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**Official Report
of Debates
(Hansard)**

Tuesday 24 February 2015

**Journal
des débats
(Hansard)**

Mardi 24 février 2015

**Standing Committee on
Government Agencies**

Intended appointments

**Comité permanent des
organismes gouvernementaux**

Nominations prévues

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GOVERNMENT AGENCIESCOMITÉ PERMANENT DES
ORGANISMES GOUVERNEMENTAUX

Tuesday 24 February 2015

Mardi 24 février 2015

The committee met at 0901 in committee room 1.

INTENDED APPOINTMENTS

The Chair (Mr. John Fraser): I'm going to call the meeting to order. Good morning, everybody. We don't have any subcommittee reports this morning, so we'll be moving directly towards consideration of appointments. We have two intended nominees to hear from this morning, and we'll consider the concurrences following those interviews.

MR. BRUCE BODDEN

Review of intended appointment, selected by official opposition party: Bruce Bodden, intended appointee as member, Ontario Infrastructure and Lands Corp., Infrastructure Ontario.

The Chair (Mr. John Fraser): Our first intended appointee today is James Bruce Bodden, nominated as member, Ontario Infrastructure and Lands Corp., Infrastructure Ontario. Mr. Bodden, can you please come forward? You can have a seat at the table here.

Thank you very much for being here. You can make a brief statement, if you wish. Any time that you use will be taken from the government's time and then we'll rotate around. We will start the questioning with the official opposition this time around. Thank you very much, Mr. Bodden. You may proceed.

Mr. Bruce Bodden: Thank you, Mr. Chairman. It's a pleasure to be here this morning. Let me take the opportunity you offered me to give some sort of introductory comments about my experience and qualifications. If I go beyond your definition of brief, please just give me a signal and I'll stop.

The Chair (Mr. John Fraser): I assure you, you'll get one.

Mr. Bruce Bodden: I'm sure I will, too.

I'm a professional civil engineer, a graduate of the University of Waterloo many years ago. I'm retired, but before I retired, which was almost two years ago, I spent some 44 years planning, designing, procuring and managing infrastructure projects in Ontario, across Canada and internationally.

It's strange by today's custom, but I actually spent all of those 45 years with the same firm, now called the MMM Group Ltd., but formerly Marshall Macklin Monaghan. All of those years—except for two early in

my career when I was seconded to a company called Cansult Ltd. and did infrastructure projects for two and a half years living in the Middle East.

I became a director of MMM's board for 33 years. I became president and CEO of the company in 2001 and 2003 and served in that role for 10 years. Then I stepped down and served as chairman for the last two years.

The firm is a consulting, engineering, planning, geomatics, program management and project management business, with about a 65-year history. When I took over as president and CEO, we were about 450 people, principally in the Ontario marketplace. When I stepped down as president and CEO, we had implemented a strategic plan and grew the business to 2,000 people, which is what the firm is at today, I believe. It's a national firm, Canadian, privately owned and operating around the world.

Most firms like ours tend to develop a bias to either work for the public sector or the private sector. We were a little different, in that throughout the history of the company we worked for both the public sector and the private sector and managed to do that without getting into too much trouble, usually. But that uniqueness went when alternative financing and procurement projects came along, or what we then called P3s, or even before that, privatizations. I think we felt we had some advantage because we did understand how the public sector works and how the private sector works. So we decided that we would create our business divided among public sector one third, private sector one third and what we called P3s one third. That's basically what we did. We were pioneers in the P3 business, certainly in Ontario.

The first project that was a milestone for us and for the industry was Terminal 3 at Pearson international airport, which was really a privatization. That term has come out of favour, but it was a privatization, where the private sector was invited to deliver what would normally have been a public sector facility and service. It was a very successful project.

Also, early in those days, in the 1980s, for the Ontario government, we did the automation of the Ontario land registry office. Some of you will remember that as the Polaris project that morphed into something called Teranet, which is well known—another very successful project. We led a consortium of firms that did that data conversion.

Early on, we were doing P3s, and the Terminal 3 project led us into some work for the government of Hong Kong when they were contemplating their brand new, massive airport project. We consulted for them, advising them on the merits of public-private partnerships and which elements of their project might be candidates for that kind of work.

It also led us into the Premier's office in Ontario. We put in an unsolicited proposal to then-Premier Bob Rae to deliver Highway 407 as a P3 project. Some of us will forget that it was the NDP government that did the biggest P3 project the province had ever seen back in the day. At that time, MTO was in the process of planning and designing and building bits of it. Their plan to complete the 407 was 35 years. The government realized we needed this relief earlier and so agreed to a P3 delivery model.

Two teams—and just if I digress for a second—were pre-qualified to bid on it. Each team was paid almost a million dollars by the government to review the designs to date to see if there were any efficiencies—what they called “value engineering,” to value-engineer the project to see if there could be some efficiencies that could be found in the design. Both teams came up with about \$800 million worth of cost savings—mostly the same things, I would say.

So before that project even went to procurement, the cost of that project was trimmed by about \$800 million and that was a value-engineering exercise. I don't know where that ever gets recognized when the Auditor General looks at AFPs and this sort of thing. Probably it doesn't. Anyway, three years later, the highway was operating. The only thing wrong with this story is our team didn't win. It was actually built by the Canadian Highways International Corp. It's okay. We went and competed with them for the Fredericton-Monkton Highway a year later and won that one.

