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**Official Report
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(Hansard)**

Wednesday 4 April 2012

**Journal
des débats
(Hansard)**

Mercredi 4 avril 2012

**Standing Committee on
Public Accounts**

Special report, Auditor General:
Ornge Air Ambulance and
Related Services

**Comité permanent des
comptes publics**

Rapport spécial, vérificateur
général : Services d'ambulance
aérienne et services connexes
d'Ornge

Chair: Norm Miller
Clerk: William Short

Président : Norm Miller
Greffier : William Short

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 4 April 2012

Mercredi 4 avril 2012

The committee met at 0846 in room 151.

SUBCOMMITTEE REPORTS

The Chair (Mr. Norm Miller): I'd like to call this meeting to order. The first order of business—first of all, I'd like to introduce Catherine Beagan Flood, who's sitting beside me here. She's legal counsel for the committee.

Also, there is a fair amount of information that you'll find before you, and I don't know whether, Will, you would like to—

Interjection.

The Chair (Mr. Norm Miller): Okay, we'll do the subcommittee reports first and then Will will just point out what you have—the pile of paper—before you.

Liz, did you want to move one of the two subcommittee reports?

Mrs. Liz Sandals: Yes. I'll start with the first one, which is dated Thursday, March 29.

Your subcommittee met on Thursday, March 29, 2012, 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 witnesses be scheduled in 30-minute time slots on Wednesday, April 4, 2012.

(2) That the Honourable Michael Gravelle, Minister of Natural Resources, be removed from the witness list.

(3) That the committee clerk contact the Deputy Minister of Education to let the ministry know they will no longer be scheduled for Wednesday, April 25.

(4) 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.

I'll stop here, and then we'll vote on this and then deal with the other one.

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

And the April 3?

Mrs. Liz Sandals: Okay. The second report:

Your subcommittee met on Tuesday, April 3, 2012, 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 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.

(2) That legal counsel be present at all hearings on the 2012 special report of the Office of the Auditor General on Ornge Air Ambulance and Related Services.

(3) That legal counsel provides advice as may be required by the Standing Committee on Public Accounts.

(4) That legal counsel distribute a letter to the Standing Committee on Public Accounts listing the potential areas where they could be of assistance during the hearings.

(5) 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): All in favour?

Mr. David Zimmer: Chair, Chair.

The Chair (Mr. Norm Miller): Yes.

Mr. David Zimmer: I want to speak to item number 3 on the subcommittee report before we vote on it.

The Chair (Mr. Norm Miller): Okay. Go ahead.

Mr. David Zimmer: Before we begin, Chair, I wonder if you might introduce the committee's counsel. Some of us have not met her yet.

The Chair (Mr. Norm Miller): Were you not here at the beginning of the meeting?

Mr. David Zimmer: I guess I was down the hall.

The Chair (Mr. Norm Miller): This is Catherine Beagan Flood, who is counsel for the committee.

Mr. David Zimmer: Thank you.

I do want to speak for a few minutes, not on—

The Chair (Mr. Norm Miller): The only thing I'd say before you start, Mr. Zimmer, is that I could have you speak but I'd like to keep things on schedule as well for the benefit of those that are here before us.

Mr. David Zimmer: I don't expect I'll be more than five minutes.

Let me say at the outset that I'm not going to speak to any substantive issues before the committee, that is, substantive issue as to what went on or didn't go on in the Ornge scenario. I do want to speak to—and I particularly want to address my remarks to the inquiries counsel

and I do want to speak then about matters of the processes of this committee, and in particular counsel's role at this committee.

Let me start my remarks—and I won't be more than five minutes. This inquiry raises very, very complex legal issues, issues surrounding what went on or didn't go on at Ornge. It raises complex legal issues because some witnesses before the committee, non-MPPs, are under oath. There is a parallel criminal investigation being conducted by the OPP. We have no knowledge of what's going on in that investigation or indeed where that's going to take us or who they're speaking to or not speaking to. I expect, in all probability, the likelihood of some complicated civil proceeding litigations that may, when this is all over, flow out of what went on or didn't go on at Ornge. So my questions and the issues that I want to raise are substantial about the process, in particular counsel's role.

In my view, the role of counsel is to advise the committee, give it counsel's best possible advice on an independent, non-partisan basis. Counsel, in my view, advises the Chair, takes questions from the Chair, offers guidance when asked and when not asked of the Chair and of the clerk of the committee, and indeed is available to all members of the committee, be they Liberal, Conservative or NDP, in how they can fulfill their duties and responsibilities.

Of particular concern are matters that may come before this inquiry and how those matters, depending on what this committee does with them or does not do with them, affect or may affect proceedings in the independent criminal investigation, potential civil proceedings dealing with the complex issues that we're dealing with here. So I have these questions that I'd just like to raise with counsel, about four or five of them, and perhaps she can assist us with them, or the Chair or the clerk.

I think we have to clearly understand, as members of this committee, the clerk and the Chair, the role of counsel and counsel's mandate. I can tell you that, as I understand it—and correct me if I'm wrong, Chair, or Mr. Clerk or Madam Counsel—you've been recently retained—that's what I'm advised—in the last few days or a week or so. Is that correct?

The Chair (Mr. Norm Miller): That's correct. And the counsel has met with the subcommittee and the counsel has provided information, which you have before you, on how she thinks she can assist. But I think many of the points you make are the reason that we have retained counsel.

Mr. David Zimmer: All right. So this issue came up about counsel's role and how counsel would fulfil that role in two previous inquiries before standing committees. One was the inquiry of August 1994, the Standing Committee on the Legislative Assembly, and the members of the committee there—MPPs Callahan, Chiarelli, Hansen, Harnick, Johnson, Marchese, Mathysen, Murphy, Winner and Sutherland. Lisa Freedman was the clerk of the committee.

Now here's the important point: There were two counsels to the committee, Eleanore Cronk at Fasken and Calvin as senior counsel, and junior counsel William Hourigan, also at the same firm. As you know, counsel Eleanore Cronk was a distinguished lawyer who went on and now sits on the Ontario Court of Appeal.

In that inquiry—

Mr. Frank Klees: Chair, if the member could get to the point, we have witnesses here. We have business to conduct. You haven't made a point yet, and it has been 10 minutes.

Mr. David Zimmer: I appreciate that, Chair, but the role of counsel and what this committee has to do—we've got to get it right, because if we get it wrong, there are independent criminal investigations out there. There is complex civil litigation I expect to be pending, and what we do here, if we don't get it right, may compromise the independent criminal investigation and the work of the civil proceedings. So the investment of five or 10 minutes to ensure that we get it right is the right way to proceed.

In the two previous inquiries, they spent several days sorting out the role of counsel. I've got the transcripts here. I've asked the clerk to distribute the transcripts. You can see what then counsel Eleanore Cronk, now justice of the Court of Appeal, advised the committee as to what she thought the role of committee counsel was.

Similarly, with respect to the inquiry that was done by the Standing Committee on the Legislative Assembly dealing with Shelley Martel, there were another two distinguished counsels on that committee: Patricia Jackson at Tory, Tory, and Larry Taman, who went on to a distinguished role in government, as counsel of that committee.

He spent several pages—and they spent several half days, I think, of the subcommittee—sorting out what the role of counsel was to the committee. I think it's very, very important that counsel have the benefit of at least reviewing—and I've distributed the pages; there are four or five pages, I think—of that discussion of that counsel's thoughts on how the committee should receive the advice of counsel.

And I say that—

Mr. Frank Klees: Chair, we've had this discussion. If the member thought this was so important, he should have brought this to our attention days ago when he had the opportunity to do so. None of us have an opportunity to review anything that you're bringing forward here today before we hear from witnesses. I'm suggesting to you, Mr. Zimmer, that what you're trying to do is simply rag the puck. We have witnesses here. We need to get to the business of what we're here to do. Table the information and we'll read it.

Mr. David Zimmer: I agree. We're here to get—

Mrs. Liz Sandals: Point of order.

The Chair (Mr. Norm Miller): Yes, Ms. Sandals.

Mrs. Liz Sandals: I did bring this information to the subcommittee yesterday and the subcommittee didn't want to discuss it any further, which is why we have a

very vague clause number (3) in the committee report. So I'm sorry, but the process is, when we have a committee report where there's one clause under contention, this is our only opportunity to discuss it.

Mr. Frank Klees: We know full well what's going on here.

Mr. David Zimmer: Mr. Klees, in anticipation of your objection, I've done the research—

Mr. Frank Klees: You anticipated my objection?

Mr. David Zimmer: Yes, so I did the research last night. I've got about six questions that I distilled from the two transcripts of the two previous inquiries where those very, very distinguished counsels recognized the dangers of not getting this right.

We have people who are coming here under oath. They're entitled to be treated fairly, to protect their rights. Inquiry members, whether they're on the opposition side or this side, are entitled to know what advice they can call on from counsel and the like.

0900

For a 10-minute investment, Mr. Klees, to get it right, how would you like it if we messed this up and later on, in a court proceeding, either civilly or criminally, there were rulings that because certain things were said or done or permitted to inquire here at this level, it jeopardized those proceedings? So let me just give you these—

The Chair (Mr. Norm Miller): Please get to the point, Mr. Zimmer.

Mr. Frank Klees: Chair, he's been at it for 15 minutes now.

Mr. David Zimmer: Well, if you stopped interrupting me, I could get through it, Mr. Klees.

Interjections.

The Chair (Mr. Norm Miller): Mr. Klees, please let him make his point. I think this is important. Make your point, please.

Mr. David Zimmer: Thank you, Chair.

This is a distillation of what you will find in here, Madam Counsel. To what extent have you been briefed on the subject matters of these hearings? There are hundreds of millions of dollars at stake here, complex corporate reorganizations. I'd expect that you've at least seen the corporate structure of Ornge and all of that. Most counsels preparing for a complex hearing like this do need time to really adequately and sufficiently prepare so they can deal with matters as they come before this committee from witnesses, the Chair, the clerk or committee members.

The other counsels spent some time sorting out their role as independent counsel. Is it your role to determine whether witnesses are able to bring counsel with them to these hearings, and if so, what the role of a witness's counsel would be? Has thought been given to that? A lot of attention was paid to that in the transcripts. Have you made a determination, at this point, as to the rights of witnesses to attend with counsel and what role counsel can play?

Another question that came up: Considering that this committee has determined that all witnesses will be

required to swear an oath, what's your view and what's your advice on determining at the outset whether, in fact, the witnesses have right to counsel, whether they should be advised of their right to counsel? What priority and how would counsel go about protecting the rights of witnesses if they appear here without counsel?

A number of our committee members have indicated the OPP investigation has to be the highest priority. Have you had an opportunity to assess, with the OPP, what the scope of their investigation is and how you will deal with matters should the OPP in its criminal investigation raise an issue that we ought not to go in that area or we should go in that area because it may jeopardize what they're doing?

Is your role as committee counsel to advise members of the appropriateness of their questions, having regard to the scope of the OPP investigation and the likelihood of civil proceedings subsequent to this hearing? Have you made a determination as to what types of questions members should avoid—avoid—asking witnesses to not jeopardize the OPP investigation and likely civil proceedings?

Lastly, there's going to be a large number of documents and a lot of testimony that amounts to matters that may or may not be subject to privilege or are protected by freedom of information. Is it your role to advise committee members as to how they should proceed in that regard?

So at first blush, it seems like just a relatively simple inquiry. We're going to be here; we're going to ask some questions of Ornge. But there are enormous consequences, as I've laid out, and I think I want to ask counsel—I want to be assured that counsel has essentially had adequate time to prepare in detail for her role in this committee and that she has had adequate time and can provide answers for those questions I've asked about how she will advise participants in this hearing.

I raise these questions both as an MPP and I raise these questions as an officer of the court, because I'm a barrister and a solicitor, and I have an obligation to speak to these matters both at that level as a counsel and as an officer of the court, as obviously you do, counsel.

The Chair (Mr. Norm Miller): Thank you for that, Mr. Zimmer. I'll ask our counsel—obviously you just gave many, many questions—whether she wants to respond a bit to it. But I would think that if she wants more time, you having just given all those questions, we can consider taking a recess as well. Do you want to respond, Cathy?

Ms. Catherine Beagan Flood: Yes, absolutely.

Mr. David Zimmer: And I've asked my questions all in the best sense of the word and in the interests of having a properly conducted hearing. Thank you.

Ms. Catherine Beagan Flood: Thank you, and I appreciate those questions. I think that you'll find there is a solicitor-client privilege memorandum that has been distributed to all members of the committee that addresses some of the questions that you've asked. There's also a letter that has been provided to witnesses, includ-

ing witnesses scheduled for today, which also answers a number of the questions that you've asked.

To address the other matters, what I would recommend is that I provide to the committee another solicitor-client privilege memorandum to address the few additional issues that have come up in your questions today, or the committee could recess. But certainly, we've already addressed a number of the issues you have, and in light of the meetings that I've previously had with the Chair and with the subcommittee—

Mr. David Zimmer: May I ask, those issues that I've raised are not specious.

Ms. Catherine Beagan Flood: I'm sorry?

Mr. David Zimmer: The issues that I've raised are not specious issues.

Ms. Catherine Beagan Flood: I'm not suggesting that they're specious issues; simply, many of these matters have been addressed already in the memorandum that's provided by the committee. I am a bit concerned about giving privileged advice in public.

Mr. David Zimmer: Ah. Well, that raises things. So maybe we should have this discussion in camera. I ask—
Interjection.

