protectionism, Ontario protectionism. The NDP brought forward a bill in this House for 50% Ontario content and also brought a bill forward for 50% buy Ontario, which covered manufacturing goods, it covered—you name it, anything in the province, which would have been our answer to Obama-ism. Frankly, I think our ministries have to take a look at these internal trade agreements and rip them up, because we are getting kicked in the head on more than one area. That's my humble opinion on that one.

As far as buy Ontario, we brought a buy-Ontario policy to this government and they shot it down right in the House. So 50% buy Ontario, 50% Canadian content, shot down by the Liberal government. Wow. How many more people could go back to work, how much of our domestic product and our GDP could be protected by revisiting these internal agreements that your ministry and the Ontario government signed? So that really upsets me. It's not worth the paper it's written on. Anyway, another rant. Thank you for your explanation. I knew I would end up—that it wouldn't be so pleasant at the end.

1710

Anyway, my next question: "ServiceOntario is modernizing its service delivery network to improve service access and quality, and reduce wait times. It is integrating services and consolidating locations so more Ontarians will be able to do 'one-stop-shopping' for licensing and registration services. Aligned with the ServiceOntario program and corporate I&IT program, the government services cluster provides strategic advice and cost-effective technology solutions for ServiceOntario and ministry partners in implementing key businesses objectives as well as modernizing government services via public-facing online applications."

I guess my question to the minister: I'd like a status report on that. I'd like a hard copy report on how successful you've been with your new process, and, if possible, I'd like the information on all areas to be given. You must have a track record.

**Hon. Harinder S. Takhar:** "All areas" means?

**Mr. Paul Miller:** "All areas" means ServiceOntario.

**Hon. Harinder S. Takhar:** Like all the services that we provide?

**Mr. Paul Miller:** Yes. You've obviously started a new program, and I'd like to know how well you're doing.

**Hon. Harinder S. Takhar:** I think the DM can probably provide you some of that information right now.

**Mr. Bob Stark:** I'd be happy to.

**Mr. Paul Miller:** I just knew you would.

**Mr. Bob Stark:** I'm Bob Stark, deputy minister and chief executive officer for ServiceOntario.

I touched upon a bit of this yesterday, but I think what I'd highlight is that over the past year we have created almost 300 one-stop locations across the province where citizens can go to one location and get the routine services that we offer in all of those locations: a significant improvement in access for health card renewal, for example. That's moved from 27 locations to almost 300 locations; driver and vehicle licensing, from 265 to almost 300 locations. Of course, technology has helped enable that for us.

To complement that, we have introduced a location finder that you can go to online on our website, or you can use a mobile smart phone device to find out what services are provided at what locations around you if you're using a mobile device, what hours we're open and so on. So it helps from an online perspective directing customers to appropriate—

**Mr. Paul Miller:** So my GPS will find the location, will it?

**Mr. Bob Stark:** If you use a smart phone, your GPS will—

**Mr. Ted Chudleigh:** Not while you're driving.

**Mr. Paul Miller:** Not while I'm driving, though.

**Mr. Bob Stark:** No, not while you're driving. But it will tell you all of the locations around you and you can look at information on any one of those.

From a technology perspective, this past year in our newborn registration area that allows new parents to go online to register the birth of their child and request a birth certificate and a SIN card, we added the capability this past year to also apply for child tax benefits at the federal level, so it's a nice package that helps new parents deal with many elements of government interaction at both the federal and provincial level.

We have introduced yet another money-back service guarantee. It's our eighth money-back service guarantee and it's for requesting, through ServiceOntario, publications and printed material. We guarantee a turnaround to deliver it to your home.

We introduced a little bit over a year ago a 1-800 number for businesses that consolidates about 160 different telephone numbers at the federal and provincial level—

**Mr. Paul Miller:** Rather than make you go through the whole list, you could just give it to me in hard copy. I certainly appreciate the response.

**Mr. Bob Stark:** Thank you.

**Mr. Paul Miller:** Thank you.

The next question: I believe the Advertising Review Board falls under your ministry. It says here in your report that the Advertising Review Board was a lead supporter—I'm assuming financially—and one of the sponsors of the Leading Social Change: Ideas, Tools and Inspiration conference, which highlights social marketing programs in Canada and around the world. The conference was held in January 2011, during the national

Advertising Week. Do you feel, in your opinion, that it is appropriate to spend tax dollars on conferences, for the Advertising Review Board to be a lead supporter—and I'm assuming it's a fair bit of money that went into that. Do you feel that, due to the financial climate in our province and the amount of people out of work and the amount of job losses, accompanied by some of the health scares and financial trauma that my community especially is feeling, we should be sponsoring Advertising Week and a conference? Do you think that those are appropriate expenditures for the ministry?