We were also founding members of the Canadian Council for Public-Private Partnerships. Ourselves and John Beck's firm, Aecon, and one or two others conceived of the idea of creating this council. I was asked to speak at the opening conference—this is 20 years ago, at least. I was asked to speak at the plenary session on the state of public-private partnerships in Canada at the time. It wasn't a very pretty picture I painted 20 years ago. We had some successes to talk about for sure, but we also had some disappointments in cases where both the private sector was at fault and the public sector was at fault. It was a good introduction to some lively discussion at that conference. I think we've learned a lot about AFPs in the 20 or so years that have passed, and today Canada is really seen as one of the well-respected leaders in AFPs around the world, along with Australia and, to a lesser extent, Britain.

0910

The other thing about my experience through MMM that was a little different is that we worked both sides of the fence on P3 projects—not the same project at the same time, of course, but we were quite happy to be

working for the concessionaires and developers and contractors as their engineers; also, we worked on the side of the government as independent engineers or compliance engineers, and we did that.

I think a project that's still current, I think we're still involved—or the firm. Sorry; not “we.” The firm is still involved in the Pearson rail link, providing compliance through an independent engineering role. We did it also for the Ministry of Transportation in Quebec on the A30 bypass that went south of Montreal.

In the last few years of my career, I was fortunate to work on two very interesting and large projects. One was that I was the head of the consortium that provided program management services to the Toronto Waterfront Revitalization Corp. You will recall that that was set up as a joint venture of the three levels of government, each putting in \$500 million, to try to convince IOC that we could actually produce a waterfront-based Olympic venue for the 2008 Olympics, but that money was put forward without any strings attached to the success of that bid.

The Chair (Mr. John Fraser): You have one minute left.

Mr. Bruce Bodden: One minute? One minute is fine. Thank you.

That was from 2002 to 2007. Of course, that became Waterfront Toronto, and it was a very interesting project.

I also, following that, spent four or five years as the lead partner on the comprehensive master plans for the holy cities of Mecca and Medina in the Kingdom of Saudi Arabia—quite possibly the biggest and most complex planning study ever done.

Why do I want to be appointed to the board of IO? To be perfectly honest, I didn't. I was approached by the CEO of IO when I retired, to ask if I would consider sitting on the board. I also talked to the chairman of the board. Both encouraged me to make this application, so I have done it.

I think that the board of IO is—when you look at it, it's made up principally, or primarily, of lawyers and investment bankers—

The Chair (Mr. John Fraser): Thank you very much.

Mr. Bruce Bodden: —which is not necessarily a bad thing, but there are no engineers—

The Chair (Mr. John Fraser): Mr. Bodden, your time is up. Thank you very much. We will begin the questioning with the official opposition.

Mr. McDonell.

Mr. Jim McDonell: Thank you for appearing today. I see you have considerable experience in P3s. Can you go over some of the ones that are maybe a little closer to home; over the last 10 years, that you have been involved in, specifically, in Ontario?

Mr. Bruce Bodden: In Ontario, we were involved in the second bid for the 407 and actually ended up doing the design of most of the east and west extensions and two high-level structures in the west end as well. A lot of transit work—forgive me when I say “we.” That's a habit

that's hard to break. I am no longer connected with MMM in any way at all. It's just a hard habit to break. But we're working on program management, really—not P3s, but on the Eglinton—for Metrolinx. There are a number of big transit projects.

Port Mann Bridge in Vancouver was a project that we did the engineering on. We've done airports all over the world, and a number of those were P3s as well, including Budapest and Quito airport in Ecuador—not an Ontario project, of course. So it's an exportable work as well.

Mr. Jim McDonell: Did you find from your Canadian counterparts a lot of competition from Canada, or was it mainly international competition on some of your international projects?

Mr. Bruce Boddén: It's absolutely an international—the projects are big. The contracting industry is absolutely international. The Spanish are hugely exporting their construction capabilities, as you know, on these projects. But the Canadian firms—Aecon, EllisDon, PCL—are contenders, for sure, and successful. Hospital works as well.

Mr. Jim McDonell: I know that one of the issues in the news of last year was the MaRS building, and the—I won't say "misuse," but the inefficient use of public money on that. You're coming with a different background. How do you see that that background would apply to projects like that? You're more from the technical side than the banking side.

Mr. Bruce Boddén: I think my experience is more related to the structure of P3s, the engineering side of it, of course, but also I think, having worked both sides, we understand what governments are good at and what the private sector is good at. They're very different things. The government is good at regulation and policy, and the private sector is good at efficient deliveries—and not very good at regulation.

Other than what I read in the paper, I don't know anything about the MaRS project. I know that Bob Fung and I looked at that a little bit when we were starting at the waterfront corporation because he was all about convergence centres and this seemed to be an interesting example of a research convergence centre.

My personal feeling is that I'm not real excited about government bailouts of any kind. Whether it's the automotive industry or Bombardier, I'm not sure that we do more than delay the inevitable. If it doesn't work on its own, I don't know whether it's—bailouts are hard for taxpayers to accept sometimes.

Mr. Jim McDonell: You talked about lessons learned over the years in P3s, and some of the changes you see that need to be made in the format. They do certainly have their benefits in efficient construction.