Mr. David Zimmer: Well, we have counsel here to seek counsel's advice. That's why the committee has retained counsel.

The Chair (Mr. Norm Miller): Okay. We'll take a five-minute recess to discuss this.

The committee recessed from 0907 to 0915.

The Chair (Mr. Norm Miller): Okay. Could I ask the committee to decide on the subcommittee report, to adopt that, and then, immediately after, we shall go into closed session to further discuss the points raised by Mr. Zimmer.

Mrs. Liz Sandals: Just to make sure I understand what we're agreeing to, we'll agree to the subcommittee report that has item (3) in it, but then we will—

The Chair (Mr. Norm Miller): Go into closed session to address—

Mrs. Liz Sandals: —which is sort of a vague item (3), or would it be better if we recessed, discussed what we need to discuss and then possibly come up with—I guess what I'm looking for is, where is the outcome in terms of ability to flesh out number (3)?

Interjection.

The Chair (Mr. Norm Miller): Yes, okay. So that is another option. We could do it that way.

Mrs. Liz Sandals: I think I would prefer that, because that gives us the option of fleshing out number (3) so that we have terms of reference when we come back from the in camera session.

The Chair (Mr. Norm Miller): So can we please decide on the subcommittee report minus point (3) then, please?

Mrs. Liz Sandals: Yes, that would be quite acceptable.

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

Mr. Frank Klees: Mr. Chair, I just want to—

Mr. David Zimmer: With the proviso—

Mr. Frank Klees: No. Mr. Zimmer—

Mrs. Liz Sandals: Mr. Klees has the floor.

Mr. Frank Klees: Mr. Chair, it's very obvious what's going on here. You know, Mr. Zimmer came late to this meeting. There was information—

Mr. David Zimmer: One minute. The clock was wrong.

Mr. Frank Klees: No—8:30.

Mr. David Zimmer: The clock was running nine minutes late.

Mr. Frank Klees: Mr. Zimmer, I let you speak.

Mr. David Zimmer: That's a silly argument. The clock was running nine minutes late.

The Chair (Mr. Norm Miller): Mr. Zimmer, please let Mr. Klees speak.

Mr. Frank Klees: Mr. Zimmer, there was information at our desks that addressed most of the issues that you addressed in your delay tactic.

What is going on here, Mr. Chair, is precisely the reason that we called for a select committee of the Legislature, where the appropriate framework could be worked out, where the terms of reference could be worked out, where all of the issues that Mr. Zimmer addressed could have been worked out before we got into this situation.

We said from the very beginning that the public accounts committee is not the forum to review and to investigate the matters before us. It was the government, and Mr. Zimmer himself, in debate on the select committee, that made the point that this is all we need. Now he comes here and he delays the hearing. We have witnesses here who have come, who are prepared, have taken time out of their busy schedules to be here, and Mr. Zimmer shows up here to make the very arguments that we made in the Legislature as to why we need a select committee of the Legislature.

This is an insult to the people who are here, and what I'd ask Mr. Zimmer to do is to go back in the recess and tell his Premier that what is needed is a select committee. We're certainly prepared, Mr. Chair, to move that we defer these witnesses who have come here to a select committee so that we can get on and do this appropriately. But in the meantime, this is something that is an offence to this committee, and, Mr. Chair, I would ask you to see through what Mr. Zimmer is doing and ensure that we can get on with the business of this committee.

The Chair (Mr. Norm Miller): Thank you for your point.

France?

M^{me} France Gélinas: I have been on public accounts for a little while, and we've had contentious issues come before public accounts—you'll all remember eHealth—and we were able to continue to work together because we wanted to go to the bottom of this. Mr. Zimmer was there, Mrs Sandals was there, during those discussions.

This sudden change of tactic is really unpleasant. It's not productive and it's like—I understand they want to change the channel to something else than talking about Ornge. I guess they don't want to talk about Ornge, but this is what we're here to do.

They have, many, many times in the House, talked about the power of the public accounts committee, and most of this power comes from the fact that we all work together so that the good work of our auditor, of getting value for money, actually pans out to getting value for money for the people of Ontario. And, all of a sudden, to have this taken off on a tangent of legalese talk is not serving this committee well. It is certainly not serving the witnesses who have come. I am ready to ask those witnesses questions. I have no fear that any of the questions that I will be asking those people will run me or any of you into trouble. I say that we move ahead with what we had intended to do this morning. If we need more clarification as to how we will use our legal counsel, we can get back together next week during recess and have an in-depth briefing with our lawyer.

0920

The people who are here today have been given their responsibility as to what being under oath means. The rest of it, to me, is business as usual. I will be asking the same questions of those witnesses that I have been asking every witness who has come to public accounts before. To sidetrack us, to recess, to make us basically not do our work is counterproductive to what we are here to do. We are here for the people of Ontario. We're here to make sure that they get value for money. There are people here today who have information that will help make light and will make sure we get value for money for the people of Ontario. This entire circus disgusts me.

The Chair (Mr. Norm Miller): Thank you, France. Liz.

Mrs. Liz Sandals: First of all, let me make it perfectly clear that there is nothing I would like to do more than to hear from Mr. Smitherman. I am absolutely delighted to hear from my friend Mr. Smitherman. But there are two precedents in recent memory for a committee hiring legal counsel. This is very unusual. In fact, it's got nothing to do with select committees. The Gigantes inquiry was a standing committee. The Martel inquiry was a standing committee. It's got nothing to do with whether it's a standing committee or a select committee.

When you look at what happened in those previous cases, the subcommittee took the time to work out in more detail exactly what the role of counsel is. The subcommittee then made recommendations to the full committee which had the role of counsel fleshed out.

We're just making it up as we're going along. I did suggest yesterday that, in fairness to the witnesses that were scheduled this morning, we should ask them to come back in a couple of weeks or to rearrange the schedule or something, because I didn't want this to happen. When the other two parties said, "No, we don't want to discuss the role of counsel in advance in detail," you leave us no option but to bring it to the floor of the committee. I would have been perfectly happy to work through this yesterday or to do a formal deferral of the witnesses, but it seems to me very strange that, when we're dealing with a report of the auditor where everybody seems to be in agreement that one of the issues is,

"Was the performance agreement thought out well enough in advance?" and now we're doing the terms of reference for a new enterprise, "Were they thought out well enough in advance?"—we're doing exactly the same thing here. We're going down a new road; we need to think out the terms of reference of legal counsel because it matters.

I have never, ever, been on a standing committee where the witnesses were sworn and where the committee had counsel. That changes the game. We need to sort out what the rules are and what the role of counsel is. I would note that yes, this appeared on our desk this morning, but from the point of view of the witness, the witness didn't get to read it until he was going out the door this morning and opened his email.

So, in fairness to the witnesses, we're also disadvantaging the witnesses if they don't have a chance to look at the implications of being sworn in advance. I totally support the suggestion of the Chair that we go in camera and sort it out.

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

Mr. Toby Barrett: I have a motion that is before members of the committee. I wish to have this motion considered before we go forward with our witnesses.

The Chair (Mr. Norm Miller): We have business, obviously. We'll get to that, but at this point we're still discussing point (3) of the subcommittee report.

Mr. Toby Barrett: Certainly. Thank you, Chair.

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

Mr. David Zimmer: Just to pick up on something that NDP member France Gélinas said: Look, the public accounts committee is in fact the place to do this exercise. But for the public accounts committee—and this is the thrust of my submission—given all of the complexities that we have to deal with, what we have to do is get the ground rules right about how we go about this inquiry.

One of the essential elements of those ground rules is counsel's role. For instance, has counsel had a chance to read in detail, consider in detail, the close-to-200-page performance agreement, which is going to be essential to this thing? In the transcript from the Gigantes inquiry, there are 14 single-spaced pages of advice and decisions about how inquiry counsel Eleanore Cronk was going to proceed, and similarly in the Martel thing. I think that it behooves all of us to take the benefit of that advice, go in camera, sort out the ground rules and then proceed so we can really dig into this in a fair way, without jeopardizing the inquiries.

The Chair (Mr. Norm Miller): Jagmeet.

Mr. Jagmeet Singh: Thank you, Mr. Chair. With respect to the role of counsel, it's very confusing or disturbing to me that if we didn't have counsel here today, if we hadn't hired counsel, we would've gone on with our inquiry, asked the questions, as we did on the first day of this committee when we had witnesses, and proceeded as normal. The addition of having counsel, who is—I think it should be very, very clear. Counsel has one role and one role only: to assist this committee in

finding the truth. The committee's purpose is to search for the truth, to uncover what happened and to assess value for the money that was put out by the taxpayers. That's it. There's no complexity to that. We are here to find the truth. That's of paramount concern. As a secondary concern, counsel can advise us if an issue arises, and then that's the purpose of it.

To suggest that having counsel will delay the truth-searching concept of this committee—it's very disturbing and very concerning that Mr. Zimmer would raise that issue. There is no issue here. We have witnesses; we'll hear from them. If a legal issue arises, we have counsel; we can ask questions of her. That's it. There's nothing more complicated than that. The notion that having counsel would delay this hearing is so counterproductive and so contrary to common sense, it defies belief. I don't understand that at all.

Mr. David Zimmer: On the contrary, we want counsel—

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

Mr. Frank Klees: Mr. Chair, I think we all see what's happening here. I would like to make a motion that we dismiss counsel. We don't need counsel. What we need to do is get to the truth and move on, and I would like to make a formal motion that we dismiss counsel and that we retain her for the select committee when the government agrees to strike that. That is my motion.

The Chair (Mr. Norm Miller): We would need that in writing, Mr. Klees.

Mr. Frank Klees: I'll put it in writing.

Interjection.

The Chair (Mr. Norm Miller): If you get that to the clerk, then we'll recess and print that and vote on it.

A ten-minute recess.

The committee recessed from 0928 to 0952.

The Chair (Mr. Norm Miller): Okay, so the first order of business, then, now that we're back in session, is if we could get the subcommittee report, minus point (3)—

Mr. David Zimmer: Sorry, I can't hear.

The Chair (Mr. Norm Miller): —the subcommittee report, minus point number (3), approved by the committee. We would then go to debate on the motion put forward by Mr. Klees.

M^{me} France Gélinas: So moved.

The Chair (Mr. Norm Miller): All in agreement? Agreed. That's the subcommittee report, minus number (3), approved.

Okay. Now we have—Mr. Klees, if you want to move your motion.

Mr. Frank Klees: Yes, Mr. Chair, I move—

Mrs. Liz Sandals: Point of order, Chair: There are four motions that are on our order paper for today. How does this one get precedence? If it's not an amendment to the subcommittee report, how does it get precedence?

The Chair (Mr. Norm Miller): This directly affects our proceedings right now. The others do not.

Mrs. Liz Sandals: Okay.

The Chair (Mr. Norm Miller): Go ahead, Mr. Klees.

Mr. Frank Klees: Mr. Chair, I move that the Standing Committee on Public Accounts direct the clerk of the committee to dismiss legal counsel retained to provide advice to the committee, given that the committee is being unnecessarily delayed through concerns raised relating to the role of counsel. The committee is fully aware of its responsibilities and believes it is in the public interest to proceed with its scheduled business.

The Chair (Mr. Norm Miller): Comments?

Mr. Jagmeet Singh: I wanted to second the motion.

The Chair (Mr. Norm Miller): Okay.

And just for all the TV cameras in the room, if you could please keep the cameras off the desks and not be filming any of the materials on the desks, please, we'd appreciate it.

Sorry, so you second the motion?

Mr. Jagmeet Singh: I want to second the motion.

The Chair (Mr. Norm Miller): That's not required.

Mr. Jagmeet Singh: Okay. I can provide some commentary, then.

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

Mr. Jagmeet Singh: Mr. Chair—

The Chair (Mr. Norm Miller): Sorry, Jagmeet. Frank, did you want to go first on this?

Mr. Frank Klees: If you don't mind.

Mr. Jagmeet Singh: No, not at all.

The Chair (Mr. Norm Miller): Go ahead.

Mr. Frank Klees: Mr. Chair, first, I want to thank Ms. Flood for the work that she has done so far for this committee. I appreciated the helpful memorandum. I certainly will be prepared to recommend Ms. Flood's services for the select committee when the government finally decides to get around to respecting the will of the Legislature with regard to that committee.

The motion before us is straightforward. It respects the fact that members of this committee are fully aware of their responsibilities not only as members of this committee in terms of how to conduct its business but also the sensitive nature of the issue before us.

There isn't a member of this committee who does not have extensive experience as a legislator in the various committees of this government, who does not understand the importance of respecting the parameters we discussed at length, not only leading up to this committee hearing, but also it was discussed in the subcommittee. We have witnesses here who have been called, who are ready to give us the information based on our questioning. I know that every member of this committee will in fact ensure that their questions respect the parameters of this committee and will respect the sensitivity.

My point with this motion is very simply to let Mr. Zimmer and the government members know that we see through what has happened here this morning. There was an opportunity for Mr. Zimmer to raise this informally with committee members. Had he been sincere in his words as he expressed them this morning—there was ample time to have this discussion, to bring the information forward that he tabled with us at the last minute here today. There was no reason to delay the proceedings. We

could have had as many hours of consultation with legal counsel as we felt necessary.

It was very obvious that the government members don't want to have the discussion about Ornge. They don't want us to get on with getting the information from witnesses. Quite frankly, I believe that it is in the public interest for this committee, which has been struck for the purpose of reviewing the Auditor General's report as it relates with Ornge, to get on with its business. To do anything less, I believe, is quite frankly obstructing the work of this committee.

