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**Official Report
of Debates
(Hansard)**

Wednesday 6 March 2013

**Journal
des débats
(Hansard)**

Mercredi 6 mars 2013

**Standing Committee on
Public Accounts**

Subcommittee report

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**Comité permanent des
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 6 March 2013

Mercredi 6 mars 2013

The committee met at 0905 in committee room 1.

SUBCOMMITTEE REPORT

The Chair (Mr. Norm Miller): I call the committee to order. Our first order of business is the report of the subcommittee on committee business.

Ms. Jaczek.

Ms. Helena Jaczek: Your subcommittee met on Thursday, February 28, 2013, to consider the method of proceeding on the 2012 special report of the Office of the Auditor General on Ornge air ambulance and related services, and recommends the following:

(1) That each member of the subcommittee provide the Clerk of the Committee with an updated list of witnesses that could potentially be scheduled to appear before the committee.

(2) That the Clerk of the Committee will schedule witnesses that have been agreed to by a majority of the subcommittee.

(3) That all witnesses appearing before the committee be given an oath of witness or affirmation by the committee Clerk.

(4) That all members of provincial and federal Parliament appearing before the committee be exempt from being given an oath of witness or affirmation.

(5) That the time amount allotted for the examination of each witness be decided by the majority of the subcommittee in advance of the witness appearing.

(6) That a letter be sent to all witnesses outlining the procedures, powers, privileges and witness protections afforded to those who may appear before the public accounts committee.

(7) That when the committee Clerk confirms a witness's appearance before committee, he will also state: "It would be inappropriate at these hearings to indicate that you have spoken to the police with respect to Ornge."

(8) That if no witnesses can appear on Wednesday, March 6, 2013, the committee will meet for the purpose of report writing.

(9) That legislative research provides members of the committee with a "Background on Witnesses" document in advance of each witness appearing before the committee.

(10) That the committee request to hold hearings in committee room 151.

(11) That the committee Clerk, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

The Chair (Mr. Norm Miller): Any discussion? All in favour? Carried.

COMMITTEE BUSINESS

The Chair (Mr. Norm Miller): Second order of business: We have a motion which was filed by Mr. Fedeli. I believe it's going to be moved by Mr. Klees.

Mr. Frank Klees: Yes. The motion filed by Mr. Fedeli is as follows:

That the Standing Committee on Public Accounts direct the Auditor General of Ontario to undertake a special assignment, as per section 17 of the Auditor General Act, RSO 1990, to investigate the government's divestment of, and the operations of, the Ontario Northland Transportation Commission, and the validity of the government's claim in its 2012 budget that the divestment will save \$265.9 million by 2014-15.

The Chair (Mr. Norm Miller): Any comments? Mr. Fedeli?

Mr. Victor Fedeli: Back in September, I wrote a letter to the auditor which I'd like to read into the record, to let you know a little bit of the background of this.

"I'm writing to request you open a formal investigation into the planned divestiture of the Ontario Northland Transportation Commission (ONTC) by the Ministry of Northern Development and Mines, announced on March 23, 2012.

"It's my contention, through months of investigation I have conducted, that the savings the government predicts it will achieve through this divestiture as outlined on page 43 of the addendum to the 2012 Ontario budget cannot be realized.

"Recently, it came to light that some 400 Ontario Northland employees may be owed 14 years of severance pay through employment security agreements that exist. By my estimate, that could cost the provincial government \$450 million over that time period. This—and any associated costs—must be verified.

"Furthermore, there are additional costs I have uncovered that the government appears not to have taken into its accounting, including:

“—the unfunded ONTC pension liability, which could be as high as \$200 million”—we know it’s more than \$150 million, but we’re suggesting it could be as high as \$200 million.

“—environmental liabilities that will continue to exist despite the government’s decision to grant itself an exemption from the Environmental Assessment Act for the divestment process;

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“—ongoing subsidies to operate the Polar Bear Express passenger train from Cochrane to Moosonee;

“—ongoing subsidies the government says it will continue to pay to operate bus service on feeder routes into and out of smaller communities; and

“—ongoing pension and benefit payouts to retired ONTC workers.

“I would also ask you to determine the authenticity of the claims by the government that the ONTC subsidy per rail passenger is \$400, and the actual annual subsidy required to operate the ONTC, which the government claims exceeds \$100 million. I believe those amounts to be exaggerated.” I will talk about that in a moment, after I read the last paragraph.