Mr. Bruce Boddén: I don't think there's any going back, for one thing. I recall, when I made that presentation at the Canadian Council for Public-Private Partnerships, there was an anecdote that ended up with, "Rejoice, rejoice, you have no choice," which became, for a short time, the mantra of the organization. We have to do it and we have to do it better than we have been

doing it, although I think we're much improved. We've gained knowledge and we're striking better contracts.

We're good at understanding the private sector and the public sector. I'm not sure we're good at understanding the partnership side of it yet, and I think there's a lot we can learn through a consultation process. There's still a fairly adversarial role in all of these things—owner and contractor or concessionaire, and I think that that's not particularly healthy.

I also think that there are a lot of other ways that things can be done. I mentioned the 407. The central section was a design-build-finance-operate contract, but it wasn't financed. At the last minute, the government took the financing back in-house—which they had the right to do and it was clear at the time, but a lot of effort was spent trying to arrange financing for two teams, and in the end the government financed it.

Not every formula works for every situation. I mentioned the Quito airport. If I can take a moment on this, Mr. Chairman—I'm just trying to think outside the box. That was a very interesting procurement process. It was something they called a Swiss challenge. Basically, they invited teams to put in their qualifications and their concepts for the development of a new airport in Ecuador—no financials at all; so almost a beauty contest. They then picked the team that they thought had the best concept and the best qualifications to deliver. Then they had to put in a financial package as a separate bid, knowing full well that once the financial package was received, they would then go out and take competitions from other proponents with financial packages.

It was a two-stage process, but once their bid was in, that was it. Then other people could knock them off that position. And that's what happened. The team, which was led by Aecon and a Brazilian contractor, put in their proposal with us and put in their financials, and it ended up that no one could come up with a better proposal—so just different ways of doing things that should be considered, I think.

Mr. Jim McDonell: In that case, the money was made over time to pay for the project? They weren't financed by the government down there, they were financed as a package?

0920

Mr. Bruce Boddén: I'm sorry?

Mr. Jim McDonell: Financing for that project: How was that done?

Mr. Bruce Boddén: It was privately financed. The Canadian Commercial Corp., CCC, ultimately became the contracting government-to-government agency guaranteeing it, but the funding was private funding.

Mr. Jim McDonell: Okay. Thank you.

The Chair (Mr. John Fraser): Thank you very much, Mr. McDonell. Mr. Pettapiece? You're finished?

Mr. Gates.

Mr. Wayne Gates: Good morning, James. How are you?

Infrastructure Ontario employs many people who used to work in the private sector. There is a risk that some of

these people might be asked to evaluate bids by the same companies they used to work for. The Auditor General found that Infrastructure Ontario conflict-of-interest guidelines were not being followed and that declaration of conflict of interest was missing on several projects.

How often will you have to declare a conflict of interest because you are being asked to vote on decisions that could affect the profits of a company that you used to be president and CEO of?

Mr. Bruce Bodden: First of all, my name is Bruce, and I know it's confusing—

Mr. Wayne Gates: Oh, I'm sorry.

Mr. Bruce Bodden: It's my parents' fault.

Mr. Wayne Gates: I apologize for that.

Mr. Bruce Bodden: No, no, don't apologize. I always feel like I'm at an airport when I'm called James.

In my own case, I can be very categorical about that. I have no association with MMM at all. I don't own a single share in the company. I've been out of the company for almost two years. I can't think of an occasion when I'll have to declare a conflict of interest. I have no involvement with it at all.

Mr. Wayne Gates: That's surprising to me, but that's fair.

Let me read from the value-for-money report prepared for the 407 East project, phase 1: "Infrastructure Ontario retained Altus Group to develop a template for assessing the project risks (later amended and endorsed by MMM Group) that the public sector relinquishes under AFP compared to the traditional approach." This is important: The Auditor General was severely critical of Infrastructure Ontario for assessing project risk, revealing that there was no evidence that it was worth paying an extra \$8 billion to produce projects by P3.

Do you agree that Ontario should have factual evidence to justify paying an extra \$8 billion for public-private partnerships?

Mr. Bruce Bodden: I do. I know there are some recommendations that came out of the Auditor General on tracking and trying to better quantify what the actual risk is and the cost of that risk. The \$8 billion is a shocking number. I read it in the paper like everybody else and thought, "Can this be true?"

I think it's very difficult to accurately determine what the cost of doing projects is, one way or another. I look at the 407, with a 35-year time frame to completion done traditionally, delivered in three years using an alternative financing and procurement model. It's difficult to know that all the costs have actually been assessed. Is the rent of government facilities included in the analysis? I just don't know the answer to that.

The point is that the secret of AFPs is all about risk transfer, but I think it's a mistake to think you should transfer 100% of the risk to one side or the other. In the traditional way, one might say, "Most of the risk rests with the owner or the government." In P3s, you try to put most of that risk over onto the contractor and a concessionaire. But if you put all of the risk over there, then I think you'll pay a premium for that.

It's all about risk sharing as opposed to risk transfer, I think.

Mr. Wayne Gates: Just a question: By your response, are you questioning the Auditor General saying it was an extra \$8 billion or are you agreeing with the report?

Ms. Daiene Vernile: A point of order, Chair.

The Chair (Mr. John Fraser): Just a second. Yes, Ms. Vernile. A point of order?

Ms. Daiene Vernile: Vernile.

The Chair (Mr. John Fraser): Vernile, sorry. I know, it's the second time I've done that. My apologies. Go ahead.