It's for that reason I brought that motion forward. I trust that members—members of the government side as well, who may not have been in on the play that Mr. Zimmer brought to this committee this morning, because I saw some surprised looks over there as well. This is an independent committee. It should not be a partisan forum. This is not about protecting anyone in this government; it's about getting to the truth. That's what this motion gives us an opportunity to do, and I ask members to support it. Thank you.

The Chair (Mr. Norm Miller): Jagmeet?

Mr. Jagmeet Singh: Thank you, Mr. Chair. I think we all agree that the spirit of this committee is to uncover the truth. We're here to question the witnesses who are here in attendance and the witnesses who will come in the future. Again, no disrespect to counsel, but if retaining counsel somehow presents an obstacle to getting to the truth, if having counsel being retained somehow limits our ability or delays our ability to hear from witnesses, then it's not in the spirit of this committee. We need to continue what this committee is here to do—continue its work. No disrespect to counsel, but if the presence of counsel is going to be used to delay or to slow down this process, then it's not in the spirit of this committee. That's why I support this motion.

With respect to witness protection, witness protection has been well covered in law. We know that there's whistle-blower protection that already exists. It has been well established by the Supreme Court of Canada. O'Brien and Bosc clearly indicate that witnesses who testify in committee are given immunity. That's something that's also protected by the Charter of Rights and Freedoms. That's already established. The law is very clear on that; we don't need any further clarification on that issue.

In terms of witnesses who are giving oaths, that's something that this committee has done numerous times. All throughout eHealth, there was testimony that was provided, that there was no—

Mrs. Liz Sandals: There was no oath, though.

Mr. Jagmeet Singh: I would respect it if I was not interrupted. You'll have your time to indicate what you want to indicate afterwards.

If there is someone who has provided evidence before this committee—it has happened during eHealth. There was no counsel present at that point in time. To request people to tell the truth is something that's very sensible; it's very obvious. They're testifying before a committee

made up of members of Parliament. It would be very understandable for those who are testifying to be under an oath, to promise to tell the truth. We would ask no less of anyone. We assume that members will be telling the truth, and that's why we don't require them to give an oath.

It's my further submission that with respect to any criminal proceedings, there is no way that evidence that is adduced here would affect any criminal proceedings. They are going to go on as they go on. They will continue as they continue. What evidence is adduced here from the Minister of Health previously and from members of Ornge—their evidence will be kept protected by the whistle-blower protection, and that will not limit whatever the OPP is investigating. They can continue their investigation.

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To suggest that we should end our discussion here, we should limit our discussion here, simply because we're afraid of any limitation on any criminal proceedings—we can continue with our discussion here, uncover the truth, do what we're here to do, and let the other investigation continue as it will.

My submission is, in conclusion, that we need to continue our work, and if that means dismissing counsel to continue our work, we should do so, so that the work of this committee can continue.

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

Mr. David Zimmer: Thank you, Chair. Look: Let me put the issue in very simple language. This committee ought not to fly by the seat of its pants when there's an ongoing, parallel criminal investigation, number one.

Number two: For Mr. Singh to make the statement, which just stunned me, that evidence given under oath at this committee can't be obtained and used to cross-examine witnesses and so on in other proceedings is wrong. I expect you must have skipped the evidence class.

Number three, to have another issue here, which is sort of hanging over—I'd be interested to get counsel's remarks on this. We've got two tiers of witnesses here. We've got civilian witnesses, non-MPP witnesses, who come and give evidence, and they're compelled to give it under oath, and all of the restrictions and parameters and so forth apply to what they can say and what they can't say, etc., etc. Counsel will understand that. Then we have the MPP witnesses, who are not under oath, who are treated differently and have a different set of parameters.

All I ask is that somebody—counsel, committee clerk, Chair—carefully consider those transcripts—the Gigantes and the Martel transcripts—and let us not proceed by the seat of our pants.

I want to ensure—and I'm speaking against Mr. Klees's motion. We do need committee counsel. We need the best possible committee counsel. We've got a distinguished counsel from a very, very distinguished law firm; she knows her stuff. But let's make sure that we get the ground rules straight so that we preserve the integrity of this committee's findings, whatever they may be, and we preserve them in such a way that they don't un-

wittingly jeopardize other proceedings which may arise out of the criminal proceedings. Thank you.

The Chair (Mr. Norm Miller): Liz?

Mrs. Liz Sandals: Yes, thank you. I certainly support what Mr. Zimmer has said, but I think it is important to understand that the idea of hiring counsel was actually not an idea that came from any particular party. It was the clerk's suggestion that we hire counsel. The subcommittee met and we all agreed that that would be worthwhile because of the fact that this is unlike things that we have done in previous memory.

eHealth was mentioned. At the time we did the eHealth inquiry, there was not an ongoing criminal investigation. The witnesses were not sworn. This is the first time in my experience as an MPP that we have ever sworn the witnesses at a committee. When we did the Select Committee on Mental Health and Addictions, we certainly weren't swearing witnesses. So it isn't that select committee and counsel are one thing and standing committee isn't.

This is different from a situation we have ever been in before, and my concern is—and I raised it yesterday—that we need to sort out the role of counsel. We have never, within my term here—so that's over eight years—had a counsel at committee and have never talked about what we want the role to be. The terms of reference, I suspect, are somewhat different than we might have had in the past, and we need to sort it out, because in the possible roles of counsel is the issue of pre-screening questions from committee. I can't imagine Mr. Klees wants his questions pre-screened, so in my—you're looking very surprised, Mr. Klees. We need to sort out what's the role of counsel, which is what I was saying yesterday when the subcommittee first had an opportunity to do this. I suggested we needed to deal with what's the role of counsel.

We are spending way more time discussing whether or not we should have a discussion than actually getting on with the discussion. We could actually facilitate getting to the witnesses if we would just have a discussion about what is the role of counsel.

So I will move an amendment to the motion that is on the floor, and the amendment is “and that the decision to dismiss counsel to the committee not be determined until the committee receives an in camera briefing from counsel with respect to the potential role of counsel.”

The Chair (Mr. Norm Miller): Are you comfortable with that, or would you like a copy of the amendment? Members, are you comfortable with the verbal—

Mr. Frank Klees: I am, quite frankly, very comfortable with having a vote on that right away as part of—we'll vote on the amendment, and then we'll vote on the motion.

Mrs. Liz Sandals: And speaking to the amendment.

The Chair (Mr. Norm Miller): Yes. Can you restate the amendment, please, as well?

Mrs. Liz Sandals: “And that the decision to dismiss counsel to the committee not be determined until the committee receives an in camera briefing from counsel

with respect to”—I have to read my own writing here—“the potential role of counsel.”

So what continues to concern me is that, in the subcommittee meeting, there was a list of possibilities that was presented to us. I asked yesterday that we go through those potential roles and determine in detail what it is that the potential role of counsel is. It seems to me that to start the hearings—I understand we already did a day with the deputy and the ADM and the minister, which was like our conventional public accounts hearing. But we're moving into a different realm where we've got external witnesses who are being sworn in. We really do need to determine where we expect counsel to step in, what her role is, if any, in advance. We need to sort it out, not at some case-by-case on-the-fly basis where we're going to be coloured by who the witness is. We need to have a neutral, non-witness influence discussion about what is the role of counsel.

That's all I'm asking for, that we have the discussion. We've wasted all morning thinking about whether or not we can discuss the discussion.

Mr. Frank Klees: Who's wasting time now?

The Chair (Mr. Norm Miller): Okay. Are you finished?

Mr. Ouellette—Jerry.

Mr. Jerry J. Ouellette: Thank you very much, Mr. Chair. You know, having been a member of this committee for almost five years and chaired many committees—and some of them were very controversial in the past—and sat through other aspects such as eHealth, we didn't have legal advice at that time nor did we have legal advice during the first presenters of this committee.

I do have concern regarding a precedent being set that any controversial issues found within the Legislature can be delayed by enacting actions such as OPP investigations for further actions of this committee. I believe, quite frankly, that one of two things is occurring: Either there is a lack of belief in the ability of the counsel that has been presented before us, in that they do not have the capacity to advise us with the correct movement forward, or it should have taken place already; or the full intent is to delay the committee's actions and recess this committee until such time as the OPP have completed a complete investigation.

I don't believe that it is moving forward in the best interests of this committee, and I think that we should move forward with the question that has been presented before us, Mr. Chair.

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

Mr. David Zimmer: To the amendment: Of course, the other reason to give counsel a chance to do her work and brief us and find out what her view of things is, number one, so that counsel can fulfill her obligations to the committee and its witnesses that appear before it, and—and I say this with the greatest of respect—so that counsel can fulfill her professional obligations as a lawyer and an officer of the court and so on. I want to make sure that the counsel has every opportunity to

digest and familiarize herself with this very, very complex matter.

The Chair (Mr. Norm Miller): France?

M^{me} France Gélinas: I'd like to call the question on the amendment and call the vote.

The Chair (Mr. Norm Miller): Any further debate?

Mrs. Liz Sandals: Recorded vote.

Ayes

McNeely, Moridi, Sandals, Zimmer.

Nays

Barrett, Gélinas, Klees, Singh.

The Chair (Mr. Norm Miller): It being a tie vote, I will vote against the amendment.

Now I call the same question on the actual motion. All in favour? All opposed?

Once again, I will vote against the motion, the reason being that the full committee has already decided the matter of agreeing to hire legal counsel. So I'm maintaining the status quo of the committee.

The committee has already decided to have the hearings go on as well. I would suggest that we go into closed session so that we can decide the parameters of the legal counsel, so that we can continue with the work of the committee.

Mr. Toby Barrett: Chair, I do have a motion. When is the appropriate time this morning to present this motion?

The Chair (Mr. Norm Miller): We can come out of closed session at the end to look at your motion. Now we will go into closed session, so we will need to clear the room.

The committee continued in closed session from 1011 to 1230.

The Chair (Mr. Norm Miller): If I can call the meeting to order: First of all, I'd like to point out that there has been a change in the agenda for this afternoon for the witnesses that will be coming before the committee. We had an empty slot at 1 o'clock, so George Smitherman has offered to come back and present at 1 o'clock. Also, the chair of the board of Ornge is going to be presenting at 2 o'clock instead of Mr. Barry McLellan, board member, who is going to be called at a later date.

At this point, we have point (3) to do with legal counsel. Ms. Sandals.

Mrs. Liz Sandals: Yes, and just to note that we have sorted out the details of this in camera. I am pleased to move that legal counsel provide advice as may be required by the Standing Committee on Public Accounts.

The Chair (Mr. Norm Miller): Is there agreement on that? All in agreement? All agreed? Carried.

SPECIAL REPORT, AUDITOR GENERAL: ORNGE AIR AMBULANCE AND RELATED SERVICES

MINISTRY OF ECONOMIC DEVELOPMENT AND INNOVATION

The Chair (Mr. Norm Miller): Our first presenter this afternoon is going to be from the Ministry of Economic Development and Innovation: Wendy Tilford, Deputy Minister. Are you present?

Did you want to be affirmed, Ms. Tilford?

Ms. Wendy Tilford: Sworn.

The Chair (Mr. Norm Miller): Sworn. Okay. Welcome to the committee.

The Clerk of the Committee (Mr. William Short): Ms. Tilford, do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

Ms. Wendy Tilford: Yes.

The Clerk of the Committee (Mr. William Short): Thank you.

The Chair (Mr. Norm Miller): I was reminded by legal counsel that you did receive the "Witnesses Appearing before Standing Committee on Public Accounts" information binder?

Ms. Wendy Tilford: Yes, I did. Thank you.

The Chair (Mr. Norm Miller): We have half an hour in total, so that will mean there are five minutes for a presentation and then there will be eight minutes split amongst the three different parties for questioning. So, please, go ahead.

Ms. Wendy Tilford: Good afternoon to the Chair and to the committee members. I'm Wendy Tilford. I'm Deputy Minister of Economic Development and Innovation. I was appointed to that position in December 2011 when the Ministries of Research and Innovation and Economic Development and Trade were merged. Prior to that, I was Deputy Minister of Economic Development and Trade. I was appointed to that position in February 2010.

The mandate of our ministry is jobs and the economy. We support the domestic and international growth of Ontario companies. We provide programs and services to foster innovation and we promote Ontario as the best choice for foreign direct investment.

I have no involvement with respect to the creation of Ornge, its structure or the delivery of its mandate. However, since the Ministry of Economic Development and Trade had some interaction with Ornge with respect to a 2011 trade mission, I thought the committee would appreciate some background on this.

The ministry—sometimes with partners, sometimes on its own—hosts about 60 trade missions annually. We have found it to be a very good method to introduce Ontario companies to new market opportunities.

In 2010, the ministry was considering, in partnership with the Canadian-Arab Business Council, a trade mission to focus on the growing health care market in the

Middle East. Ontario is home to many innovative health care companies that could benefit from expanding markets. The mission took place from January 26 to February 2, 2011.

As with all trade missions, we promote the trip to as many Ontario companies as possible in the sector. There were 20 organizations on this mission, and Ornge was one of those companies. Ornge was represented by Lisa Kirbie, the director of regulatory affairs, and Paul Carter, the VP of sales and marketing.

While I interacted with all the companies on the mission at group sessions and receptions, the government program was separate from the business program. I did not meet with Ornge or any of the other companies individually during the development of the mission, nor did I accompany Ornge or any company on their business meetings in the Middle East.