**Hon. Harinder S. Takhar:** In my opinion, the Advertising Review Board has been very effective in getting the best value for taxpayer dollars. They have combined advertising and government and they have gotten tenders from outside to get the best value for our taxpayer dollars. But for this particular issue, I think I'm going to ask the DM, because he may be more thoroughly familiar with this and can talk about it.

**Mr. Paul Miller:** When you do answer, Deputy Minister, would you also give me some documentation to accompany the success story of the national Advertising Week and all the tenders I believe the minister mentioned that he got out of that week or that weekend, whenever the conference was. I'd be very interested to see what kind of deals were signed for the benefit of the people of Ontario. He did mention that.

**Hon. Harinder S. Takhar:** I actually said that overall, this is what they have done—

**Mr. Paul Miller:** That's not what you said.

**Hon. Harinder S. Takhar:** No, that's what I said. If I didn't say that, let me just clarify.

**Mr. Paul Miller:** All right, correct it, then.

**Hon. Harinder S. Takhar:** I said that overall, the Advertising Review Board has done a very good job to get the best value for taxpayer dollars. They have combined the advertising to get the best value for taxpayer dollars. They have tendered the advertising outside to get the best value for dollars. I did not say that that happened that week.

**Mr. Paul Miller:** So, Minister, what you're saying to me, then, is that it was money well spent. Is that what you're telling me?

**Hon. Harinder S. Takhar:** I was talking to you—

**Mr. Paul Miller:** I just asked you a question. You just said it was good; you got tenders and you got all kinds of good stuff out of it. I'm just asking you: Was it good spending taxpayers' money for a conference at the national Advertising Week?

**Hon. Harinder S. Takhar:** I said I was talking about the overall role of the Advertising Review Board, but the details of this particular question, the DM can answer for you.

**Mr. Paul Miller:** Okay.

**Mr. Ron McKerlie:** I don't know what you're looking at.

**Mr. Paul Miller:** I'm looking at your booklet.

**Mr. Ron McKerlie:** Whereabouts?



**Mr. Paul Miller:** I don't know. It's got Roman numerals here; I haven't got a page number. Where is it? I don't have any page number. I guess page V.

**Mr. Ron McKerlie:** Thank you, I've found it. They have a very modest budget, and it has been flatlined, so if they're spending money it has to be a reasonably small amount. I don't know how much it costs. We'll get back to you with how much it costs—

**Mr. Paul Miller:** And all those wonderful contracts we picked up that weekend, too, I'd like to see.

**Mr. Ron McKerlie:** I don't know what contracts they picked up.

**Mr. Paul Miller:** Well, he mentioned it.

**Hon. Harinder S. Takhar:** I didn't say that.

**Mr. Paul Miller:** You said "tenders." That means contracts.

**Hon. Harinder S. Takhar:** I said they tender out to get good advertising rates. I don't know where you—

**Mr. Paul Miller:** Good advertising rates? Now it's changed. Okay. Show me the rates, then.

**Hon. Harinder S. Takhar:** I don't know how you keep combining these things.

**Mr. Ron McKerlie:** I think it's tender from a different perspective.

**Mr. Paul Miller:** It's right there in black and white.

**Mr. Ron McKerlie:** I will look into it to see what it costs.

**Mr. Paul Miller:** Thank you. I'd appreciate that. That's it for me. Thank you, Chair.

**The Acting Chair (Mrs. Joyce Savoline):** You're ticking along. Are you finished?

**Mr. Paul Miller:** I'm finished.

**The Acting Chair (Mrs. Joyce Savoline):** Okay. You left five minutes on the clock.

**Mr. Paul Miller:** It's a bonus for anyone who would like to jump in.

**The Acting Chair (Mrs. Joyce Savoline):** The rotation goes to the government side again.

**Mr. Bob Delaney:** Chair, I ask again for unanimous consent that the government stand down its turn in the rotation and allow that time to be deducted from the pool. The other two parties can continue from here.

**The Acting Chair (Mrs. Joyce Savoline):** Okay. That means that we technically have almost 40 minutes left in the meeting, and we can divide that time, because there's still time on the clock for this ministry.

**Mr. Ted Chudleigh:** So we get 20 minutes.

**Mr. Paul Miller:** I'm standing down my 20 minutes, too. So if the official opposition wants to go 20, we've got 20 left.