Ms. Daiene Vernile: This committee is to ask this gentleman about his credentials for being on this board. There is a committee, public accounts, where you can discuss dollar issues, but I would recommend that we talk to this gentleman about his credentials and about being appointed to this board, and not talk about the AG's report.

The Chair (Mr. John Fraser): Thank you very much, Ms. Vernile. We'll move forward and continue with the questioning. Thank you very much.

Mr. Wayne Gates: I think \$8 billion is a lot of money and we could spend it a lot better.

Mr. Bas Balkissoon: He wasn't there.

Mr. Wayne Gates: He wasn't, but to her response, Infrastructure Ontario has pledged to improve the value-for-money process to make sure there is factual evidence to justify the choice of P3s over traditional public procurement. As Infrastructure Ontario tries to improve this process, how can the public be sure that there is no conflict when one of its directors used to be in charge of a company that has powerful incentives to prefer P3s over traditional public procurement?

Mr. Bruce Bodden: As I mentioned, two thirds of our business was not P3s. We worked with the public sector and the private sector and P3s. It's just another tool in the flexible ability with which to bring on projects.

It's not an Ontario trend; it's not a Canadian trend; it's a worldwide trend. Governments are trying to do what governments do best and let the private sector do what they do best. If they do it properly, then I think that there are efficiencies and I think that there are accelerated delivery results that can come out of it. But I think that the more experience the board has in dealing with P3s, the better they're able to make decisions on what level of risk should be transferred and what's an appropriate P3 and what should be appropriately delivered in a traditional way.

Mr. Wayne Gates: So are you agreeing that the P3s are going to cost more?

Mr. Bruce Bodden: No, sir, I don't agree with that.

Mr. Wayne Gates: Can I give you an example? A new hospital built in Peterborough, the same as in St. Catharines, cost \$350 million and was publicly built. The one in St. Catharines cost \$1 billion, about \$650 million more, with the P3 model. Maybe you can answer that, with your credentials.

Mr. Bruce Bodden: I can't answer that. I was not involved in either of those projects, sir, so I can't answer

that. I don't know if they were the same number of beds, the same hospital, the same facility; I don't know what the comparative is. But I know that the delivery time on the public sector is extremely long and it really can't be shortened very much because of the constrictions on the way governments work.

When the Auditor General's report came out and I read about it in the *Globe and Mail*—I wish I could remember the details. There was a letter that was sent to the editor from the CEO of a hospital—and I should be able to remember but I can't. The CEO said, briefly, "We've spent 20 years dealing with the Ministry of Health on plans to expand or replace this facility and in 20 years nothing happened. It was turned over to IO and three years later I'm now the CEO of a brand new hospital serving the public need." I think we need to recognize that there are advantages.

Mr. Wayne Gates: Yes, go ahead.

Ms. Catherine Fife: How much time?

The Chair (Mr. John Fraser): You've got about three minutes.

Ms. Catherine Fife: Thank you very much. I'm going to ask one question. Hello, James. So you are the former president and CEO of the MMM Group, right?

Mr. Bruce Bodden: Yes.

Ms. Catherine Fife: And the MMM Group is a sponsor member of the Canadian Council for Public-Private Partnerships?

Mr. Bruce Bodden: Yes.

Ms. Catherine Fife: And are you still affiliated in any way with that group?

Mr. Bruce Bodden: No.

Ms. Catherine Fife: The MMM Group joined in the failed bid for the phase 2 portion of the 407 East project. I think there was a partnership with SNC Lavalin at that point which I think they've removed, for obvious reasons.

MMM Group was consulted about the value-for-money process that Infrastructure Ontario is currently promising to improve. So your group was part of that value-for-money process and you were consulted, and I think that you actually endorsed Infrastructure Ontario's value-for-money process that the Auditor General has called into question. Do you see no reason why that may at least look like you were already biased towards P3s, as a potential member of the Infrastructure Ontario board?

Mr. Bruce Bodden: I'll say it again: I have no ongoing relationship with MMM at all. One of the things that happens in an organization when new management takes over and the old management gets out is that it gets out completely. So I am completely out of MMM and was not involved in any of the evaluation with IO on the value-for-money proposition.

0930

MMM, as I've said this morning, has a tremendous amount of experience in both public sector-private sector work and in P3s—perhaps better experience than any other firm around. I have benefited from some knowledge through that experience over 44 years, and that's

the experience that I hope to bring to IO—not to promote one thing blindly in favour of another, but to look at things critically and evaluate opportunities and to try to deliver value for money.

Ms. Catherine Fife: Just to clarify: If your former company or Altus Group, for instance, comes before Infrastructure Ontario and is part of the value-for-money assessments, you don't feel that you would have to declare a conflict of interest, given that you have these past long-standing relationships with those organizations and that they will be benefiting in a pecuniary manner through the contracting out of these public-private partnerships?

Mr. Bruce Bodden: Well, they may benefit. I won't benefit. So I don't see why that would be a conflict of interest. I discussed this with Bert Clark and Tony Ross when they asked me to sit on the board. I said I won't even consider this if I've got to sit on the board and declare a conflict of interest. I told them what my relationship was, which is no relationship with MMM, and they were satisfied that I wouldn't be in a conflict.

Ms. Catherine Fife: Okay. In your opening comments, you mentioned—

The Chair (Mr. John Fraser): Thank you very much, Ms. Fife.