As the committee is well aware, I was copied on the memo from Ornge dated January 19. While I do not have a detailed recollection of the contents of the memo, I do recall looking at it and noting that it focused primarily on Ornge's organizational structure.

As the focus of my ministry at the time was the trade mission and as the areas outlined in the memo were better considered by the Ministry of Health and Long-Term Care officials who were already copied on that memo, I did not take further action on the memo.

A few weeks later—after the mission—in mid-February I received an email from one of Ornge's trade mission participants requesting a meeting. Our ministry meets with businesses in the province every week. I would always meet with a company that had participated on a mission, hoping to learn about mission outcomes and their opinion of our services. So I and two officials from our trade division met with Ornge in mid-March 2011. Ornge provided an overview of the company and their services. For our ministry, the focus of the meeting was to seek feedback on our export services to assist with the ongoing delivery of our trade mandate.

While I had no further involvement with Ornge after that meeting, the ministry had a few interactions, mainly focused on mission follow-up.

With that said, I would be pleased to answer any questions the committee has.

The Chair (Mr. Norm Miller): Thank you very much for your presentation. Just to explain the way we're going to do this: For the first presentation, we'll start with the opposition, then the third party and the government. For the next presentation, we'll start with the third party; the next presentation, we'll start with the government. Everyone will get equal time.

Who in the opposition would like to ask questions? Mr. Klees?

Mr. Frank Klees: Thank you, Chair. Ms. Tilford, thank you for being here today. I have copies—you don't recall the letter you received, the January 19 letter—

Ms. Wendy Tilford: No, I said I did recall it.

Mr. Frank Klees: You do?

Ms. Wendy Tilford: Yes.

Mr. Frank Klees: But you don't recall the specifics?

Ms. Wendy Tilford: Not the specifics.

Mr. Frank Klees: Clerk, could we have the letter distributed, please? The reason for that—I just want to refer you to a couple of points there.

Can I ask you, first of all, with regard to the trade mission: Who would have paid for Ms. Kirbie and Mr. Carter to attend that trade mission?

Ms. Wendy Tilford: All of the participants pay a \$1,500 fee to be part of the mission. That particular mission was paid to the Canadian-Arab Business Council, and it covered ground transportation and various reception and meeting expenses they would have when they were in-market. Any other expenses incurred by the companies were paid directly by the companies who participated.

Mr. Frank Klees: Okay, so Ornge would've covered all of those fees, the accommodations—

Ms. Wendy Tilford: I'm sorry?

Mr. Frank Klees: Do you have any idea what the total cost would have been after accommodation? I'm assuming the \$1,500 is the registration fee to be part of it.

Ms. Wendy Tilford: That's correct.

Mr. Frank Klees: Any idea what the overall cost would be?

Ms. Wendy Tilford: It depends, because each company makes their own arrangements.

Mr. Frank Klees: It depends on which hotel they're staying at.

Ms. Wendy Tilford: It does. They make those choices themselves.

Mr. Frank Klees: Okay. With regard to the letter—I think you've been given a copy now, have you?

Ms. Wendy Tilford: No.

Mr. Frank Klees: Could we ask—please.

You were copied on this letter along with many others, including the principal secretary to the Premier; policy advisers to the Premier; the Deputy Minister of Finance; the Deputy Minister of Health; the Deputy Minister and CEO of Infrastructure Ontario; the chief of staff to the Minister of Finance; the chief of staff to the Minister of Economic Development and Trade; the chief of staff to the Minister of Health and Long-Term Care; the director of the Emergency Health Services branch; Dr. Christopher Mazza; Mr. Tom Lepine, who was the COO of Ornge at the time; and the entire board of directors.

You held, at the time, the role of Deputy Minister, Economic Development and Trade.

Ms. Wendy Tilford: Correct.

Mr. Frank Klees: You say you read the letter when you received it?

Ms. Wendy Tilford: No, I said I remembered receiving the package, but I don't remember all the details of it. I didn't go through it thoroughly.

Mr. Frank Klees: Can you just tell me how thoroughly you did go through it?

Ms. Wendy Tilford: I read the executive summary, so I know in the executive summary enough there that was said that no public funds would be used for what Ornge

was proposing. I knew that it dealt with changes to their corporate structure. I knew that it said that whatever they were doing aligned with the agreement they had with the Ministry of Health. However, I've never seen the agreement with the Ministry of Health, so it would be very difficult for me to assess whether that would be true or not. I also noted that it was addressed to the Ministry of Health, so I knew that they were the prime recipient on the letter.

Mr. Frank Klees: And you made the assumption that if the Minister of Health received this—and, I'm assuming, all these other people who were copied on it—that any details would be looked after by them? Is that right?

Ms. Wendy Tilford: I also, as I said, received an email from Ornge with an invitation to meet, and they referenced that the Ministry of Health had been talking to them about this.

Mr. Frank Klees: Did you meet with Ornge?

Ms. Wendy Tilford: Yes, I did. I said I did meet with Ornge; I met with them in March.

Mr. Frank Klees: And they would have reviewed this letter?

Ms. Wendy Tilford: No, they didn't—

Mr. Frank Klees: What was the nature of that meeting with them?

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Ms. Wendy Tilford: I didn't know. I thought it was probably—in their email they referenced the trade mission, so I would have attended the meeting with the anticipation of talking about the trade mission. They did give a presentation that talked about their services. They talked about some of their service metrics and they talked about their organization.

Mr. Frank Klees: Did they in that meeting discuss with you their intention to put airlines out of business and take over and bring in-house all of the both fixed-wing and helicopter services that they were, at the time, contracting out to?

Ms. Wendy Tilford: I don't remember them describing it that way.

Mr. Frank Klees: What would your reaction have been had they told you that?

Ms. Wendy Tilford: Really, not knowing how the Ministry of Health's contract is set up with them, I wouldn't be able to comment on that.

Mr. Frank Klees: In fact, Mr. McKerlie, when he was here, referred to the fact that they have standing offer agreements. He listed a number of those companies. What he failed to tell us, and we'll follow up with him, is that some of those that were on the list, Ornge has actually put out of business because they brought in-house all of that service. They've decided to own helicopters. They've decided to own aircraft. In the past, those were contracted out to Ontario businesses who know the business, who were qualified.

Obviously, that in itself is a contribution to the economic development regionally as well as throughout Ontario. I just thought that given your responsibilities for

economic development, that in itself may have been a red flag for you, or at least a point of discussion.

I'd like to refer you to appendix E, which is the last page of this letter. This attachment describes the corporate structure that Ornge had planned—

Ms. Wendy Tilford: Sorry, I just want to get my glasses out so I can see.

Mr. Frank Klees: Okay—that Ornge was in the process of implementing. For someone who is involved on a day-to-day basis with corporate structures and economic activity—it's the very last page, appendix E.

The Chair (Mr. Norm Miller): You have two minutes, Mr. Klees.

Ms. Wendy Tilford: I have it now, thank you.

Mr. Frank Klees: Did you see this when you got your copy of the letter?

Ms. Wendy Tilford: There were a number of complicated diagrams in what they sent me. I can't tell you if I specifically saw this one.

Mr. Frank Klees: If someone came in to you today and said, "Here's an organization that I am putting together to deliver air ambulance services in the province of Ontario," what would your immediate reaction be as you look at this diagram?

Ms. Wendy Tilford: That it's a complicated diagram, but other than the details of it and how it related to the agreement they had with the Minister of Health, I couldn't have commented.

Mr. Frank Klees: Would it have prompted you to ask some questions about why such a complex organization was necessary?

Ms. Wendy Tilford: Not when I knew that the Ministry of Health was interfacing with the company on this, I wouldn't have.

Mr. Frank Klees: So you relied, as a deputy minister, on the Minister of Health to ensure that all of this was kosher?

Ms. Wendy Tilford: I relied on the minister and ministry—I deal more with the ministry than I do with the minister—because they would have had the relationship with Ornge.

Mr. Frank Klees: And the responsibility of oversight, I'm assuming, right?

Ms. Wendy Tilford: Well, knowledge of the contract and the contractual agreements that would be had with that organization, yes.

Mr. Frank Klees: Thank you very much.

The Chair (Mr. Norm Miller): Who would like to question from the NDP? France, go ahead.

M^{me} France Gélinas: Thank you for coming. My first question will be quite brief. You've made reference to an email that you received from Ornge asking you for a meeting, to which you said you agreed to meet. Would it be possible for you to track down that email and share it with the committee?

Ms. Wendy Tilford: Yes, it would.

M^{me} France Gélinas: Okay, thank you. I would appreciate if you could do that.

The second question I have is that we know that Minister Papatello visited AgustaWestland, the company that sold Ornge its helicopters, and then they paid Ornge \$6.7 million, in what looks much like a kickback right now. Do you know, when Minister Papatello met with AgustaWestland, if they discussed Ornge at all?

Ms. Wendy Tilford: So what I do know about discussions with the company that you referenced is the ministry and the minister had met them at the Farnborough air show in 2010. So I would have been present at that meeting. There was no discussion about Ornge. In 2011, at the Paris air show, there would have been a contact made there. I wasn't present at that, but my understanding was that there was no discussion about Ornge. And the minister met with the company when she was on a trade mission. I was not present on that one, but I understand there was also no discussion about Ornge.

The purpose of our interaction with that company was to attract them as a foreign direct investor in the province. So we were interested in them setting up some kind of training or manufacturing facility in the province. That was our interest in discussion with that company.

M^{me} France Gélinas: Okay. In your capacity at Economic Development and Trade, you receive a memo from a publicly funded provider saying that they received a \$5-million payout from a provider. Would that raise flags? When you deal with businesses where a business buys something from a provider and then the provider gives money back, have you come upon businesses that deal like that?

Ms. Wendy Tilford: Are you referencing something that was in the January 19 memo?

M^{me} France Gélinas: No. I'm referencing in the work that you do for the government—you deal with a lot of businesses.

Ms. Wendy Tilford: I do.

M^{me} France Gélinas: So when a business transaction looks like I buy something from you—like Ornge buying something from AgustaWestland, and then Agusta giving money back to Ornge—if you see those kinds of transactions going on between businesses, is there any comment you can make?

Ms. Wendy Tilford: How would I know about that transaction?

M^{me} France Gélinas: You would have been told.

Ms. Wendy Tilford: I wasn't told about that transaction.

M^{me} France Gélinas: But if you were told, would you have any comments to make?

Ms. Wendy Tilford: I would want to understand the terms of the transaction before I could comment.

M^{me} France Gélinas: Okay. When you received the 35-page memo, were you surprised that you had been copied on it?

Ms. Wendy Tilford: I get copied on a lot of material. I wasn't sure what the intent was of copying me on it.

M^{me} France Gélinas: Did you ever clarify why you had been copied on it?

Ms. Wendy Tilford: No, I didn't, because many people were copied on it, and it was addressed to the Ministry of Health.

M^{me} France Gélinas: So you received it, you read the executive summary and you put it aside?

Ms. Wendy Tilford: I did.

M^{me} France Gélinas: Okay. And you were comfortable putting it aside, because you trusted that the Ministry of Health was going to do the follow-up?

Ms. Wendy Tilford: I didn't have any knowledge to be able to participate in that discussion, yes.

M^{me} France Gélinas: Okay.

Mr. Jagmeet Singh: Good—is it still morning? It's afternoon. Good afternoon.

Ms. Wendy Tilford: Good afternoon.

Mr. Jagmeet Singh: I just have a couple of questions with respect to your dealings, or any conversations you might have been involved in, with AgustaWestland. During that discussion when the minister was hoping to have AgustaWestland invest in Ontario or provide some sort of training facility or facilities to manufacture their product, their helicopters, here—

Ms. Wendy Tilford: As we do with many companies.

Mr. Jagmeet Singh: Yes, of course.

Ms. Wendy Tilford: They are a core business.

Mr. Jagmeet Singh: Certainly. What stage did those discussions get to?

Ms. Wendy Tilford: They were quite early in their discussions. We haven't landed that investment.

Mr. Jagmeet Singh: Was there any indication on behalf of AgustaWestland that they were interested in investing in Ontario?

Ms. Wendy Tilford: I think they were interested in many jurisdictions—nothing specific—and certainly listened to the merits of Ontario. Our job is to sell the province and the merits of the province.

Mr. Jagmeet Singh: Certainly. Was there any discussion about providing helicopters to Ontario in general, just providing the product itself?

Ms. Wendy Tilford: No.

Mr. Jagmeet Singh: Was there anything that AgustaWestland indicated they'd like to see in Ontario to make it desirable for them to invest in Ontario?

Ms. Wendy Tilford: No.

Mr. Jagmeet Singh: I have no further questions.

M^{me} France Gélinas: No further questions.

The Chair (Mr. Norm Miller): Thank you very much.

To the government: Mr. Zimmer.

Mr. David Zimmer: Mr. Chair, I don't have any questions—my colleague does—but I just want to take a minute, 60 seconds or so. This morning there was an exchange, essentially, between Mr. Singh, the member for Bramalea-Gore-Malton, and the exchange was about how taking an oath for citizen witnesses might differ from how MPP witnesses are taken.

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Citizen oaths—obligations flow from putting their hand on the holy book of their choice, or affirming—and

it's a very dramatic exercise—to tell the truth and so on. MPPs' responsibility to tell the truth flows from the legislative act and rules governing how they conduct themselves as MPPs. Both parties have an obligation to tell the truth. The point that I was trying to make was that it was more dramatic for a civilian witness to have a hand up on a holy book and affirm.