“Auditor, based on this mountain of evidence, I believe this divestiture is nothing more than a politically motivated fire sale, and its execution is actually diminishing the value of ONTC assets, and thus their value to taxpayers. As the ministry, on August 16, 2012 outlined plans to proceed with the sale of Ontera, the ONTC’s telecommunications arm, and the shutdown of the Northlander passenger train on September 28, 2012, I urge your prompt attention to my request.”

Chair, going back to that paragraph about the \$100 million, if you look at the historical costs, the investment in Ontario Northland—the government will call it a subsidy; I’m going to call it an investment—over the last 10 years it is an average of \$44 million a year. In the earlier years of those 10 years, it was about \$20 million to \$22 million. I contend that the government heavily loaded the last year by having the investment over \$100 million. It’s a one-time anomaly. They loaded up a pension payment, which is a one-time payment. They loaded into it things such as a one-time purchase of the Sault Ste. Marie Public Utilities Commission and things of that nature, so that in the last year, indeed, the subsidy—what they call a subsidy—the investment was \$100 million, but in the last 10 years we saw in many of the years, if not most of the years, in the \$20-million range for an average of \$44 million.

So, they claim, as I mentioned earlier, on page 43, that they’re going to save, by divesting Ontario Northland in the way they’re proceeding, \$131.2 million in the year 2013-14 and \$134.7 million in 2014-15, for a total of \$265.9 million of savings in a three-year total, with no savings in 2012-13.

I contend that not only will they not achieve the \$265.9-million savings that they used as a number to bring the deficit balanced by 2017—I contend their costs will actually rise above that. So not only will they not

achieve those savings, far more than that amount will be in terms of a cost.

Those are my initial thoughts, Chair.

The Chair (Mr. Norm Miller): Yes, Mr. Bisson?

Mr. Gilles Bisson: I just want to say, first of all, that we’re supportive of the request. We always have felt that this whole move to privatize the ONTC is misguided. First of all, as a northerner, it really irks people because we understand and we support the government’s need to support organizations such as GO Transit and to provide intercity transport to communities in southern Ontario. We, as northerners, don’t have a problem paying our tax dollars to help our southern neighbours have that type of service.

It is really insulting to people in northern Ontario when a government stands up repeatedly—a Premier, a minister, a Deputy Premier, and the former finance minister—and says that essentially we can do away with this and it’s a waste of money. We don’t see the investments in GO Transit as a waste of money. We don’t argue that you have a \$5-per-ride subsidy to that service. We think and understand and support that it’s important to the people of southern Ontario.

We ask this government—they call themselves now a new government under a new Premier—to rethink this whole move of privatization. If this motion in any way can assist in getting the government to do some rethinking—because in the end, I agree: I don’t think we’re going to save any money. We are going to pay the private sector money to subsidize a service that will be run by the private sector.

Proof in case: Mike Harris, when he was in government, privatized the air wing of Ontario Northland. We used to have what was called norOntair, and it provided air transportation within northern Ontario, east, west and all the way up to the James Bay coast and Hudson Bay coast. The government said we could save all kinds of money by getting rid of it, and all that we’ve done now is that we’ve transferred the subsidy over to the municipalities. The municipalities, to keep that service now—for example, Kapuskasing is having to pay a kind of subsidy to Bearskin to land in their community by way of waiving landing fees or whatever other means that they can to be able to get them. In the end, there’s no savings to be had and it’s a disruption to transportation in northern Ontario.

So we will support this motion and urge the auditor to take a look into the actual savings in regard to what this means.

Even if there is a savings, I just want to put it on the record and be very clear: Andrea Horwath and New Democrats are saying, even if it’s a \$20-million or \$30-million subsidy that we pay to the Ontario Northland Commission to provide services in northeastern Ontario, so be it. It’s a pretty small cost. Our rail shippers along the line would struggle to be able to keep their doors open in communities like Constance Lake, Hearst, Kapuskasing and everything in between, down to North Bay, not to say what it means to the travelling public in northern Ontario.

The Chair (Mr. Norm Miller): Ms. Jaczek?