Mr. Bodden, you may step down. Thank you for appearing this morning.

Mr. Bruce Bodden: Thank you very much.

MR. JEAN-PIERRE BOISCLAIR

Review of intended appointment, selected by official opposition party: Jean-Pierre Boisclair, intended appointee as member and chair, Champlain Local Health Integration Network.

The Chair (Mr. John Fraser): Our next intended appointee is Jean-Pierre Boisclair, nominated as member and chair of the Champlain Local Health Integration Network. Please come forward, Mr. Boisclair.

Mr. Boisclair, you can make a brief opening statement, if you wish. Each party will have 10 minutes for questions. Any time you use in your opening statement will be taken away from the government's time. We will begin questioning with the third party.

Mr. Jean-Pierre Boisclair: Thank you, Mr. Chair. It is a privilege to have this opportunity to appear before the committee to introduce myself to you and answer your questions. My comments will be brief.

Monsieur le Président, s'il y a des membres honorables qui souhaitent poser leurs questions dans leur langue maternelle, en français, je suis préparé à répondre dans leur langue maternelle.

My interest and involvement in the governance, accountability and control of governments and their agencies and non-profits goes back over three decades, when, as a much younger—and I certainly had more hair at the time—financial professional and corporate CEO from the aerospace industry, I accepted an invitation to participate in some groundbreaking work being done by

the Auditor General of Canada to look at the financial management and control practices of federal departments and crown corporations. That work resulted in significant change and led to further opportunities at the federal level, and provincially in British Columbia, to do some pioneering work in performance reporting and value-for-money auditing which, simply put, began to make an all-important and evidence-based connection between effort and cost with outcomes and impact. As common sense as that may sound, this was far from an accepted part of governance and accountability regimes back in those days. I'm talking about the late 1970s and early 1980s.

Between 1980 and 2002, as president of the Canadian Comprehensive Auditing Foundation, I was fortunate to be able to continue to work in developing practical approaches to meet the rising expectations for good governance, management and stewardship in the public sector, including its health care institutions. As chair of the Independent Review Panel on Modernization of Comptrollership in the Government of Canada, which was, in effect, a mini royal commission at the time, I again enjoyed the chance to provide a measure of leadership to advance stewardship at the federal level.

In October 2014, just a few months ago, I stepped down from a 10-year term as vice-president and CFO of the Conference Board of Canada. On the day that I was leaving, I said to my CBoC executive colleagues, "I know that I will have retired when they throw the first shovelful of dirt over my grave." So I'm not hanging up my boots but, rather, looking to a next chapter, and I am at a point in my life where I can energetically devote more time in support of the public interest.

I have greatly enjoyed the public sector board work that I've done, especially in the health care domain. For almost five years now, I've served as a director of eHealth Ontario, where I chair the finance and audit committee. I was appointed in early 2010 as part of a new board of directors to help steer a new course for the agency, which, as all of you know, was under considerable unfavourable scrutiny by both the Legislature and the public. This has been a challenging but very gratifying role in support of managing health care quality and cost to the benefit of all Ontarians. We really are making great progress—and this is not a paid commercial for eHealth Ontario, but as you will see, what it has done and the power and the value of the integration that it can bring to health care information is really quite impressive.

Similarly, a few years ago, I greatly enjoyed being board chair of the Ottawa Children's Treatment Centre—*vraiment une organisation très spéciale, avec des bénéfices énormes pour des gens, les enfants et leurs parents, qui ont des défis dans la vie qui sont incroyables*—a very special organization, and also as a governor of the Ottawa Hospital from 2004 to 2010, where I served on the quality and executive committees and chaired the audit committee of the hospital. It's these experiences in the health care sector, Mr. Chair and members, that have led to my interest and motivation to

serve in the capacity of chair of the Champlain Local Health Integration Network.

The mandate of LHINs with respect to local health service integration, resource allocation and co-ordination, community engagement and evaluation place them squarely at what I think is the intersection of three irresistible forces at this point in time:

(1) Ensuring the quality and excellence of care, as exemplified by the Excellent Care for All Act, 2010, and the government's priorities to keep Ontario healthy, provide faster access to family health care and provide the right care at the right time and place;

(2) Responding to the very real public sector resource constraints. It is clear to all who are involved in the health care sector that throwing money at the problems is not possible and not the answer for the future; and

(3) Adapting to change: There is seismic shift in age demographics taking place that will see seniors rising to virtually 25% or better of the population in the next 20 years, and in the case of Champlain LHIN in particular a tremendous diversity of population which enjoys the largest francophone group of all the LHINs and the inclusion of two First Nations.

I appreciate that all honourable members are aware of these imperatives. These are not blinding insights to you, but I only mention them to say that my mindset is that all organizations that are part of the health care fabric are going to need to step up their game, and I believe that effective governance can be an important part of that process of addressing those challenges.

In approaching the notion of governance for the Champlain LHIN, my thinking is very much that success in meeting those challenges is going to depend on several things.

First, setting the right direction and establishing, all the time commensurate with the government's priorities, the means and the pace by which it will accomplish the mission and, then, meeting agreed performance expectations and, above all, steering the process such that there is clarity and meaningful accountability for who should be doing what within the system—not an easy task with so many players involved.