In the course of that exchange, Mr. Singh made the point that the obligations were the same. He was correct on that; I put a different emphasis on it. But I particularly regret my unfortunate remark that he'd missed his evidence school class. I apologize to Mr. Singh, the member for Bramalea–Gore–Malton, for that.

The Chair (Mr. Norm Miller): Thank you. Are there further questions?

Mr. David Zimmer: No, I have no further questions.

The Chair (Mr. Norm Miller): Thank you. Liz?

Mrs. Liz Sandals: Yes, thank you, Deputy. You made reference to the fact that Ornge was included in an Ontario trade mission to the Middle East. I wonder if you could give us a brief idea how firms are chosen to go on a trade mission.

Ms. Wendy Tilford: We advertise trade missions, usually electronically, to as many companies in the sector as we can, and companies respond by completing an application if they're interested. That's pretty much how it's done. There may be the odd firm that comes to us, that submits an application, and when we talk to them, we realize, in conversation with them, that they're not quite prepared to take this on yet, and maybe some seminars or something else would be a better vehicle first for them. But other than that, first-come, first-serve is the way we decide on who goes.

Mrs. Liz Sandals: Okay. So that's really cut and dried: first-come, first-serve.

Ms. Wendy Tilford: Very, and in this case, because we did it in conjunction with the Canada-Arab Business Council, all the interaction like that—the submitting of the applications—was done to them. It wasn't even done to the ministry.

Mrs. Liz Sandals: Oh, okay. So the application was actually made through the Canada-Arab Business Council, as opposed to the ministry.

Ms. Wendy Tilford: That's correct, and so was the payment.

Mrs. Liz Sandals: So I'm thinking, then, that it's probably—well, let me just ask you the question. Were you instructed at any point by the minister or any of the minister's political staff to include Ornge on the mission?

Ms. Wendy Tilford: No, never.

Mrs. Liz Sandals: Clearly, that would not be the case, because somebody else was making the decision anyway, not you.

Ms. Wendy Tilford: That's correct.

Mrs. Liz Sandals: I know my colleague is curious about where you went on the—so I'll turn it over to my colleague here.

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

Mr. Reza Moridi: Thank you, Mr. Chair, and thank you, Deputy, for taking the time and attending this meeting. Yes, my question is, as Ms. Sandals mentioned, which countries in the Middle East did this mission visit?

Ms. Wendy Tilford: We went to Dubai. Then we went to Abu Dhabi, Saudi Arabia, Kuwait and Qatar.

Mr. Reza Moridi: Thank you.

Ms. Wendy Tilford: It was a busy mission.

Mr. Reza Moridi: Yes. Thank you.

The Chair (Mr. Norm Miller): Any further questions?

Mr. Reza Moridi: No further questions.

The Chair (Mr. Norm Miller): Thank you very much, Deputy, for coming and presenting to the committee today. We appreciate it.

Ms. Wendy Tilford: You're welcome.

The Chair (Mr. Norm Miller): Mr. Smitherman, apparently, is on his way, so I expect him here in the next few minutes. It's five to 1, by my watch, not by the clock on the wall, which is off by a lot.

We do have several motions before the committee. A number of them are to do with adding more witnesses, which is something—currently, we have lots of witnesses before the committee, and that's not something that I would call urgent.

We also have a motion to sit—I believe, a motion that Mr. Barrett wanted to put, with regard to hearings next week. So if you want to put that motion—

Mr. Toby Barrett: I would like to put forward a motion that the Standing Committee on Public Accounts hold meetings to call witnesses during the week of April 9 through April 12, 2012, and sit for up to two full days so that the committee may continue its debate and inquiry into the 2012 special report of the Auditor General of Ontario on Ornge air ambulance and related services.

I would ask for a recorded vote as well, please.

The Chair (Mr. Norm Miller): Any comment? Liz? And if I can just ask that, when Mr. Smitherman shows up, seeing as he sat here all morning, if we don't get to this, that we—

Mrs. Liz Sandals: Yes. And I'm not going to speak for a long time. I'm simply going to note that in the subcommittee report we passed this morning, we in fact effectively already added an extra day for the additional witnesses, and we have lost two this morning. We're making up one this afternoon in the free time period, but in fact, this morning, we already added a day. So I think that it's unnecessary to sit during the Easter week. This is really late to bring the motion. I know certainly on those days during Easter week, I'm fully booked.

The Chair (Mr. Norm Miller): Any other comment? Mr. Klees—

Mr. Toby Barrett: I will mention as well that I will be getting a sub for next week. I don't know about the NDP, but that's kind of the reality of our work.

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

Mr. Frank Klees: Well, as my colleague indicated, for those who can't be here, certainly parties can sub in members.

We've already lost a half a day thanks to the tactics of the government members. In fact, I have a number of additional people who have come forward who have indicated that they would want to testify. I would think that we would want to take advantage of every opportunity to hear from witnesses on this.

Certainly, I'm in support of this. I would hope that we would have the support of the government members on this.

The Chair (Mr. Norm Miller): Any other comment? Yes, Liz.

Mrs. Liz Sandals: Just to note that we did lose an hour and a half this morning. One of the witnesses is being made up this afternoon in a half hour that we had available. The item that we spent an hour and a half on, with you arguing we shouldn't take time to discuss it, we actually dealt with in half an hour at lunch.

The Chair (Mr. Norm Miller): Okay.

Mr. Toby Barrett: Yes, Chair, my only further comment is we do have a—

Mrs. Liz Sandals: And the witness is here.

Mr. George Smitherman: I'm early.

Mrs. Liz Sandals: Only by that clock.

The Chair (Mr. Norm Miller): If you want to have a vote on it, we can have a vote now, if you're all done speaking.

Mr. Frank Klees: Well, I would just like to remind Ms. Sandals that her colleague Mr. Zimmer agreed that we need to get on with this, and he himself agreed that he would be willing to have hearings during the break week. I would hope that he would be consistent in his vote on this motion with what he said to the media.

Mr. Toby Barrett: The only thing I wanted to clarify is that all three parties have additional witnesses. I see the motions before me. For that reason, I request additional days of hearings.

The Chair (Mr. Norm Miller): Okay. Are we ready to vote on the motion?

Mrs. Liz Sandals: Recorded vote.

Ayes

Barrett, Forster, Gélinas, Klees.

Nays

McNeely, Moridi, Sandals.

The Chair (Mr. Norm Miller): You're abstaining, Mr. Zimmer? Is that correct?

Interjection.

The Chair (Mr. Norm Miller): The motion carries. We shall notify the House leaders by letter requesting extra time during constituency week.

MR. GEORGE SMITHERMAN

The Chair (Mr. Norm Miller): Now, I believe Mr. Smitherman is here. Mr. Smitherman, if you could come

before. First of all, I'd like to apologize for making you wait the whole morning—

Mr. George Smitherman: Not at all.

The Chair (Mr. Norm Miller): —not that you haven't spent a lot of time around this place, but I appreciate you—

Mr. George Smitherman: For the clerk?

I'm going to pour myself some water, if that's okay, Chair.

The Chair (Mr. Norm Miller): Yes, please do. Thank you for being flexible and agreeing to come back. Sorry to waste your time this morning.

Just to affirm, you did receive the information for a witness appearing before the Standing Committee on Public Accounts?

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Mr. George Smitherman: I did, after the close of business last night. I looked at it briefly this morning.

The Chair (Mr. Norm Miller): Okay.

Mr. George Smitherman: I was going to bring my counsel, but he's in daycare.

The Chair (Mr. Norm Miller): The clerk will affirm you, Mr. Smitherman.

The Clerk of the Committee (Mr. William Short): Could you just raise your hand? Mr. Smitherman, do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

Mr. George Smitherman: I do.

The Clerk of the Committee (Mr. William Short): Thank you.

The Chair (Mr. Norm Miller): So if you want to take five minutes for a statement and then there will be eight minutes for each of the caucuses to ask questions.

Mr. George Smitherman: Mr. Chair, I timed this carefully but I confess, I may be five or 10 seconds beyond, but not much.

The Chair (Mr. Norm Miller): Great.

Mr. George Smitherman: Thank you for your consideration.

Ladies and gentlemen of the public accounts committee, it's my privilege to be here today. I cherish the principle of accountability and I support the idea that having more information in the public domain makes for better government, so I will gladly share the knowledge that I have. The context that I have is the 2003-08 period.

My motivation and actions during this period were to address well-documented risks to health and human safety. So even here in the midst of the firestorm, where it's clear Ornge had lost its way, we should be careful not to forget that Ontario possesses one of the world's most advanced medical air operations, with well-trained and dedicated front-line staff. It's a very expensive and essential element of our health care system that tries to help equalize access to care across a wildly large and difficult terrain.

Because we have this medical air transport capacity well integrated into our trauma system, it saves many

lives. But the real trauma is the abuse of public trust perpetuated upon the people of Ontario. I take responsibility for not having detected this risk and therefore entrusting Dr. Mazza to build an integrated medical air transport system. Aided and abetted by a strongly credentialed board, stories have emerged of a hazy shell game seemingly designed to leverage a public asset for personal gain. If true, this was an abuse of the public trust and I regret not having had the prescience to eliminate such risks.

The better news is that we have a good system that is well resourced, and with the steps taken by Minister Matthews, a sense of purpose has been restored.

I can't tell you who missed their opportunity to act at first evidence that Ornge had gone rogue. The performance agreement had multiple mechanisms where the contract could be cancelled. This, coupled with the ministry role as paymaster, represents ample power to bring a rogue entity to heel.

The report commissioned in 2008 by the Ministries of Health and Finance, and prepared by Meyers Norris Penny LLP, a report which should be made public, provided a series of recommendations to the ministry. From what I am told, the ministry's response to this 100-plus-page report may have been lacking.

When I left the ministry, I was not aware of any accusations, and from the moment I left there, about 1,400 days ago, I have paid Ornge little mind. Had I known that there were swirls of scandal, I most certainly would not have taken the risk of bringing an external visitor to Ornge, as I did last fall.

When I become minister in 2003, we did not have an integrated system despite repeated calls from coroners' inquests and the media alike. Additionally, a 2003 accreditation review conducted by the independent US-based Commission on Accreditation of Medical Transport Systems recommended a system overhaul. A particular concern they cited was the absence of a clear line of authority amongst the dispatch centre, the base hospital and air ambulance operators responsible for service. We fixed that.

Other coroners' reports spoke to the risks being posed by the ministry's inability to validate the safety and maintenance of the fleet of private aircraft then contracted to do medical air transport. Today, Ontario has the most modern and efficient fleet just about anywhere.

At crucial critical care transition points, we implemented Ornge-staffed land ambulances to enhance the continuity of care for critically ill patients, thus improving their survival prospects while saving money for several municipal land ambulance services. Sometimes that transfer, across ferries, through traffic or over long distances, can take a long time. And when a situation is critical, minutes really, really matter. This is especially true in the north.

I want to provide just one example where a service enhancement was implemented in order to save lives, to buy some of those crucial minutes. Put yourself in the position of being the family of someone who just sus-

tained a life-threatening injury in a snowmobile accident in Hornepayne and transferred via Ornge to Sudbury airport, and now set to endure the lengthy transfer from Sudbury airport to Sudbury Regional Hospital. Would you feel better knowing that a highly specialized Ornge critical care team was on hand to get your loved one into the specialized hands of the hospital?

I know that politics is always in the air here and perhaps more so in a time of minority Parliament, but I do ask that you consider just how your report will influence confidence in Ornge for the stricken hiker, the First Nations dialysis patient or for the car crash victim who lays wondering if his next breath will be his last.

Thank you. I look forward to aiding the committee's work in any way that I might.

The Chair (Mr. Norm Miller): Perfectly timed. We'll go to the NDP first this time. France?

M^{me} France Gélinas: Thank you so much for being here, Mr. Smitherman. It's a pleasure to ask you questions. It feels like I've done this before.

Mr. George Smitherman: I'm a bit out of practice, I'd have to say.

M^{me} France Gélinas: It's rather interesting that right now we have Minister Matthews as Minister of Health. On a number of occasions, it feels like she's throwing you under the bus. It feels like she's blaming you for a huge part of the scandal we're dealing with right now, from your failure to have an RFP when this was first contracted out to your failure to put together an accountability agreement that gives the Ministry of Health the leverage that it needs.

My first question will be: If you had stayed as Minister of Health, do you figure this scandal would have happened?

Mr. George Smitherman: Well, there are three or four questions rolled up there, and I look forward to having a chance to answer each of them. Personally, I said in my comments that I really think it would be important to get into the public domain this report that has been prepared by an outside consultant, because it was a crucial overview to the period of time that I was the minister.

When I left the Ministry of Health in 2008 and moved to another ministry, Dr. Mazza was making \$298,000, was reporting that in complying with the sunshine list and the like, and the activities that went on subsequently were activities that were not to my knowledge. I cannot imagine a circumstance where I would have tolerated a situation where Dr. Mazza ended up making \$1.4 million and where the organization lost its focus.

But the ministry bears a lot of responsibility for this because it is in the ministry, which had 8,000 or 9,000 employees, where on a day-to-day basis there are people who are paid to wake up and to focus on it. The real question I have is, at what point did they decide that they were dealing with what I described as a rogue entity, and what steps did they take at that time to bring it to heel?

It's my suspicion—but I'm only speculating, because it's beyond 2008—that this was even in advance of the

time of Minister Matthews' arrival at the Ministry of Health.