Ms. Helena Jaczek: Well, we also, on the government side, would certainly like the Auditor General to take on this report. We're very supportive, in fact, of the way the motion reads, to the extent that it appears to want to look back at the entire operation of the ONTC, and I think Mr. Bisson is referencing that. Mr. Fedeli, in his remarks, did talk about historical costs.

So we will be bringing an amendment that will ask the Auditor General to do a complete value-for-money audit of the operations of the ONTC, including its expenses on staff, marketing, advertising, capital costs etc., over its entire history. It's really important to find out exactly why the ONTC was not able to operate on a surplus, even with robust advertising, to better improve transportation efforts to the north.

So I do have an amendment. I'm not sure if this is the time to read it in.

The Chair (Mr. Norm Miller): Certainly. Do you have copies of that amendment for everyone?

Ms. Helena Jaczek: I'm sure we do.

The Chair (Mr. Norm Miller): If you don't, we'll need to recess for a few minutes to get it printed.

Ms. Helena Jaczek: Okay. Whenever you say that's when we should do it, we will recess.

The Chair (Mr. Norm Miller): Okay. Well, then, we'll recess for a few minutes, say five minutes or so, to get copies made of your amendment.

Ms. Helena Jaczek: Thank you.

The committee recessed from 0918 to 0929.

The Chair (Mr. Norm Miller): We'll reconvene. Ms. Jaczek, you have an amendment to the motion?

Ms. Helena Jaczek: Thank you, Chair. I will be asking for a recorded vote on this amendment, and I will read it:

The Auditor General shall also undertake to confirm the ONTC has historically operated at a deficit, spending more money on operations and capital repairs than it makes in revenue. The Auditor General shall also detail, from 1990 to 2013, expenses related to ONTC marketing, advertising and consulting fees.

The Chair (Mr. Norm Miller): I don't think you read exactly what was here. I thought I heard "1990," not "1976."

Ms. Helena Jaczek: Oh. Maybe it's a typo in my copy. Should I read the whole thing again?

The Chair (Mr. Norm Miller): Yes, please.

Mr. Frank Klees: It should be read word for word.

Ms. Helena Jaczek: I'm sorry. It must have been an earlier copy.

The amendment to the motion that we would like a recorded vote on—

The Chair (Mr. Norm Miller): We're just listening—

Mr. Gilles Bisson: Just to let you know, we're jumping in.

The Chair (Mr. Norm Miller): Sorry?

Mr. Gilles Bisson: We're putting ourselves on the list.

The Chair (Mr. Norm Miller): Okay, fine. Go ahead with that, please.

Ms. Helena Jaczek: Okay.

The Auditor General shall also undertake to confirm the ONTC has historically operated at a deficit, spending more money on operations and capital repairs than it makes in revenue. And further, that the Auditor General shall also detail, from 1976 to 2013, expenses related to ONTC marketing, advertising and consulting fees.

The Chair (Mr. Norm Miller): Okay, that's the motion.

I believe I saw the NDP. Ms. Gélinas?

M^{me} France Gélinas: Thank you, Mr. Chair. My question is actually to the auditor. If we vote in favour of this motion, how much more work is involved from your office to comply with this versus if we were to have the motion as presented by Mr. Fedeli without the operation review? I'm interested in looking at—how much time and resources from your office to comply?

Mr. Jim McCarter: Speaking to Mr. Fedeli's motion: My concern, I guess, with that motion was just the words in there "and the operations," because my understanding was that the intent of the motion was to have us look at just the actual costs or savings of the divestment—period; full stop—and not look into the full operations of ONTC. I did clarify that with Mr. Fedeli. That was the intent of the motion. That would be a shorter piece of work; it's fairly specific in nature.

Again, if the committee were to pass the amended motion, that would certainly require more work on our part to look into some of the operations and the capital repairs and get this information. I think we'd be looking at—that would certainly take us at least several additional months to conduct that work; I'd have to say at least three, four, five additional months to do it.

If we were looking at the first motion, I would think we would hope to get that wrapped up probably about the same time as we'd be hoping to wrap up the Oakville power plant, which, as I indicated to the committee, I felt would be in the summer. We might have to decide which one—internally, at the senior level—we give priority to, but I think we'd be looking at wrapping up Mr. Fedeli's motion in late summer. Maybe we'd be tabling it in the first week of September when the House came back.