**Mr. Ted Chudleigh:** Why don't we wander along and see what we use of that time.

**Mr. Bob Delaney:** Just before we go, I just want to confirm that we have unanimous consent that the government stand down its 20, that that 20 be deducted from the pool—

**The Acting Chair (Mrs. Joyce Savoline):** It is.  
1720

**Mr. Bob Delaney:** Okay, that's good.

**The Acting Chair (Mrs. Joyce Savoline):** That is happening. Could you just wait a minute, Mr. Chudleigh?

**Mr. Ted Chudleigh:** I see in the paper today that the Minister of Finance is talking about—

**The Acting Chair (Mrs. Joyce Savoline):** So it's about 40 minutes left in the meeting, and you want to take your 20. Is that correct, Mr. Chudleigh?

**Mr. Ted Chudleigh:** That's correct.

The Minister of Finance is quoted as saying, "We're not going to be funding any increases beyond zero and zero." Yet on eHealth, he's obviously going to be funding something beyond zero and zero; he's going to be funding an almost 10% increase to most of the employees who work for eHealth.

The deputy minister indicates that any contract—honouring the contracts that are in place in Ontario. If the OLG contract has bonus clauses or performance pay clauses in it, they will also be receiving increases. Do I understand your remark correctly? Is that what you said today?

**Mr. Ron McKerlie:** No, I didn't talk about bonuses at all because we don't have a bonus—

**Mr. Ted Chudleigh:** Performance pay.

**Mr. Ron McKerlie:** Performance pay, the way it works is a portion of your total compensation is put at risk. What you're reading about eHealth is the payment of that at-risk portion. That doesn't mean it's new compensation; it might be what was paid out in a previous year, for example. It doesn't necessarily mean that costs go up appropriately.

**Mr. Ted Chudleigh:** With all due respect, Ontarians see that as a 10% bonus. I think, in effect, that's what it is: They're being paid beyond the level of their contract, their minimum pay. In a wage freeze, that's what you would expect to receive: your basic pay structure.

We saw yesterday morning that the OPP have received a 5% increase with a two-year wage freeze following and another 8%, I think, at the end of that two-year period. But they're not receiving a pay freeze. The deputy minister's comments that we're not going to be funding any increases beyond zero and zero would indicate to me that either he's not informed or he's misleading the public with that statement.

Given that other agencies have performance clauses in their contracts, we can expect to hear that they also would be receiving more money in compensation next year than they received in compensation this year. Would that be an accurate statement?

**Mr. Ron McKerlie:** No, not at all. It wouldn't be an accurate statement. If \$100 is your total compensation, \$93 could be paid out in salary and \$7 could be paid out in your pay for performance. That could be the same next year exactly, so the total compensation cost to the government is the same.

**Mr. Ted Chudleigh:** But it could be \$10 instead of \$7, if the performance clause warranted a higher rate; is that not correct?

**Mr. Ron McKerlie:** Payouts actually have been going down, not up. It saved us about \$18 million over the last year versus the previous year.

**Hon. Harinder S. Takhar:** Can I just add a little bit to this? This is the same pay for performance that was implemented in 1996 by your government. It's the same pay for performance. In 1996, it was meant for senior managers. In 2001-02, it was expanded to include other managers.

What the deputy minister is saying is the total compensation, year to year—actually pay for performance, in fact, has been reduced. Right? In total, the compensation has been reduced. How it affects the employees: It basically depends on what kind of performance they have, how it gets divvied up.

**Mr. Ted Chudleigh:** Does ServiceOntario have any bonus programs or pay for performance part of their wages?

**Mr. Bob Stark:** We follow the standard OPS guidelines.

**Mr. Ted Chudleigh:** And you mentioned that there are 300 service outlets now for ServiceOntario.

**Mr. Bob Stark:** Almost 300, yes.

**Mr. Ted Chudleigh:** Does that include the ones I refer to as the independent franchises?

**Hon. Harinder S. Takhar:** Yes, 200 of them are private.

**Mr. Ted Chudleigh:** Two hundred are private, and almost 100 are government-run?

**Hon. Harinder S. Takhar:** A hundred are the government, and the 200 private are basically paid based on the number of transactions they do.

**Mr. Ted Chudleigh:** You mentioned that they're included on your website and you can find them on your GPS in easy form. When you're not driving, you can look it up. Are the independent franchisees included in the website locations?