M^{me} France G elinas: Interesting. If we go back to 2007—we'll be testing your memory there, but you were still Minister of Health at the time—you authorized a one-time \$2.9-million funding bump to Ornge. Would you have done this if you hadn't known how much Mr. Mazza was being paid? If you didn't have information about salaries, would you ever agree to increasing a budget?

Mr. George Smitherman: Well, at the time we knew how much Dr. Mazza was being paid. It was somewhat less than \$298,000, and it was in full compliance with the sunshine list. That question actually is in essence further evidence that at that time, to the best of any knowledge that I have, there were no red flags being signalled. In the same time frame and context, the provincial auditor twice reviewed Ornge. The public accounts committee had its own hearing, I think, in 2006. Just subsequent to that, this external report was ordered.

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To the very best of my knowledge, in that time frame Ornge was operating well. Through the report that the provincial auditor has provided, we learn that the ministry did not have a grasp on the finances there. I think that that came as a surprise to all of us. That adjustment in their budget in that fiscal year—I don't have access to the ministry files to know what the motivation and justification for that was, but there were three things happening that may have been associated with it: the implementation of new critical care ambulances like the one I mentioned, which can be in service in a place like Sudbury; Ornge was responsible at that time for EMAT, the mobile hospital; and the implementation of a new angioplasty program at Thunder Bay Regional Hospital, which was forcing us to deploy an additional aircraft in Thunder Bay as backup, in case any cardiac patient required transfer to Duluth. Any one of those items might have been cause for that adjustment in the budget. But without more information from the ministry, I can't speak more; I could only answer in that way.

M^{me} France G elinas: Okay. Coming back to 2007-08, the accountant at Ornge—his name is Keith Walmsley—came to the ministry and said that Chris Mazza and others were in the process of creating this web of private companies, and in 2008 started to hide their salaries. The sunshine list that came out in 2009 did not have Chris Mazza on it.

Basically, this whistle-blower, Keith Walmsley, went to your ministry while you were minister. Did you ever talk to this man? Did anybody ever—

Mr. George Smitherman: No. And where did I learn about this? I learned about this in a Toronto Star story. I believe the gentleman himself says that in retrospect he realizes he should have gotten that letter to me.

But this is part of the reality of the Ministry of Health: 350,000 pieces of correspondence addressed to the

minister every year—some number like that. Former Minister Witmer would be aware of those volumes.

This was intercepted at the ministry level, and really begs the question, as this was an early warning and the gentleman seems to have been quite articulate in the representations he made—where the ministry in a sense intercepted this. I think it started at the Ministry of Health Promotion, if I'm right, and made its way over to the Ministry of Health. Until I read that story in the Toronto Star, I had not been aware of that gentleman's point of view. But in the ministry, they clearly were.

The Chair (Mr. Norm Miller): You have two minutes.

M^{me} France G elinas: In your statement, you did say that you went back to Ornge last fall. Except for that visit, have you had any other dealings with Ornge for 1,400 days since you were not Minister of Health?

Mr. George Smitherman: Yes. On one other occasion I attended a meeting at Ornge, which was focused on the philanthropic side. They were looking for ideas about how they could gain some financial support from the broader community, associated with the equipment outfit for the helicopters. I don't recall the time frame of that, but that was the only other involvement I had, and I did that just as a private citizen, you know, giving them an hour of my time and offering some suggestions.

M^{me} France G elinas: Okay. You said that if you had found out that Chris Mazza was making \$1.4 million, you would have acted, and thought that this was not acceptable. In 2008, his salary was never put on the sunshine list. Shouldn't there have been reaction from the ministry sooner—actually, it's in 2009 that we find out about it. You're gone by that time, but when you saw that Mr. Mazza was no longer on the sunshine list, wouldn't you have asked one of your staff to check that out?

Mr. George Smitherman: Time frame: The sunshine list is produced in the final days of fiscal 2007-08; within two or three months, I leave the ministry; the sunshine list for the subsequent year would be prepared later in the year. But I do think that is a particularly egregious action that should have sent a warning signal across somebody's desk. And I really think for me, increasingly I ask myself at what point did the people in the ministry, who on a day-to-day basis wake up with the responsibility to focus on matters related to ambulance—what was their reaction to that?

I did not know about that until I read all these stories in the paper only recently, and like I mentioned before, I certainly wouldn't have ventured to Ornge last fall with an external visitor in tow to get myself embroiled if I knew there were all these swirls of scandal.

The Chair (Mr. Norm Miller): Thank you. Could we move to the government now?

Mrs. Liz Sandals: Thank you. Sorry that you've been here twice today, but we're glad we've got you up here now.

Mr. George Smitherman: The company is nice.

Mrs. Liz Sandals: We're all charming, aren't we?

When you were appointed as Minister of Health in 2003—you make some reference to problems in the air ambulance system. Could you describe those a little bit more? What were you told when you got the briefing?

Mr. George Smitherman: Sure. Really, it was that coroners' reports and other independent bodies and the media, over quite a lengthy period of time, had come to the conclusion that air ambulance as we knew it was too fragmented. To their credit, I would say, the previous government—I believe it was my direct predecessor, Tony Clement—had brought the eight ambulances together in a base hospital program. Prior to that, we had the circumstances of the ministry running dispatch and doing some work on the relationship with private aircraft contractors, and we had eight different helicopters, all in the budgets of eight different hospitals around Ontario. Minister Clement took the step to consolidate all those aircraft under one base hospital program at Sunnybrook Hospital with Dr. Mazza as the medical director.

I think that was a good step in the right direction, but you can imagine all the stories that have been written over time about the circumstance where dispatch and operations are not in the same organization. Our intentions in moving forward were to create an integrated system, and despite all the failings we know about, which mostly were seemingly about trying to leverage this now integrated system, I believe that the system we have in Ontario is a very good one and is better protection of human health and safety than it was in 2003 when I became minister. And it's my fervent hope that this can be restored as a sense of pride and confidence for the people of Ontario.

Mrs. Liz Sandals: It's interesting, because I think I was on public accounts when the auditor's previous report came in, and he was looking, not at Ornge, but at the pre-existing system. I think the auditor's findings in that previous report—the auditor is nodding at me—were that he described many of the same problems you're describing now.

Then how did we get from identification of the problems to the creation of what eventually became Ornge? It was initially the Ontario air ambulance system.

Mr. George Smitherman: I hope someone will come back to this question of sole sourcing versus RFP, because those who insist on the idea that there should have been an RFP are proponents for the privatization of that service. If you look at it, we were actually bringing the service in-house to a not-for-profit entity which had features and attributes quite similar to hospitals: independent capacity to choose their board of governors; substantial elements, almost all of it funding from the ministry; and the capacity to raise some resources on a philanthropic basis to augment the public resources that were available. The initiative was to create an integrated service on that basis.

It was not in the pattern of the Ministry of Health to house entities like that inside. This is, I think, an important insight in terms of how the model emerged.

Mrs. Liz Sandals: So it's almost as if what you were doing was setting up something that was more on a hospital model as opposed to a private contract. I mean, it's—

Mr. George Smitherman: Well, we saw these as our assets. We saw these as public assets. It wasn't about taking a public asset and throwing it out there to a CEO and their board to try to reap some reward out of it; no, not at all. And if you look at this agreement—which lots of people have spoken about, but I'm not sure that many people have actually read—this is, in a certain sense, a playbook for the bringing together of assets, roles and responsibilities that until that time were fragmented and across the landscape.

Mrs. Liz Sandals: When I think about the legislation that has now been tabled, where the minister is suggesting that some of the powers she has with respect to hospital boards and importing some of the language that's in the hospitals act into the air ambulance act, that's actually reasonably consistent with the original approach you were taking to it.

Mr. George Smitherman: Obviously, she's in a situation where she's operating retrospectively and where, perhaps, the same lawyers who advised me in drafting this are now advising her in drafting that. I don't know that, but ministers come and go and deputies come and go, and the ministry staff stays there forever and ever—for a long time. And the institutional memory they have is an important protection for the public, but only if they actually choose to use it well.

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I have no doubt that there's an opportunity to look retrospectively and say, "Well, we could have had that," or "We could have had that," but from a review of this and from knowing that the ministry was practically the whole paymaster for that organization, I don't draw the conclusion that the ministry's hands were tied in bringing this what I refer to as a rogue entity to heel.

Mrs. Liz Sandals: Thank you.

The Chair (Mr. Norm Miller): You have two minutes left.

Mrs. Liz Sandals: Oh, I've got two minutes left.

I guess that one of the elephants in the room, then, is that as the new service was being developed, what sort of a role did Dr. Mazza play in the conversation then, as it was being developed, the new vision?

Mr. George Smitherman: Well, undoubtedly—and this is where I've said candidly that the responsibility that I bear is that this individual—and again, some people will try to suggest that I invented him. Of course, he was running the base; he was, in Ontario, the most knowledgeable individual with respect to the operation of medical air transport that we had. It was—

Mrs. Liz Sandals: So when you referred to Minister Clement setting up an air base, it was him who actually had the air hospital under—

Mr. George Smitherman: Dr. Mazza had been running one helicopter as the medical director from Sunnybrook Hospital since 1996. So it was natural that

he was there in the pecking order and that he should be relied upon in helping to bring a model forward.

Again, I go back to the question that if you look at it from the time that I left, to the very best of my knowledge, the amalgamation of services, the elimination of fragmentation and the creation of an integrated organization had been the focus. And I take responsibility for not having seen the risk that people might have ulterior motive, but then the question I ask is, the people who wake up every single day in the Ministry of Health, when did they first get an inkling that something was going awry and what steps did they take then? That's an area where I don't have as much information as I would like to have.

Mrs. Liz Sandals: Thank you very much.

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

Mr. Frank Klees: Mr. Smitherman, first let me thank you for the statement that you made that you regret not having had the prescience to see what was coming. You're actually the first person to take responsibility, and I just want to thank you for that.

I want to ask about the performance agreement. I've read the performance agreement. There are a number of schedules in that performance agreement, and I do think that apart from some of the things that may have been missing there, what that performance agreement did do was give you, the minister, and the ministry the authority to intervene, the authority to oversee. In fact, it was very explicit; that original performance agreement was very explicit that the ministry has a responsibility to develop certain delivery requirements and standards, together with Ornge.

I want to ask you this: Knowing what you know about that agreement because you signed it, when you determined that something might not be right, what steps would you have taken, as minister, to ensure that the requirements and the standards of that performance agreement were being met?

Mr. George Smitherman: The first part that's important here is, like I said, the context that I speak to most knowledgeably is 2003-08 and in that time frame I was not made aware by the ministry or outside interests that something had gone awry there or that the thing was off the rail or gone rogue, to use the language that I used. You've enjoyed the privilege of serving as a minister, as have I. It seems to me that the combination of powers—some power is that which is given by way of legislation or by a signed agreement. Much of the power that a minister can exercise is the power of persuasion, of the use of a bully pulpit, of embarrassment as required. And the third bit—and this is what I referred to in a Toronto Star interview as kind of this sugar daddy role—if I'm in a circumstance as a government minister where my ministry is funding the lion's share of an entity, I feel, notwithstanding whatever deficiencies retrospectively a lawyer might have found, I've got a bit of capacity to bring a wayward organization to heel. And I ask myself the question, what went on? And that's why this report, which has not been public, I think is an important one. It

may, in fact, say things that are not helpful to me in the grand scheme of things, but it was a report that took a hard look at the early days of operation of Ornge, and I wonder where that went when it got to the ministry.

Mr. Frank Klees: In the final analysis, had you been the minister, you would have found a way to intervene and to bring this rogue organization to heel.

Mr. George Smitherman: Only in the circumstance—the only way, of course, you know—

Mr. Frank Klees: Thank you. Thank you. I'd like to move on to another very important point.

Mr. George Smitherman: But with respect, that wasn't my complete answer.

But I would say this respectfully to the member: Yes, of course, any one of us wants to say that we would have done that. But I was there with four and a half years of institutional memory—four and a half years. So of course, on the day after four and a half years, I had all that institutional memory to apply. But then another minister came, and yet another one, and then the current minister.

My only question is this: You can only act if you have the information. Who had the information and what did they do with it is a question which I don't think—at least I, personally, don't know enough about it. I know people in the ministry had information. When did they actually send the signal that the entity had gone awry?

Mr. Frank Klees: Thank you. I'd like to move forward to early November 2007. At that point in time, the Ministry of Finance made a very specific effort to bring the financials of Ornge under the Ministry of Finance, into its consolidated statement. When the Ministry of Finance took that initiative, I understand that Ornge, through one Alfred Apps, with Don Guy's assistance, put forward the case that those financials should not be included for very specific reasons. I also understand that that message was sent to Mr. Jamison in the Premier's office via Jennifer Tracey.

Now, I happen to believe that this represented a turning point, because had the financials of Ornge been included under the Ministry of Finance, the appropriate oversight would have been there, even if the Ministry of Health failed. The Ministry of Finance would have, in fact, ensured that there was the appropriate oversight, and certainly questions would have been asked.

I want to just put this on the record: that in February 2006, former Deputy Minister Sapsford was asked—in fact, he was asked the question by the member from Kitchener Centre, Mr. Milloy, at the time—what is the relationship between Ornge and the government? Deputy Sapsford at that time explained it very concisely.

The Chair (Mr. Norm Miller): You have two minutes.