Second, aligning capacity with need, including, most importantly, the human capital and the human capacity. The Champlain LHIN is blessed with an abundance of outstanding talent residing in the health care providers within its reach. The imperative is to harness that talent in a meaningful way to achieve the quality and integration that produces public value.

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Third, understanding and managing its risks; fourth, ensuring that the organization meets the expectations of its stakeholders for how it goes about its business in the context of both its ethics, its practices and the manner in which it controls and exercises stewardship over public funds; and last, embracing its accountability obligations—and when I say that, I mean particularly with a view towards talking about its accomplishments, its

successes and, indeed, if there are failures, failures, with evidence-based capacity around public value.

That's an important thing in all parts of the public sector that I've been associated with and it's something that I feel very, very strongly about: the ability to talk, with evidence—

The Chair (Mr. John Fraser): Mr. Boisclair, you have one minute left.

Mr. Jean-Pierre Boisclair: —about accomplishments.

For the record, Mr. Chair, I should also like to say that if appointed to serve as the Champlain board chair, I will be immediately stepping down as director of eHealth Ontario to avoid any real or perceived sense that there could be a conflict of interest. Thank you, Mr. Chair.

The Chair (Mr. John Fraser): Thank you very much, Mr. Boisclair. We'll begin questioning with the third party, Mr. Gates.

Mr. Wayne Gates: What has motivated the witness to seek this appointment?

Mr. Jean-Pierre Boisclair: A long history in the process, having served on a rehab board as its chair, having served at the Ottawa Hospital. Some of the things I've been impressed with are not only the importance of the mission of what LHINs and other health care providers can do, but also it is apparent to me that the game has to be stepped up. That's what's motivating me as a challenge, to try to take that organization forward through its governance practices to make it more effective. That's the bottom line.

Mr. Wayne Gates: You mentioned eHealth. I'm not sure that's one I'd be mentioning a lot of, but something on the eHealth file which is concerning: It was the amount of severance pay that people got. One got \$252,000. The chief executive officer got \$406,000 in severance. What's your opinion on that?

Mr. Jean-Pierre Boisclair: Mr. Chair, I'm a little uncomfortable about opening up a discussion of eHealth in this context, but I will say that those severance payments were guided by contracts that had been entered into with those employees, and so it was a question of honouring those contracts.

In the case of the CEO, the CEO's employment and their compensation is something that is endorsed by the government.

Mr. Wayne Gates: I can appreciate that, and I can appreciate the fact that you're uncomfortable, but from somebody who goes to work every day, for four years' service, \$406,000 just seemed like a lot of money to me. I might not be correct on that, but it just sounds—the Champlain LHIN: What are some of its real challenges?

Mr. Jean-Pierre Boisclair: Not dissimilar from a lot of the other LHINs, I think one of the big challenges that it's facing is around family care and access to family care, timeliness—managing transitions: Again, I don't think Champlain is unique in that regard, but as patients move from one phase of the system to another, be it through an acute care facility on to a long-term-care facility or, unfortunately, if necessary, into palliative

care; or as people move from one specialist to the other and pre-op and post-op and the whole thing, it's managing those transitions and the impact of what happens when things fall between the cracks at those points of transition, and, to look at it in a more positive way, the positive impact of being able to manage those transitions well, both in the sense of quality of care and in the sense of money; for example, avoiding readmissions to hospitals after you've been discharged and avoiding the need for testing and retesting people.

I must say that having timely, integrated health care information at the patient level is a huge part of that management process, but managing those transitions is, I think, right now a huge part of this and becoming a bigger part as the population ages and as a lot of the health care that you see starts to focus on dealing with chronic conditions and not necessarily acute conditions. That, I think, is a big challenge.

I think obviously wait times are an issue. Some of the wait times in the Champlain LHIN are comparable to other LHINs, but I don't think we should take solace from that. I think the question is: What can we do to reduce those wait times, particularly for people who are in pain or who, if having to wait long, deteriorate further? I think those are some of the big challenges.

I think another of the big challenges is, as I've said before, to be able to talk about the public benefit in an evidence-based way.

Mr. Wayne Gates: The Champlain CCAC—I don't know if you're familiar with this—has over 2,200 individuals who are on personal support wait-lists. That's a long wait-list. How would you try to reduce that time?

Mr. Jean-Pierre Boisclair: I think part of it is back to what I was saying before about managing transitions.

Mr. Wayne Gates: That's not working.

Mr. Jean-Pierre Boisclair: Pardon me?

Mr. Wayne Gates: That's not working, obviously.

Mr. Jean-Pierre Boisclair: You know, I think the challenges are there not just for Champlain but right across the province and indeed the country. So that's a part of it. I think other issues around the availability of community care and long-term-care facilities—it all plays into it. I don't think there's a simple answer, to be honest with you.

The Chair (Mr. John Fraser): Ms. Fife?

Ms. Catherine Fife: I liked how you described the three irresistible forces of health care and how those three ideas—you referenced, of course, real time and real health. That's an ongoing challenge. You mentioned financial constraints and doing business differently, if you will.

The reality is that LHINs have experienced underfunding in key areas, and that's contributing to those long wait times and to those breaks in transitions. So, in facing funding shortfalls—every LHIN in the province is seeing it—how do you want to do health care differently as the chair of the Champlain LHIN?