**Mr. Bob Stark:** Yes, they are. Any ServiceOntario outlet is included.

**Mr. Ted Chudleigh:** Are the independent franchisees being given a broader spectrum of services other than just driver's licences, as they've had in the past? Are they getting the full line of services that you would get in a government office of ServiceOntario?

**Hon. Harinder S. Takhar:** Yeah, let me just try this, and then the deputy minister can fill in. Actually, most of the ServiceOntario locations have now been expanded to provide some health care services—whether they are public or private—like issuing the health card. They're also providing other services as well. So they are providing not just the driver's licences or the car stickers, but they are providing other services as well.

**Mr. Bob Stark:** That's correct. The privately run offices do the core, high-volume, routine transactions that ServiceOntario offers to the public.

**Mr. Ted Chudleigh:** You can't do deed searches or property searches in the franchisee stores, or could you?

**Mr. Bob Stark:** No, you cannot. Those are either done online—

**Mr. Ted Chudleigh:** You can do those in ServiceOntario locations—government-run—no?

**Mr. Bob Stark:** You can do them in our land registry offices, yes.

**Mr. Ted Chudleigh:** That are part of ServiceOntario?

**Mr. Bob Stark:** Correct.

**Hon. Harinder S. Takhar:** At some locations.

**Mr. Bob Stark:** At some locations. We have 54 land registry offices.

**Hon. Harinder S. Takhar:** Out of 300, yes.

**Mr. Ted Chudleigh:** Have you done a cost comparison between the cost of running a ServiceOntario government-run office compared to a franchisee's office?

**Mr. Bob Stark:** No, we have not done a comparative cost.

To put that in context for you, we have just finished the completion of rolling out our 300 locations. That is just freshly finished. The organization, frankly, is still going through a learning curve. We've trained quite a number of people in the different services that we offer. As you would expect, people go through a learning curve. The efficiencies are not—they continue to get better, day by day, but they're not—

**Mr. Ted Chudleigh:** Would it not be a prudent management process to see whether the service could be delivered on a more cost-effective basis from a franchisee as opposed to a government-run operation before rolling out almost 100 locations?

**Hon. Harinder S. Takhar:** Let me say, I think—first, we had the government offices already there, right? It's not that we are rolling out government offices. The government offices did exist. We provided health card services—

**Mr. Ted Chudleigh:** That's not true, Minister.

**Hon. Harinder S. Takhar:** No, no; we provided some health card services already. What we have done is—

**Mr. Ted Chudleigh:** Well, the one in Milton is brand new.

**Mr. Bob Stark:** The situation in Milton is that we were in the courthouse and we were asked to relocate. We took the existing location and moved it into Milton in a new location, but it was an existing operation.

**Mr. Ted Chudleigh:** But you expanded the service, then, in the Milton location to include driver's licences?

**Hon. Harinder S. Takhar:** Yes.

**Mr. Ted Chudleigh:** Was that an expanded service? That service wasn't available in the courthouse before?

**Hon. Harinder S. Takhar:** But all offices, more or less, provide the same services now, right? More or less, they provide the same services, whether they are private or public, except where the land registry offices are; they are in certain locations. But most—

**Mr. Ted Chudleigh:** But you're telling me you don't know whether it's more cost-effective to deliver it in a government-owned operation or whether it's more cost-effective to deliver it from a franchisee's services?

**Hon. Harinder S. Takhar:** I think if you look at our recent budget, we said we are going to look at all the

services that are being provided and see if they can be provided more effectively.

**Mr. Ted Chudleigh:** Don't you think it would have been prudent to do that before you expanded by 100 service locations?

**Hon. Harinder S. Takhar:** But then you would be saying, "The other 100 offices you are closing; those employed, you're paying them severance pay." You know, it's one way or the other. You get criticized; it doesn't matter what you do. But these offices are very effective. I think some of the feedback that we're getting from our government offices and private offices, from my point of view, is incredible. This is a huge, huge improvement from the way the services were provided before.

**Mr. Bob Stark:** If I might also share, not only did we create 300 one-stop locations, which dramatically improved access to our services, but it will operate at a lower cost—\$6 million a year less than the historical. So it is more efficient, better service. Customer satisfaction has improved; 97% of the customers who deal with our offices are satisfied or very satisfied with the service experience.

1730

**Mr. Ted Chudleigh:** Are they open Saturdays?

**Hon. Harinder S. Takhar:** They are open, actually, during the weekdays in the evenings. Also, they will be beginning to be open on Saturdays, depending upon the needs and requirements—

**Mr. Ted Chudleigh:** Because the franchisee operations, I think, are open Saturdays—at least Saturday mornings; sometimes all day Saturday.