Mr. Frank Klees: In his words, "The relationship between the new corporation and the ministry is what I would call a transfer payment relationship." It's because the Ministry of Finance saw that, as well, that they wanted to incorporate those financials into the Ministry of Finance.

Can you tell me, what pressure was brought to bear, through Mr. Guy and through Mr. Apps, to ensure that that consolidation did not take place?

Mr. George Smitherman: The matter that—firstly, I've never heard that before, so I can't shed any light on that. But I would say that for all of that, to my mind, it does not separate the Ministry of Health and the staff of the Ministry of Health from their oversight responsibilities.

I take your point that that might have been an added layer, and maybe that is an early signal, but it's not a circumstance that I have any information about.

Mr. Frank Klees: I assure you, we don't want to let anyone off the hook. The primary responsibility clearly was the Minister of Health and the Ministry of Health. My point simply is, based on the information we have, that there was political interference that actually allowed Mr. Mazza and those at Ornge who wanted to "leverage," as you put it in your own words, public funds for their personal means. It was that political interference that actually brought down the barriers that would have prevented that, and I was just hoping that you might be able to shed some light on that. You say you knew nothing about it. Perhaps Jamison can help us when we talk to him a little bit later.

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The Chair (Mr. Norm Miller): Thank you for coming and being so patient this morning.

Mr. George Smitherman: That's it? Time flies when you're having fun. Thank you so much for the chance.

The Chair (Mr. Norm Miller): Thanks for coming before us.

Mr. Frank Klees: Could I just ask Mr. Smitherman: If there is some other information that we would like to follow up with him on, would he be willing to come back and spend some more time with us?

Mr. George Smitherman: Well, as I understand it, if this committee sends out a message that it wants to hear from me again, it's not a matter of whether I'm willing or not. But of course, spending the day here with all of you today has refreshed my interest in Queen's Park, so if it aids the committee in their effort, then most certainly.

The Chair (Mr. Norm Miller): Thank you very much. I appreciate that.

Mr. David Zimmer: Chair, just on a point of order while we're waiting for the next witness to come in—

The Chair (Mr. Norm Miller): I don't know whether we're waiting. We're ready for the next person.

Mr. David Zimmer: Anyway, Mr. Klees made reference to a meeting and a document between Apps and Steeve, and then he implied that he's going to raise those matters with Mr. Jamison Steeve, which I expect is about to happen now. I think we should have that document in front of us.

Mr. Frank Klees: I made no reference to a document. I have my personal notes, and Mr. Zimmer has no access to that.

OFFICE OF THE PREMIER

The Chair (Mr. Norm Miller): Let's move on to our next presenter. We have, from the Office of the Premier, Jamison Steeve, principal secretary to the Premier, who is here for the next half hour or so. You have five minutes to make your presentation, then there will be eight minutes amongst the three parties questioning you. Did you receive the "Witnesses Appearing before Standing Committee on Public Accounts" information?

Mr. Jamison Steeve: I did. I received it last night.

The Chair (Mr. Norm Miller): Thank you very much. Our clerk will swear you in.

The Clerk of the Committee (Mr. William Short): If you just want to raise your hand, Mr. Steeve: Do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

Mr. Jamison Steeve: I do.

The Chair (Mr. Norm Miller): Please go ahead.

Mr. Jamison Steeve: My name is Jamison Steeve. I am the principal secretary to Premier Dalton McGuinty.

I want to thank you for the opportunity to appear before this committee. It is my understanding that this committee has been struck to consider the special report of the Auditor General on Ornge. I thought it would be helpful to this committee to provide a brief history of my employment and a quick outline of my roles and responsibilities in government in my opening statement.

I graduated university with an honours Bachelor of Arts, a Bachelor of Education and a Bachelor of Laws. I began my professional life as a lawyer in the litigation department at Fasken Martineau. I practised law there from 2001 until December 2003.

In January 2004, I joined the office of Minister Jim Bradley, then Minister of Tourism and Recreation, as his legislative assistant. I held that position until September 2004. In that role I was primarily responsible for preparing Minister Bradley for question period.

From September 2004 until October 2007, I was the health policy adviser in the Premier's office. During that time, I also held the health promotion and seniors' policy portfolios. In my role as policy adviser, I focused on broad policy development and policy decisions in the area of health. In particular, I focused on key health results like the reduction of surgical wait times and improving primary care. My work over those three years also included involvement in the development of legislation, like the LHIN bill and drug reform.

Following the election in 2007 and the swearing-in of a new cabinet, I was hired as chief of staff to Minister George Smitherman, Minister of Health and Long-Term Care. I held that position from November 2007 until June 2008. During that time, I was responsible for the day-to-day administration of the minister's office, focusing our efforts on reducing emergency room wait times, lending shape to the government's negotiations with doctors and working with the minister and the ministry to finalize a

budget for the Ministry of Health. During my time as chief of staff, I had a staff of approximately 30 people.

Since June 2008, I have served as the principal secretary to the Premier. In that role, I am primarily responsible for the development of public policy government-wide. I work with cabinet, caucus and the public service to develop and implement the government's policy and legislative agenda. In addition, I have an active oversight role on particular strategic documents, like the budget, the fall economic statement and any throne speeches. I have a staff that fluctuates between six and eight people who have carriage of several policy files.

Based on the questions I have seen in the House, it is my understanding that I am appearing before this committee primarily because I was one of the recipients of the letter addressed to Minister Deb Matthews from the chair of the board at Ornge on January 19, 2011. I am happy to speak to that issue or any other questions that you may have.

From someone fiercely interested in and responsible for the development of good public policy, I think there are many important lessons we can learn from the situation at Ornge.

This committee is looking into what happened at Ornge because the Auditor General's investigation revealed some significant areas of concern. Although there were a number of accountability mechanisms in place with respect to Ornge, it is clear that they did not work.

As Minister Matthews has stated, we as a government could have, and should have, done a better job. I believe that the minister has taken strong steps to remediate the situation at Ornge and move the organization forward so that it serves the needs of Ontario patients.

The larger public policy question I know that we in Ontario will all have to wrestle with is how to develop appropriate accountability mechanisms as we look for ways to provide top-quality government services efficiently.

I'll be pleased to answer any questions this committee may have. Thank you for your time.

The Chair (Mr. Norm Miller): Thank you very much. The government will have the opportunity to ask questions first.

Mrs. Liz Sandals: I wonder if we could go back, then, and think a little bit about your time from 2004 to 2007 as health policy adviser. Can you describe a little bit more about your role then, and I guess whether or not you would have intercepted with Ornge in any significant way during that point?

Mr. Jamison Steeve: Certainly. My role at that time, for any health policy adviser in the Premier's office, would be to help develop the policies that are coming through committees and into cabinet and shepherding those issues as they go through our processes of being considered by cabinet and caucus.

I would say a lot of my interactions on policy files would also have been around key health results. We would have our health results team, involving briefing the Premier and preparing him for how we were

achieving things with respect to surgical wait times, primary care reform, namely 150 new family health teams, the acceleration of medical school spaces and whatnot.

My interaction with Ornge, the file, would have primarily been through the development of the legislation. I didn't have direct involvement in the creation of the accountability agreement or the performance agreement that's been the subject of much of the conversation, both here and in the House, as that's something that would go to treasury board and deals more appropriately with accountabilities and financials. I would deal more with those items, at that time, that dealt with public policy, that went through policy committees and then into cabinet.

During my time from 2004 to 2007, I believe I met with Ornge once, basically as the organization was being set up, and getting a sense of what services they were going to be providing.

Mrs. Liz Sandals: So it would have been at the policy level as to, as you say, what services would Ornge be delivering and what would be the change in delivery from current services? It was at that broad policy level.

Mr. Jamison Steeve: At a broad policy level within the health sphere, as opposed to my current role, which would have more of the broad policy across government. But no, there is very little operational aspect related to the health policy role.

Mrs. Liz Sandals: If we can go on, then, to your current role as principal secretary to the Premier, are you, as principal secretary to the Premier—and I think you've just answered this question, but let's be specific. Do you get involved in operational issues at the ministries in your role as principal secretary?

Mr. Jamison Steeve: Typically not. What I would say is, my involvement is more on the basis of making sure that we're driving forward the government's agenda in working with caucus, cabinet and the Premier. There are operational elements that are going to come forward in any particular policy submissions—the delivery of a tuition grant, those types of things—but on the day-to-day aspects of how something is delivered by way of a public good from a ministry, no, I would not get involved in those matters.

Mrs. Liz Sandals: So in the example you give of the tuition grant, it would not be that you're spending a lot of time on the operational issues related to an existing file or initiative; it's that you're looking at what operational issues might be involved in a new program like the tuition grant and ensuring that the operational issues around that have been dealt with as part of the policy submissions to cabinet?

Mr. Jamison Steeve: In that instance, I would say that's correct. I think on the day-to-day, that's far more a responsibility of the minister's office and the ministry, which would have been my experience when I was chief of staff at health.

Mrs. Liz Sandals: Okay, thank you. And one of the issues that has certainly arisen is, when the auditor

prepared his draft report and sent a copy to I think it's the assistant deputy minister—or the director?

Mr. Jim McCarter: Yes, to the assistant deputy minister.

Mr. Frank Klees: Of health?

Mr. Jim McCarter: Of health, yes.

Mrs. Liz Sandals: So when that draft report went to the assistant deputy minister, relevant assistant deputy minister at health, would you have been forwarded that report?

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Mr. Jamison Steeve: No, I typically don't get involved in the draft reports from the Auditor General. My work, as it relates to public policy development, usually comes on the release of the report where there are typically numerous recommendations on how public policy or aspects of government can be improved.

Mrs. Liz Sandals: But there wouldn't be an issue of you having seen that draft or, for that matter, the drafts of the other two reports that went to ADMs in health about the same time—a bit earlier, maybe, but the same thing. You were saying—

Mr. Jim McCarter: We would have had another 15 value-for-money drafts that went to another 15 ministries. We do about 15 a year; that's just part of the normal process.

Mrs. Liz Sandals: And you wouldn't have seen any of those?

Mr. Jamison Steeve: No. The draft reports are typically, as I say, dealt with at a different level. This is the first time I've had a chance to meet the Auditor General, so no, my involvement on draft reports is nil.

Mrs. Liz Sandals: Nil. Okay. That's very useful for us to know.

You did make reference to the letter, and I'm sure that people are interested in your response to the infamous letter of January 19, on which you are copied. Do you want to tell us a little bit about what would have happened when that letter arrived in your correspondence pile?

The Chair (Mr. Norm Miller): You have a couple minutes.

Mrs. Liz Sandals: That's fine.

Mr. Jamison Steeve: Certainly. I get a series of correspondence on a daily basis, whether it be email or letter. I was one of many parties copied on the letter, as has been noted in this committee. I was not the direct recipient of the letter. It was addressed to Minister Matthews.

Also, Mr. Alfred Apps had called me in December to ask if I could set up a government-wide briefing for him to come and talk to various ministries. I didn't think it was appropriate for me to do that. I recommended that he contact the Ministry of Health to set that up. I think that's probably what gave rise to the letter being addressed to the Ministry of Health.

When I received the letter, I knew that a briefing was taking place. I reviewed the first couple of pages, understood that the briefing and the letter were more for

informational purposes and knew that if items were to arise that were necessary to be flagged for me, they would be by those people who were being briefed.

So, number one, my approach to the letter was similar to that which I am c.c.'d on a series of letters, and number two, since I knew a briefing was taking place and I was dealing in the context of January of any given year—in January 2011, cabinet briefings, cabinet agendas, drafting the legislative agenda for the final session of our second mandate, a budget and, I think at the time, negotiating an MOU with the city of Toronto for a new transit deal.

Mrs. Liz Sandals: And we won't get into that one. That's another story. Thank you.

Mr. Jamison Steeve: Absolutely.

The Chair (Mr. Norm Miller): Thank you, Liz. Frank?

Mr. Frank Klees: I'd like to go back to the performance agreement. You said you weren't integrally involved in developing that performance agreement, but you also said that you would have become familiar with it when it made its way to Management Board of Cabinet for the submission.

Mr. Jamison Steeve: No. I'm sorry. I believe what I stated is that typically when something goes forward to Management Board or treasury board, the policy advisers are more responsible for those items that are going through policy committee and/or cabinet. So I was aware that something was going forward to treasury board, but that would not have been my direct responsibility as a policy adviser.

Mr. Frank Klees: So you never saw the performance agreement?

Mr. Jamison Steeve: I have no recollection of seeing the policy agreement, no.

Mr. Frank Klees: I would like to follow up with you on the issue I raised with Mr. Smitherman and get your perspective on this. Again, I really believe that all of this could have been avoided—the scandal side of this—if the financials had had proper oversight.

You've heard the description that Deputy Sapsford gave when asked at this committee back in 2006 how he views the relationship between Ornge and the Ministry of Finance. His response was that, given that some \$115 million is being transferred from the government to Ornge, in his view this is a transfer agency. Do you agree with that characterization?

Mr. Jamison Steeve: I believe that what has been put forward, both at this committee in these hearings and again probably by former Deputy Sapsford at the time, was that there was a contractual relationship with Ornge and there was a flow of money for the provision of particular services. So I think that's probably a fair characterization.

Mr. Frank Klees: Based on that, it was the Ministry of Finance that saw that arrangement, looked at what was happening early on in the game, in terms of how the financials were being organized at Ornge, and they made the approach, as I understand it, to bring those financials

under the auspices of the Ministry of Finance, into its consolidated statements, as it does with every other transfer agency.