Certainly, we wouldn't be able to do that under this particular motion. We would need to spend a fair bit of time, and I think it would have some staffing implications for our office. We'd probably have to come back in the fall to do some work at ONTC, because it's a more extensive motion, and it would just take us a bit more time to do that motion.

The Chair (Mr. Norm Miller): Ms. Jaczek?

Ms. Helena Jaczek: Yes, thank you, Chair.

I think it was the addition in the original motion, "and the operations," that kind of triggered our line of thinking. As Mr. Bisson has outlined it, obviously, the issue of the ONTC is a major, major issue—especially for the north—but I think our government is really interested in

having a full description of the ONTC, historically, so that we can really come to grips with this.

The Chair (Mr. Norm Miller): Mr. Bisson?

Mr. Gilles Bisson: Two or three things. First of all, the first part of the motion says, “The Auditor General shall also undertake to confirm the ONTC has historically operated at a deficit....”

M^{me} France Gélinas: I can do that. I already know that.

Mr. Gilles Bisson: Yes. We can tell you that is the case. There is an operating subsidy that has been given to the ONTC for many years—around \$25 million to \$28 million a year. There’s also an operating deficit that’s covered by the Ontario government when it comes to GO Transit, and the part that’s infuriating to me as a northerner is, I look at this—it’s almost as if, “Well, you know, it’s okay to subsidize transportation in southern Ontario, but God, it’s a terrible, fiscally irresponsible thing to do, to do it to northerners.” Excuse me; I can’t support it just on the basis of that.

Then: “spending more money on operations and capital repairs than it makes in revenue.” Yes, at times you have to buy trains. At times you have to fix the railway tracks. Sometimes you’ve got to fix a bridge. We do that all the time in southern Ontario. We’re glad as northerners to give our wealth from mining and forestry and hydro development, and the taxes we pay, to southern Ontario to fix your roads, your bridges and all of those things that make southern Ontario run. We’re fine with that; we’re just asking you to do a little bit for us in northern Ontario. It shouldn’t be seen as a negative. The fact is, it’s part of the infrastructure, and that’s what it costs to run a province when it comes to transportation.

The last part is—and pardon me if I’m being a little condescending, but I’m being condescending for a reason, because I feel as if it’s kind of condescending to our party, the whole approach that the government has taken on this. The last part is, “And further, that the Auditor General shall also detail, from 1976 to 2013, expenses related to ONTC marketing, advertising and consulting fees.” We have asked this government, since the announcement of divestiture or the privatization of ONTC, to strike a committee of northerners—and we’re talking about northern mayors, we’re talking about shippers, we’re talking about the unions and other people interested in the north—to take a look at that very issue, because we in northern Ontario are mad as hell that governments have not done what they should do to try to position the ONTC to be the agency that it can be.

They’ve done a great job, considering the small amount of support they’ve gotten from the provincial government, of running a pretty efficient organization without, maybe, the type of support they need to even broaden their mandate. For example, one of the things that the ONTC wanted is that they wanted to be able to bid on additional contracts for refurbishment in North Bay. The government said no. Well, there’s a loss of revenue. The list goes on and on.

People said, “Well, rather than having day trains all the time in the way that we do, why don’t we look at a

night train? Why don’t we look at a tourist train? Why don’t we look at other things that we can do to make the ONTC a more viable operation, but, more importantly, be the economic developer that it should be in northern Ontario?”

I don’t need the auditor to look at this, to be quite blunt. This is something that we’ve asked this government to do by way of the request that New Democrats made when you announced the privatization of the ONTC, and I would ask you to probably take that request more seriously than to support this part of the motion.

The Chair (Mr. Norm Miller): Mr. Klees.

Mr. Frank Klees: Chair, I think in light of Mr. McCarter’s comments about the additional resources that would be required and the amount of time that would be required to comply with the audit as proposed in this amendment, certainly we would not be supporting it.

I think, in fact, what we want to do is narrow the scope, as was referred to by the auditor, and I will be proposing an amendment to remove the three words from the motion, “and the operations,” because we do want—

Interjection.

Mr. Frank Klees: I’m just giving the context of why we’re opposing this amendment.

You know, the other aspect to this is that the sale of the Ontera division is imminent. Time is of the essence. I think it’s important that we have the information available to us that is requested through Mr. Fedeli’s motion. For that reason, we will be opposing this amendment.