Mr. Jean-Pierre Boisclair: My view of the world—it's not just as chair but it would be the entire board and

the management team of the LHIN—is to be very disciplined and very rigorous about making decisions on where to invest the money to get the most impact against that problem. I know that sounds vague and a bit general, but I think when you're facing a shortage, it requires a different rigour and a different focus in making decisions about how to approach things. I think also, to be honest with you, innovation is going to play into this as well.

Ms. Catherine Fife: And you did mention governance as well. I was happy that you mentioned governance, because every LHIN across the province has faced different governance challenges. The CCACs are a major part of that as well. So can you speak to the tension that has emerged across the province between CCACs and the governance and the management of the LHIN?

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Mr. Jean-Pierre Boisclair: I don't want to answer your question if I'm not possessed of the facts. And I really don't know, from a personal point of view, what may have caused tension between the CCACs and the LHINs or indeed what might be driving tension between other players in the health care system.

One thing I will say is this—which I've learned over a number of years being involved in the health care sector: People are highly motivated in that sector to establish their boundaries and defend them zealously, and the notion in my mind behind the LHIN is to embrace, reach out and integrate. I think that how the various providers in the system are embraced in that has a lot to do with it—if it's threatening or not threatening.

Ms. Catherine Fife: Okay. Thank you.

The Chair (Mr. John Fraser): Thank you very much, Ms. Fife.

Now the government. You have 47 seconds. Ms. Vernile?

Ms. Daiene Vernile: We want to thank you, first of all, for stepping forward, and for being committed to public service as you have.

Do you feel that there is anything in particular that is a goal for you, should you get this position?

Mr. Jean-Pierre Boisclair: That is a—

Ms. Daiene Vernile: A goal. What do you wish to achieve?

Mr. Jean-Pierre Boisclair: I would very much like to—but on an evidence base—be able to look at this thing and say that the Champlain LHIN is viewed as being top of the pack in succeeding in the goals of integration, efficient use of the resources and above all, has promoted a very high standard of excellence for health care for the citizens. So I would like—

The Chair (Mr. John Fraser): Thank you very much, Mr. Boisclair.

Mr. Jean-Pierre Boisclair: It sounds a bit self-serving, but at the end of the day that will produce benefit for the residents of the LHIN.

The Chair (Mr. John Fraser): Mr. McDonell.

Mr. Jim McDonell: Thank you for appearing today.

I guess I share some of the concerns. I know that in eHealth, the question from the third party—some of the severances were contractual, but I wonder about a situa-

tion where people are basically let go for not being able to function properly in the job and they get huge severances. I guess that's where the public comes from: They have a hard time comprehending how people can be rewarded when actually they were kind of marched out the door. I know that that's not something within your control, but it is within control when the contracts are set up, and I think that's an issue.

In our area, over my short term in the Champlain area, our biggest issue is health care. We have people who come in looking for doctors. We had one just in the last three months where we spent—they were on a waiting list; they were told they'd be waiting more than six months if they were lucky. We finally got a doctor as I called in a favour of a doctor I knew who agreed to take him on. But they wouldn't normally do that. Yet, when we try to hire doctors, we're not considered a high-need area. I just can't see that. When you look at the recent budget hearings, Cornwall is ranked as having the highest number of high-needs patients in the Champlain region and the second-highest rate of emergency department patients reporting that they do not have access to a family physician or primary-care operator. And yet we can't hire new doctors.

We have a study that shows we have 12 doctors retiring in the next 12 years—I'm sorry; in the next two years. It just doesn't make sense.

Mr. Jean-Pierre Boisclair: You've stated the problem anecdotally in a very forceful way. Access to family health care is, I think, one of the top issues. Certainly, the work with health links, with family health teams and so on will help alleviate that.

The question that I'm looking forward to exploring is, what more can we do to attract physicians?

Mr. Jim McDonell: Well, it's funding. We have doctors who want to work here and can't get salaried because the ministry won't allow that to happen. They tell them to go to the LHINs. The LHIN says they don't have the authority to authorize more doctors. It's like a deliberate circle here, a revolving door, where the province—I mean, I see the view that the LHIN is set up strictly to deliver bad news. Certainly, if there are any funding announcements, there are big cheques around and the government is there, but as soon as it comes to bad news—or making things very difficult.

The city of Cornwall sponsored a doctor who will be graduating this year, and she won't be able to work in the area, even though we have this shortage of doctors, because they can't get approval. She's likely going to have to leave the province.

When I hear the government say there's a shortage of doctors—there's not a shortage of doctors. There's a shortage of funding for doctors, and the government is turned around.

Anyway, I certainly look forward to working with you. I know that the LHIN is doing their best, but they should be pointing out the shortfalls of this government and where the problem really lies, instead of sitting there and taking the bullets to the chest, which is what they're doing.

The other issue is the same thing with the CCAC. We have people coming in who cannot find a place, a long-term-care bed. We have an Auditor General's report that said we were the worst in the province for wait times, and yet the LHIN says we're above, or we exceed, the number of beds that we need, and they have no plans to build any beds, even though we're looking at the seniors' population increasing by another 30% over 10 years. It just doesn't add up: no plans for new beds.

We have patients—and I know it's in the same LHIN—going to Bourget, which is a two-hour drive from Cornwall—it doesn't make sense—because there are no beds in the area. It's a common problem. If they would just acknowledge it—but they won't. They come back and tell us we have an excess of beds. The question is, where are they?