It's interesting; I don't have access, of course, to the dollars and cents of the situation, but I do notice that the franchisee location in Milton is very busy; there's always somebody in there. You can shoot a cannon off in the government one, so obviously your service is very high there, because nobody's there.

**Hon. Harinder S. Takhar:** That's not my experience. I have been to that centre.

**Mr. Ted Chudleigh:** Well, I drive by it many, many times during any given week, and I've been in it several times, and there's never anybody there. But the one downtown is very, very busy.

**Hon. Harinder S. Takhar:** If you go to the Mississauga government office, you will see people sitting there.

**Mr. Ted Chudleigh:** I would like to see the cost comparison between the two. I don't know how the government can expect to deliver at a cost that is less than a franchisee operation, because it would appear to me to be so much more efficient.

Let's go back to eHealth. That seems to be the favourite subject today, and it would be nice to finish off with that. I'm sure you have some more information to give on that subject. Minister, if I read between the lines on what you've said, I think that you are very concerned about it. The statement that you've read ad nauseam into the record would indicate that you expect the spirit of the law

to be upheld, even though the OPP contract that was just signed doesn't seem to live up to that spirit. But there you have it: The Minister of Finance can do things beyond the spirit, I suppose, but he expects those below him to live to that spirit.

Reading between the lines on that, I would say that you think that this bonus pay that the eHealth people have received is wrong—I would suppose you also feel that the 5% increase that the OPP received is wrong. You seemed to indicate that it won't be supported, and therefore it would be rolled back. If you don't support it, obviously you would hope to have it rolled back, and that would certainly be in keeping with the spirit of the wage freeze. You don't seem to know how much money was spent on the process, because you've said that it's not your responsibility, and that it's either the Minister of Health or the Minister of Finance or somebody other than you who is responsible for this debacle.

Do I summarize that in what is a reasonable way?

**Hon. Harinder S. Takhar:** What I said is on the record, so you don't need to read between the lines. I basically said that I absolutely expect all agencies, including eHealth Ontario, to adhere to the rules around compensation restraint. Our government was very clear about our expectations. The Minister of Health is meeting with them to find out exactly what happened. That's what she's doing right now.

**Mr. Ted Chudleigh:** So she's meeting with them today, and—

**Hon. Harinder S. Takhar:** I didn't say today.

**Mr. Ted Chudleigh:** You said "right now." That's today. This is the 18th—

**Hon. Harinder S. Takhar:** Okay, let me clarify. She's going to meet with the CEO and the chair of the eHealth board to get a full accounting of this. I don't know when she's meeting.

**Mr. Ted Chudleigh:** Well, since your government is handing out 5% pay increases and newly negotiated contracts to some people, do you hold out any hope that these wage increases will be rolled back?

**Hon. Harinder S. Takhar:** I'll let the deputy answer you on the OPP issue so that he can explain what happened there.

**Mr. Ron McKerlie:** The OPP issue has been mentioned a number of times by different members, and there are a lot of facts being confused. You're talking about two different collective agreements, and you've managed to merge them both together.

When we got into the 2009 round of negotiations, we were seeing police deals being done at 3.3%, 3.45%, 3.75% a year. We did a deal with the OPPA which was 2.34% in 2009, 2.25% in 2010 and 2% for 2011 with a wage reopener. The wage reopener said, "If the other police forces don't follow the trend down, then we will reopen your contract and look at wage increases for the OPP," which is what we did.

The other police forces, sadly, did not follow the trend down. Therefore, the OPP went from their traditional spot as one of the top three of the big 12 to 17th

place in terms of wages. We then met with them last summer. We negotiated a new agreement which pays them 0% in 2012 and 0% in 2013, and then we're hoping for a modest increase in the final year, in 2014, if, again, the other police forces start to negotiate lower rates based on two years of zero, which is what we put in there.

The third year says that we will take them back to their normal position as the largest police force in Ontario, which would, at this point, require a payment larger than we had hoped, but the reality is other police forces have not followed suit. The municipal police forces are negotiating higher wage rates than we hoped. But we've got good support from the OPPA, which has worked with us to try to negotiate better agreements to ramp down the wage increases for police forces. But the reality is the OPP is the largest police force in Ontario. They traditionally are among the top three wage earners of the big 12 police forces. Despite two rounds of collective agreements, we haven't been able to get other police forces to negotiate lower rates.