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: I will simply reiterate that we’re very anxious to have a full picture. We’re very confident in our estimate, in terms of the potential for narrowing the scope, but in view of the concerns that we’ve heard, I think it was, from our perspective, an opportunity, in reaction to Mr. Fedeli’s original motion, to explore the issues very fully.

Actually, my colleague Ms. Damerla has a comment as well, if she may, Mr. Chair, from her accounting perspective.

The Chair (Mr. Norm Miller): Certainly.

Ms. Dipika Damerla: My question is to the auditor. You know the \$500 subsidy that we talk about? Is it just the operating subsidy, or does it build in the depreciation on the capital cost? So to his point earlier—I guess he has left—that yes, it costs money to buy a train, I understand that; but then you depreciate it over the life and you build it into your operating expenses as depreciation. That’s what we’re really trying to get at, as to whether we already have that \$500 figure. Does it already build in capital cost depreciation or not?

Mr. Jim McCarter: I can say that we have not looked into, done any work on the number that was in the last budget, nor have we done any work on the subsidy. I think some of the issues that you’ve raised as a fellow chartered accountant would be the sorts of issues that we would look into, should this motion pass by the committee.

Ms. Dipika Damerla: So I do urge that there is some merit to this motion and that it would be in all our advantage to pursue this. But then I'll leave it up to you guys.

The Chair (Mr. Norm Miller): Ms. Gélinas, and then I'll come back to you, Mr. Klees.

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M^{me} France Gélinas: I can't sit here and take it any longer. This is so, so disrespectful to the people of the north when you put in a motion that starts with "ONTC has historically operated at a deficit, spending more money on operations ... than it makes in revenue." This is treating us as if we are not worthy of government investment. I cannot tell you how much damage you're doing when you use language like this. We, in the north, are just as worthy as everybody else in the province.

My colleague from Timmins–James Bay opened up in telling you that we have no problem in the government investing in GO Transit. We don't ask GO Transit if they have historically operated at a deficit. If the government hadn't invested in GO Transit—don't use that language. It is so divisive. It is so hurtful.

I can't sit here and take this anymore. I will be voting against. What you're doing is not for the good of Ontario. We are not going to make things better by supporting amendments like that. I'll be voting against.

The Chair (Mr. Norm Miller): Mr. Klees.

Mr. Frank Klees: I just wanted to say that the issue that Ms. Damerla raised will be dealt with by the Auditor General in the motion as presented by Mr. Fedeli. That's part of the work that he would do, and we want that information sooner than later. I would suggest we have a vote.

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: Just in response to Ms. Gélinas's comments—absolutely no intent whatsoever for disrespect to the north. If it were GO Transit, it would be acknowledged, obviously, that there are subsidies from government. But that's not the issue before us here. So there was no intent for any disrespect whatsoever, and we're happy to have a recorded vote.

The Chair (Mr. Norm Miller): Okay. Ms. Gélinas.

M^{me} France Gélinas: There is no transit that operates at a surplus. Every transit system gets a subsidy. Why do you open with something like this, except to be hurtful? Anyway, I'd like to call the vote.

The Chair (Mr. Norm Miller): Any other comments? No other comments? It's a recorded vote, and only those who are properly subbed into the committee can vote, and you vote by a show of hands.

Ayes

Damerla, Jaczek, McNeely, Qaadri.

Nays

Barrett, Gélinas, Klees, Singh.

The Chair (Mr. Norm Miller): We have a tied vote. As the Chair, I'm not going to decide what the committee can't decide on its own, so the motion will stay in its original form.

We have the motion in its original form. Mr. Klees.

Mr. Frank Klees: Mr. Chair, as I mentioned previously, I would like to propose an amendment to this motion, and that would be to remove the words "and the operations" from the original motion.

The Chair (Mr. Norm Miller): Comments? Ms. Jaczek.

Ms. Helena Jaczek: I guess I would like to hear from the Auditor General. We were going to support the original motion. What effect does the removal of those three words actually have?

Mr. Jim McCarter: If the committee will confirm to me that, notwithstanding those three words, the intent of the motion is for us to focus our work on looking at the costs or savings of the divestment—period; full stop—then that's what we would do even if the motion is worded as is, because the committee has basically confirmed, "Yes, auditor, that's what we want you to focus your work on."