Mr. Jean-Pierre Boisclair: You've touched on a huge issue. For those people who have to face that reality for themselves, it is very difficult. I think the availability of community care and, when necessary, also long-term care and, ultimately, palliative care, are top-of-the-line issues to be considered.

Mr. Jim McDonell: I see also in our LHIN, but not in my riding, that we have the Beth Donovan Hospice being planned in Kemptville for many years. Hospices are looked upon as a more efficient way of delivering palliative care. They are a money-saver, but the province won't invest in them. They've been waiting many years for approval to move in. I see, even in the city of Ottawa, the same issue.

If you're looking at transforming health in this province, it comes down to—if you're going to look at the more efficient ways of doing it, then you've got to actually act on those, or you're always looking at the high costs—

Mr. Jean-Pierre Boisclair: Oh, absolutely, and that goes down to the heart of the ALS problem: people who get stuck in acute care facilities when in fact they should be somewhere else. When you think about the cost of treating somebody in an acute care facility for what is, in effect, a palliative situation, it's pretty significant.

Mr. Jim McDonell: Yes. One of the other—I just lost my train of thought here—oh, the Winchester hospital. I know that where I reside is about an hour and a half from Winchester. We have a lot of patients—neighbours of mine—who actually travel there.

This year, they're facing a \$3-million cut in funding. They're one of the more efficient—I guess they are the most efficient hospital in the Champlain LHIN. Their cost of service is one of the lowest. They've been taking on chemotherapy; they're going to have to cut that service.

Again, if you have a hospital—for our area now, that means driving into Ottawa for chemotherapy. For people, that's a two-hour drive, with parking and all the other issues. You've got a hospital that's more efficient and can do the service cheaper. They're not actually cancelling the service, but they're cancelling the funding, so you're forced into the hospital. Last year they closed 22% of their beds to try to absorb the cuts, and this is the

next cut. Where are we going with this? We're looking at an above-average seniors' population in our region. Our demands are growing, yet this is the type of response we're getting.

The frustrating part is that everybody is sworn to secrecy. They're afraid to say anything. You talk to them privately because they were warned that, if anything negative comes out in the press, next year's budget could be worse. We see this all over the place. It's frustrating when you've got people coming in who can't get service and this is what you're seeing from this government. For a government that's promising all this extra funding—I've been talking to the local doctors' association; this year, they're getting a 1.25% increase in funding for services, and demand is up over 2.7% by LHIN numbers. That means a cut in health care by over 1%. It just doesn't add up. They tell people that, but the formulas are so complicated. They give the impression that things are working well, but they just aren't.

Mr. Jean-Pierre Boisclair: You have given me some very significant food for thought as I go into this. You've added to what would keep me awake at night.

Mr. Jim McDonell: One last thing—

The Chair (Mr. John Fraser): You've got about a minute.

Mr. Jim McDonell: One minute? One last example. One of the organizations came to me concerning an issue they had with funding. On August 31, they hadn't received any funding or any money since March 31, the end of the fiscal year. They were within a day of layoff notices. When I went to the minister, first of all she denied it, and I said, "That may be, but tomorrow it's in the paper." Before question period was over, they had the cheque, but how could an organization go six months without receiving it, on an approved budget? That's just mismanagement. I can't believe that could happen. But boy, when it was going to become public, they resolved it. We kind of swore ourselves to secrecy, so that wouldn't—but how do you run a health care system like that? Me, I'd be embarrassed, although the deniability was fixed within an hour. Six months without a cheque. It was like, "The cheque's in the mail" for three months. That's our health care system. It just makes you wonder. I wish you good luck. I know it's not an easy job.

The Chair (Mr. John Fraser): Thank you very much, Mr. Boisclair. You can step down. Thank you very much for being here.

We'll now consider the concurrences. I'd like to consider the concurrence for James Bruce Bodden, nominated as member, Ontario Infrastructure and Lands Corp. Could someone please move the concurrence?

Mr. Bas Balkissoon: So moved.

The Chair (Mr. John Fraser): Any discussion? All those in favour? Opposed? Thank you very much. The motion is carried. Congratulations, Mr. Bodden.

I'd like to consider concurrence now for Jean-Pierre Boisclair, nominated as member and chair of the Champlain Local Health Integration Network. Could someone move this concurrence, please? Mr. Balkissoon?

Mr. Bas Balkissoon: Yes.

The Chair (Mr. John Fraser): Any discussion? All those in favour? All those opposed? The motion is carried. Congratulations, Mr. Boisclair.

Just before we adjourn, I'd like to remind everybody that next Wednesday, March 4, for those people who are in the pilot project for iPads, there will be a meeting in room 230. Shara is right there if you have any—I just mention it today so that, if people have issues that they want to discuss, they get prepared for that meeting.

Is there any further business?

Mr. Jim McDonell: I just have a quick question.

The Chair (Mr. John Fraser): Mr. McDonell?

Mr. Jim McDonell: If somebody is having issues with it, who's their contact?

The Chair (Mr. John Fraser): Shara is right there.

Mr. Jim McDonell: Okay. Thanks.

The Chair (Mr. John Fraser): Thank you very much. Okay. The meeting is adjourned.

The committee adjourned at 1004.

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Ms. Daiene Vernile (Kitchener Centre / Kitchener-Centre L)

Also taking part / Autres participants et participantes

Ms. Catherine Fife (Kitchener–Waterloo ND)

Clerk / Greffière

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