**Mr. Ted Chudleigh:** But you've been unable to do that so far. You haven't seen the other agencies—

**Mr. Ron McKerlie:** We haven't seen a downward trend. Of course, when they're subject to arbitration, we can see settlements that are quite large.

**Mr. Ted Chudleigh:** And other agencies of the government—in your role in the Management Board—you're seeing those contracts keeping pace with OPP contracts, or are there increases in those contracts as well?

**Mr. Ron McKerlie:** What we're seeing, and I think this a good test of how successful the strategy is, is public sector and broader public sector wage settlements coming down. That's good news. If you go back not many years, we had solid strings of 3% deals year after year after year. We're down closer to 2%. We're doing deals with two years of net zero. The goal, of course, is to ramp down the cost of settlements and wage settlements.

There are a number of areas, obviously, and a number of employees who have access to interest arbitration. Those agreements have not come down as we hoped or as fast as we hoped. But overall, we're seeing settlements coming down, and we're seeing more modest demands from the bargaining agents.

**The Acting Chair (Mrs. Joyce Savoline):** You have less than a minute, Mr. Chudleigh.

**Mr. Ted Chudleigh:** Why would the Minister of Finance, Mr. Duncan, say in this article here—it's from the Toronto Star, so I would assume that he's accurately quoted—"We're not going to be funding any increases beyond zero and zero." That's a definitive statement. There are no hedge words. There are no weasel words in there—very unusual, but there aren't. Why would he say that when you're negotiating an open-ended 5% increase for the police, that they're going to be one of the top three highest-paid police forces in Ontario, regardless of what the contract says? Why is the Minister of Finance making those statements? Do you have any idea?

**The Acting Chair (Mrs. Joyce Savoline):** Very quick answer, please.

**Mr. Ron McKerlie:** I can't put words in the Ministry of Finance's mouth—

**Mr. Ted Chudleigh:** I wish you would.

**Mr. Ron McKerlie:**—but I know the policy has been that if settlements are going to happen outside of the two years of net zero, they have to either fund them from within or they have to find trade-offs with the bargaining agents to cost them.

The 1% that was done in the last year of the OPSEU deal was fully funded with 1.25% of concessions that the union gave up. We got the funding for that 1%; in fact, we got more than the 1% funding.

**Mr. Ted Chudleigh:** Our problem with that one is that it was a secret, that's all.

**The Acting Chair (Mrs. Joyce Savoline):** Thank you. Your rotation is up.

**Mr. Ted Chudleigh:** Lots of secret deals in this government.

**The Acting Chair (Mrs. Joyce Savoline):** Mr. Miller, do you care to take any of your rotation?

**Mr. Paul Miller:** No, I'm standing down on my 20 minutes.

**The Acting Chair (Mrs. Joyce Savoline):** Thank you. We'll go to the government side. Do you care to take a few minutes in your rotation? There's not much time left.

**Mr. Yasir Naqvi:** No, Madam Chair. We stand down our time as well. If time is up, then we ask that we call the vote.

**The Acting Chair (Mrs. Joyce Savoline):** Okay. We will, then, begin to vote.

I will put the question: Shall vote 1801 carry? All those in favour? Opposed? Mr. Chudleigh and Mr. Miller cannot vote.

**Mr. Ted Chudleigh:** No?

**The Acting Chair (Mrs. Joyce Savoline):** No; Mr. Miller, Parry Sound–Muskoka, cannot vote. Mr. Miller, Hamilton East–Stoney Creek, you can vote.

**Mr. Paul Miller:** Thanks.

**The Acting Chair (Mrs. Joyce Savoline):** Okay. Two Millers in the room at the same time is confusing.

So, again, all in favour, please show your hands. Opposed? That carries.

Shall vote 1807 carry? All those in favour? Opposed? That carries.

Shall 1808 carry? All those in favour? Opposed? That carries.

Shall 1811 carry? All those in favour? Opposed? Carried.

Shall 1812 carry? All those in favour? It's not the war, Paul; it's the vote. All those in favour? Opposed? Carried.

Shall 1814 carry? Opposed? Carried.

Shall the 2011-12 estimates of the Ministry of Government Services carry? All those in favour? Opposed? Carried.

Shall I report the 2011-12 estimates of the Ministry of Government Services to the House? All those in favour? Opposed? That carries.

We are adjourned until Tuesday, May 31, at 9 a.m.

*The committee adjourned at 1742.*







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### Also taking part / Autres participants et participantes

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Mr. Norm Miller (Parry Sound–Muskoka PC)

### Clerk / Greffière

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