But the issue that I was seeking some clarification on was from Mr. Fedeli in the motion when it said "and the operations." Was the intent of the motion that we go beyond just looking at the costs or savings associated with the divestment and actually look into the operations of the ONTC from a value-for-money perspective, which would be a much larger piece of work? I didn't think that was the intent of Mr. Fedeli's motion, but I just wanted to clarify that and have that on the public record, if I could.

The Chair (Mr. Norm Miller): Mr. Fedeli.

Mr. Victor Fedeli: Thank you. Auditor, when we first came in, you had asked me about those three words—

The Chair (Mr. Norm Miller): If I can clarify—I think it's actually four words, because otherwise there would be two "ofs" in there—"and the operations of."

Mr. Victor Fedeli: It is four words.

You had asked me to clarify, and I clarified that because the sale of Ontera is imminent, we want this audit at the earliest possible convenience, and your advice to me was—because of the extra time it would take to add those four words—to remove those four words to limit the scope to what we're really looking for.

Mr. Jim McCarter: If the intent of the committee is that, notwithstanding those four words—the committee is making it clear to me that, "No, Auditor, the intent of this motion is, we want you to focus your work on looking at the costs and the savings of the divestiture and report back to us as quickly as you can"—period; full stop. I understand—

Mr. Victor Fedeli: But we're happy to take those four words out. In fact, that's the amendment.

The Chair (Mr. Norm Miller): Ms. Gélinas?

M^{me} France Gélinas: So what I'm hearing from you, Mr. Auditor, is that it doesn't matter if the wording stays the same—avoids some protocol—as long as I can tell you that what I want is exactly what you described.

Mr. Jim McCarter: Even if the wording stays the same, as long as it's on the public record that "Yes, Auditor, that's what we want you to do; that's the intent of the motion," I'm fine with that. I've got my marching orders, so to speak.

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: Obviously, our position would be consistent. We'd like it to remain as it was. The scope, I guess, is as you will be determining what your interpretation is. But we would prefer to have those words remain within the existing motion.

Mr. Jim McCarter: And whatever the committee wants us to do, we will do.

The Chair (Mr. Norm Miller): Mr. Klees.

Mr. Frank Klees: Mr. Chair, look: In light of Ms. Jaczek's comments, it's very clear that she would like to have an expanded scope, and that's why she wants these words left in the motion. With all due respect to the Auditor General—and I hear what he's saying—I think that for clarity it's important that we remove these words so that there can be no doubt in anyone's mind as this moves forward.

The Auditor General is leaving. We want to ensure that his successor has the full and clear direction of this committee. So I will insist that we have a vote on this amendment so that the intent of the mover of the motion is made very clear.

Ms. Helena Jaczek: I'll be requesting a recorded vote on the amendment proposed by the official opposition to remove the words.

The Chair (Mr. Norm Miller): Mr. McNeely.

Mr. Phil McNeely: I'd just like a comment from the Auditor General on this. It seems to me that there are a lot of capital commitments that must be made to continue this. I think that's why we should have "and the operations." We should have to look at the future and those needs. I think that we should have the words "and the operations" in there.

Mr. Jim McCarter: Basically, whatever motion the committee passes, we'll do our work in accordance with the motion. The comments I'm hearing, too, I can tell you, we would take into consideration in determining the extent of our work.

The Chair (Mr. Norm Miller): Any other comments? A recorded vote.

Ayes

Barrett, Gélinas, Klees, Singh.

Nays

Damerla, Jaczek, McNeely, Qadri.

The Chair (Mr. Norm Miller): Again, we have a tie vote, and again the Chair is not going to decide something that the committee can't decide on its own. So we revert to the original motion. Any discussion on the original motion? Ms. Gélinas.

M^{me} France Gélinas: I really want to stress the importance of moving with this in as quick a manner as possible. The decision to sell off Ontario Northland is having a real effect on a lot of real people in northern Ontario. We have a new Premier. She has shown an openness toward the north and has heightened expectation in northern Ontario that things could be better.

0950

There's this great big question mark that remains out there. The only reason we were ever given that Ontario Northland was going to be sold off was because we were in a tight financial position. The province had a huge deficit, and they justified the selling off as a way to save money.

The Auditor General's office is very much trusted. If he comes back and puts numbers on the table, we will believe him—as opposed to what we have now; the people of Ontario don't believe any of it. They don't believe any of it. Let the auditor tell us—he may very well end up telling us the exact same numbers. The members from the Liberals seem to think their numbers are bulletproof. If they do, and if it comes from the mouth of the Auditor General, he will be believed, and that will help a whole lot of people make peace, turn the page and accept, because right now, the level of rage and anger about this issue is not going away. It's just getting worse and worse. As you give people reason for hope, it's actually making things worse. People are expecting results. People are expecting changes.

I urge you, Mr. Auditor: As soon as you can, give us those numbers—please do. There are 1,000 workers and their families waiting on your words to be able to move on.

I will end by saying the same thing as my colleague has said before. It doesn't matter what the numbers are: An investment in transportation in northern Ontario is a wise investment.

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: Certainly, I'd like to echo Ms. Gélinas's remarks related to our new Premier. I think she is very open. That was certainly the intent behind broadening the scope, perhaps, of this study by the Auditor General. If there's a desire for speed in terms of the actual estimate, I would see very clearly that that is the focus. As I've said before, we're feeling confident in terms of our estimates and we look forward, in fact, to the Auditor General's findings.

The Chair (Mr. Norm Miller): Okay. Any other comments? We're fine? We'll have a vote.

All in favour of the original motion?

Mr. Gilles Bisson: Just one second. I wanted to add something to the—sorry, I put my hand up, but I didn't realize.

The Chair (Mr. Norm Miller): Sorry. Mr. Bisson.

Mr. Gilles Bisson: I just want, for the record, to say one thing that I think is important to be said. I'm sure that the auditor is going to come back and find that, in fact, there are some savings to be had by not spending money on capital. But what does that mean? If the government

decided tomorrow not to spend any capital on the Highway 400 series in Ontario, I'm sure that we would save money. But is that the outcome that we want?

I have full confidence, Auditor, you will come back and you will say, "Oh, there are some savings. If we don't spend money on buying new trains and fixing rails in northern Ontario, there's going to be money saved." I'm not surprised you're going to find that. The reality is those are investments for Ontario, as my friend said.

The Chair (Mr. Norm Miller): Mr. Fedeli.

Mr. Victor Fedeli: I too want to have a bit of a close. In the letter that I wrote to the former Premier, the current Premier, the former Minister of Northern Development and Mines, and the current Minister of Northern Development and Mines, our request has been the same: Number one, hit the pause button—and I'm hoping they will hit the pause button, despite the Liberal efforts to delay this report—and do a strategic asset review of all of the assets of Ontario Northland, including Ontera. This fire sale has certainly been rushed.

When you and I, Chair, toured 1,600 kilometres of northern Ontario this summer, we found that there is huge uncertainty in the business community. One large multinational would not spend the \$10 million on an expansion in the northeastern part of Ontario, the furthest extent of Ontario Northland's line, because of this uncertainty. They did not know if there would be rail freight (a) open, or (b) even existing in the future. So there is huge uncertainty.

Our party has pledged to keep rail freight in public hands, but the real point is that the timing of this, Auditor, can't be stressed enough; that small business throughout North Bay, all the way through Timmins and Hearst, are holding back small investments and laying people off because of the uncertainty of the 1,000 Ontario Northland employees, but now it's big business, when you have one not spending \$10 million last summer, as the Chair and I both know—\$10 million is just one company that did not spend until they hear an answer from Ontario Northland.

I also urged the government in my letter to take seriously the employees of Ontario Northland, who have offered what they call the "new deal."

I think, if I can echo the member from Nickel Belt's sentiment, everybody's eyes are on you on this, Auditor. Everybody is watching this. We need this number from you. Quite frankly, the \$265.9 million is a made-up number, in my opinion, based on one year of one-time costs they stuffed into the last year to inflate that number to be able to justify that. We need that disproved, and in my opinion it will be disproved.

The Chair (Mr. Norm Miller): Mr. McNeely?

Mr. Phil McNeely: Just to add to that, the intent of the Premier and the northern members in the Liberal caucus is to make sure that investments are made in the north, and they're looking at what investments should be made in the north. So it's not a matter of looking at the north as not being extremely important. There is that sense of fairness in anything I've heard the Premier say,

and we just want to make sure that the picture is presented properly here.

The Chair (Mr. Norm Miller): I think the auditor has a comment. Go ahead.

Mr. Jim McCarter: Just to sum up, from the gist of what I've heard from the committee, that my sense would be: "Auditor, the focus of your work would be"—because there is some urgency to this—"to focus on what you believe would be the costs or savings from the divestiture—notwithstanding, if you see something during your work in the operations of ONTC that you think should be brought to the committee's attention, we encourage you to include that in your report." Would that be a fair summary of what I've heard today?

The Chair (Mr. Norm Miller): Ms. Jaczek, were you seeking—

Ms. Helena Jaczek: Thank you, Chair. I was just going to say that, yes, I think that would reflect our thinking.

The Chair (Mr. Norm Miller): Okay. I think we're ready for a vote. All in favour of the original motion? Carried.

Okay, now we have to go into closed session for a few minutes to deal with an item we were talking about last week, so we shall go into closed session.

The committee continued in closed session from 0958 to 1008.

The Chair (Mr. Norm Miller): Okay, we're back in open session to deal with a proposed motion. Who's going to be moving this motion? Mr. Klees.

Mr. Frank Klees: I move that the Standing Committee on Public Accounts request confirmation from the Ministry of Health and Long-Term Care and Ornge that the documents tabled with the House on January 18, 2013, (sessional paper 84ii), by the Ministry of Health and Long-Term Care are identical to the redacted version of the documents filed with the committee from Ornge on October 2, 2012.

You note that I inserted the words "identical to." I trust we're okay with that.

The Chair (Mr. Norm Miller): Any comments? No comments.

All in favour? Carried.

Okay, we shall recess until—

Interjection.

The Chair (Mr. Norm Miller): Ray has some comments he would like to make.

Okay, we're recessed until 12:30.

The committee recessed at 1009 and reconvened at 1430 following a closed session.

The Chair (Mr. Norm Miller): The public accounts committee is back in open session, and we have a couple of motions to do with document requests. Mr. Klees?

Mr. Frank Klees: I move that the Standing Committee on Public Accounts request of Ornge air ambulance, Ornge Global US Risk Inc., 4495128 Canada Inc., 7506406 Canada Inc., 7731272 Canada Inc., Ornge Global US Risk Inc., Ornge Global Brazil Holdings Ltd.,

J Smarts, Ornge Foundation, Ornge Global Real Estate Inc., Ornge Real Estate Inc., Ornge Issuer Trust, Bare Trustee, Ornge Global Management Inc., Ornge Global GP Inc., Orngeco, Ornge Global Holdings LP, Ornge Global Air Inc., Ornge Global Corporate Services Inc., Ornge Global US Inc. and Ornge Global Solutions Inc., under its control from inception up to and including March 6, 2013, whether in operation or not, produce the following documents to the committee within 14 days of the passage of this motion:

- all banking records and statements;
- all international money transfers to either personal or corporate accounts;
- all domestic money transfers to either personal or corporate accounts;
- the names and programs, broken down by employee, as well as all records financial or otherwise, related to payments or expenses paid to institutions, persons or external entities about any schooling, certificates, diplomas, degrees or professional development; and

—all expenses, expense reports and receipts for employees since September 1, 2011.

The Chair (Mr. Norm Miller): Any discussion? No discussion. All in favour? Carried.

There's another motion which has been handed around. Mr. Klees?

Mr. Frank Klees: I move that the Standing Committee on Public Accounts request of Ornge air ambulance, Ornge Global GP Inc., and Ornge Global Management Inc. produce the following document to the committee within 14 days of the passage of this motion:

Life insurance policy number L1-J340, 574-6 dated November 29, 2010, issued by Sun Life Assurance Company of Canada.

The Chair (Mr. Norm Miller): Any discussion about this? All in favour? Carried.

I believe that is all the business for today, so the committee will reconvene on Wednesday, March 20 at 9 a.m. Thank you.

The committee adjourned at 1435.

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Mr. Frank Klees (Newmarket–Aurora PC)

Also taking part / Autres participants et participantes

Mr. Gilles Bisson (Timmins–James Bay / Timmins–Baie James ND)

Mr. Victor Fedeli (Nipissing PC)

Mr. Jim McCarter, Auditor General

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