The information that I have is that Ornge strongly objected to that. Because they weren't getting anywhere, they retained the services of Alfred Apps and Don Guy, who, according to information that was given to me by someone who was there at the time—through their efforts they contacted you, and that message, that they don't want to be overseen by the Ministry of Finance, was sent to you through Jennifer Tracey, who you know. And I assume that you were working with her in the Premier's office before she went to Ornge, right?

Mr. Jamison Steeve: She had worked in our communications department, in the Premier's office, yes.

Mr. Frank Klees: What do you recall about that message that was sent to you?

Mr. Jamison Steeve: Upon hearing you mention it in this committee, I have no recollection of any interaction; Jennifer Tracey would call me on occasion, far more on communications aspects as they related to Ornge. I have no recollection of their concern of being consolidated on to the government books. And even at that, I have no recollection of moving on any information that would keep them off of the government books.

Mr. Frank Klees: Do you agree that that was the right thing for the Ministry of Finance to do, to at least make the effort to bring those financials under the Ministry of Finance?

Mr. Jamison Steeve: That would be a question for the Ministry of Finance and what they were trying to do from a financial perspective. That would have been beyond my scope and something I would have relied deeply on the Ministry of Finance's advice.

Mr. Frank Klees: And you never discussed Ornge with Don Guy?

Mr. Jamison Steeve: No.

Mr. Frank Klees: Did you ever discuss Ornge with Mr. Apps?

Mr. Jamison Steeve: I did. As I said, my most recent conversation with Mr. Apps around Ornge would have been in December 2010, when he contacted me and asked me in my role as principal secretary to set up a cross-government briefing for what was contained in the letter of January 2011. At that time, I advised him that it was not appropriate for me to do so, and it wasn't something that typically fell within my job description, to set up cross-government briefings. I encouraged him to speak with the Ministry of Health, as that is who the direct relationship was with, and he went about doing so.

Mr. Frank Klees: Was Mr. Apps registered as a lobbyist at the time?

Mr. Jamison Steeve: I'm not aware if he was or was not. I know that, upon review of the letter in preparation for this committee hearing, there are statements in the letter that they are in no way lobbying.

Mr. Frank Klees: As you observe the debate in the House on this issue, as someone who was present at the Ministry of Health, as someone who's been integrally

involved in policy development, I'd be interested to know from you whether you believe that the Ministry of Health, as we heard from the auditor, did in fact fail in its oversight responsibilities?

Mr. Jamison Steeve: I think we as a government, from top to bottom, could have done a better job. I think that's what the Auditor General pointed out in his report. I think that the performance agreement that was set up—I think you, in the previous comments, felt that it was substantial enough. I think what we've learned is that there were actions and behaviours that took place beyond the scope of the performance agreement; that the government, both ministry and ministers alike, once we became aware of situations, moved on them swiftly. Obviously, our oversight needs to be improved, and that's what we're trying to do with the new performance agreement and the new piece of legislation.

Mr. Frank Klees: I'm certain you reviewed this file extensively. Can you tell me how many former staff, either in the Premier's office or ministers' offices, went to work at Ornge—some of whom are still there? Can you tell me that?

Mr. Jamison Steeve: I've definitely reviewed my interactions on the file, sir, in preparation for the committee, but I can't answer your question. I have no idea how many former staff—ministers' offices or Premier's office—work at Ornge.

Mr. Frank Klees: Can you think of one?

Mr. Jamison Steeve: You named one: Jennifer Tracey is a former Premier's office staff who, I believe, still works at Ornge.

Mr. Frank Klees: You can think of no one else?

Mr. Jamison Steeve: No. There was a former staffer—

Interjection.

Mr. Jamison Steeve: Thank you.

There was a former staffer, Scott Lovell, who—

Mr. Frank Klees: And what was his role in the ministry before?

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Mr. Jamison Steeve: He worked in the minister's office, not the ministry. He was stakeholder relations under Minister Smitherman. I'm not sure what his position at Ornge would have been.

Mr. Frank Klees: No one else?

Mr. Jamison Steeve: Not to my knowledge.

Mr. Frank Klees: Interesting. Thank you very much.

Mr. Jamison Steeve: Not at all.

The Chair (Mr. Norm Miller): Thank you, and thank you for coming before the committee today—sorry. We have the NDP now to go. Go ahead.

Mr. Jagmeet Singh: Good afternoon.

Mr. Jamison Steeve: Good afternoon.

Mr. Jagmeet Singh: I just wanted to ask a question about your oversight. You helped with the initial set-up of Ornge: Is that correct?

Mr. Jamison Steeve: No. I would be involved in the policy development that led to the initial legislation

around Ornge, but I think it would be an extension of my role to say that I helped in the initial formation of Ornge.

Mr. Jagmeet Singh: Sure. So you were involved in the policy development, but not the actual implementation of the Ornge organization.

Mr. Jamison Steeve: That's correct.

Mr. Jagmeet Singh: Okay. In the policy set-up, what was your involvement with the policy set-up?

Mr. Jamison Steeve: My involvement would have been dealing with policy as it came through committee and to cabinet, and providing information to the Premier as it came through.

Mr. Jagmeet Singh: Specifically with respect to Ornge, what was your input in terms of Ornge policy development?

Mr. Jamison Steeve: The role of a policy adviser in the Premier's office versus that in a minister's office is more of an oversight role. The direct creation of materials would come more from the ministry and the minister's office level. Mine would be more of a commentary and/or input at a higher level rather than the creation of it at the ground level.

Mr. Jagmeet Singh: So what was your input, then, on a high level with regard to Ornge?

Mr. Jamison Steeve: I don't have any recollection of any dramatic input into the document. It seemed that we were consolidating a number of services into one not-for-profit entity for the purposes of improving both efficiency and patient safety.

Mr. Jagmeet Singh: Okay. And did you have any input, then, in terms of how the care was to be delivered or the way it was to be organized?

Mr. Jamison Steeve: No.

Mr. Jagmeet Singh: When this was set up, you were chief of staff to Mr. Smitherman. Is that correct?

Mr. Jamison Steeve: No, that's not correct. I was chief of staff from November 2007 until June 2008, and I believe the time frame that you're talking about is in the 2005-06 era.

Mr. Jagmeet Singh: That's right. In terms of oversight, are there any policy considerations in terms of how one should oversee an organization such as Ornge?

Mr. Jamison Steeve: I think many of those policy considerations are addressed in the Auditor General's report. I think you're looking at issues of service provision, the expenditure of the public dollar, as well as, in health care in particular, the outcomes that are achieved by way of the service.

Mr. Jagmeet Singh: Were any of these considerations—to your knowledge, were they ever executed in terms of, were there any requests made to follow up with Ornge in terms of their patient care or their salary disclosures or any sort of demands? Were any demands made that you're aware of?

Mr. Jamison Steeve: Based on the roles that I have held in government since I've worked here, those would not be issues and items that would come across my desk, so I can't speak to the question.

Mr. Jagmeet Singh: At any point in time, did information regarding salary disclosure or the lack of salary disclosure with respect to Ornge come across your desk—just that issue in general?

Mr. Jamison Steeve: No. When I was chief of staff—I stopped in 2008, as I said—I believe, based on the information that's come forward to this committee in the last year, that Dr. Mazza was on the sunshine list, and after that, in my role as principal secretary, the inclusion or exclusion of folks on the sunshine list isn't necessarily something that would come across my desk.

Mr. Jagmeet Singh: When did this issue reach the Premier's office in general, the Ornge scandal?

Mr. Jamison Steeve: I would say probably post-election in 2011, when we had the issues and the stories both in the Toronto Star and in the questions being raised in the House, more and more alive to the issue. Obviously, we'd had the Auditor General's review taking place, I believe, as of late 2010. As items started to become more clear as to possible malfeasance happening at Ornge, I think that's when it became aware to the Premier's office in general.

Mr. Jagmeet Singh: Before this scandal broke in the news, just to give you one more opportunity, was there any information or any inkling of anything going on at Ornge that crossed your desk that would have been in the Premier's office before what you've indicated, the post-election period after October 6?

Mr. Jamison Steeve: In my time on both the health file and then as chief of staff, there was nothing that had come to my attention about the service levels or anything happening at Ornge that would give rise to concern. In my time as principal secretary going forward until post-election, I believe there were some questions in the House raised by Mr. Klees in April 2011. Did that come across my desk? Not necessarily, but I think obviously when something is raised in the House, it becomes an issue, definitely, for the minister, if not folks who deal with legislative affairs in the Premier's office.

Mr. Jagmeet Singh: Okay. I just have a final question and then my colleague will take on.

In 2010, this issue was raised by Howard Hampton in the public accounts committee. Were you aware of the question being raised about salary disclosure? And was there anything that your office did?

Mr. Jamison Steeve: I was not made aware of the questions being raised in estimates. That's typically something that would be dealt with more by legislative affairs and issues management.

Mr. Jagmeet Singh: Thank you.

Mr. Jamison Steeve: Thank you.

M^{me} France Gélinas: You said that Mr. Apps called you in December 2010.

Mr. Jamison Steeve: Correct.

M^{me} France Gélinas: Any idea why he would call you?

Mr. Jamison Steeve: Certainly. I would say for two reasons. Number one, my role is one that often gets those types of requests for meetings with the Premier, for

briefings, who should they contact within government. And number two, as I stated in my opening statement, I had practised law at Fasken Martineau, so while I didn't practise with Mr. Apps, I would have been a known entity to him as someone who was a junior associate there for almost two years.

M^{me} France G  linas: Did he leave you with any impression whatsoever that he was using that previous knowledge and influence to try to gain what he wanted from you?

Mr. Jamison Steeve: Two aspects: Number one, I think I'd take exception to the notion of previous influence. He would know me from my interactions at the law firm. But, no. He thought that it was a good place to start, was my sense, in an effort to try to brief across government on a series of issues. I advised him to talk to the Minister of Health and that the Ministry of Health was the best way to go.

M^{me} France G  linas: When he talked to you, did he make any statements regarding his involvement with the Liberal Party?

Mr. Jamison Steeve: No.

M^{me} France G  linas: He didn't introduce himself as to what position he had within the Liberal Party?

Mr. Jamison Steeve: No.

M^{me} France G  linas: Do you know?

Mr. Jamison Steeve: At the time, I believe he was president of the federal Liberal Party.

M^{me} France G  linas: You knew this when he called you?

Mr. Jamison Steeve: Yes.

M^{me} France G  linas: You were in your present position when Minister David Caplan was asked to resign. When you were there with the Premier, did you ever ask the Premier to let Mr. Caplan go?

Mr. Jamison Steeve: No. I wouldn't have that type of authority or influence. At the end of the day, that's a decision of the Premier.

M^{me} France G  linas: So Mr. Caplan found himself embroiled in a scandal not much different than what we're going through right now and the Premier asked him to resign. And you knew nothing about this?

Mr. Jamison Steeve: No. I knew that the process was under way, but the question previously was if I had advised the Premier to ask for Minister Caplan's resignation. That was not advice that I gave.

The Chair (Mr. Norm Miller): You have a minute left.

M^{me} France G  linas: Okay. Have you spoken to the Premier about Ornge?

Mr. Jamison Steeve: I have spoken to the Premier about Ornge, yes, primarily in my role as principal secretary in the development of policy going forward, particularly in response to the Auditor General's report, the drafting of the next performance agreement and the drafting of the legislation. That would be the primary way that I would speak with the Premier about Ornge.

M^{me} France G  linas: When was the first time you talked to the Premier about Ornge?

Mr. Jamison Steeve: Two ways: Number one would have been in my interactions back in 2005-06 in the drafting of the legislation and the creation of the policies that were going through committee and through the cabinet. Speaking to the issues that are central to the discussion here at this committee, the first time I would have spoken with the Premier probably would have been in December 2011 or January 2012.

M^{me} France G  linas: After Mr. Apps called, did you make any calls or—

The Chair (Mr. Norm Miller): Thank you. We're out of time, I'm afraid.

M^{me} France G  linas: That's just a yes or no question.

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

M^{me} France G  linas: After you talked to Mr. Apps, did you send an email? Did you make a phone call? Did you do any follow-up regarding his request?

Mr. Jamison Steeve: I contacted Mary Lowe, who was the chief of staff at the Ministry of Health, and advised her that I thought she would be the best person to arrange the briefings that Mr. Apps was looking for.

M^{me} France G  linas: Can I have a copy of that email?

Mr. Jamison Steeve: I called her.

M^{me} France G  linas: You called?

Mr. Jamison Steeve: Yes.

The Chair (Mr. Norm Miller): Thank you very much. Thank you for coming in today.

Mr. Jamison Steeve: Thank you.

Mr. David Zimmer: Just while we're getting organized for the next witness, just a point of order, which is really in the nature of asking some advice from counsel, because I expect this will come up from time to time.

1400

In Mr. Klees's round of questions, he posed a question with this premise: "I happen to know from someone who told me such and such," and then, based on that, put a question to the witness which sort of said, "I know this from so and so." He didn't disclose the name or how he got that information and he used that as the basis of a question to the witness. So that's in the nature of using a hearsay statement, if you will, to ask a question or contradict the witness.

Is that something that, in your judgment—the name of that person, or if it's a document; for instance, someone says, "I've seen a document that," and then puts a question—this committee should have, the identity of that person or the copy and identity of that document, to help the work of the committee?

The Chair (Mr. Norm Miller): Cathy?

Ms. Catherine Beagan Flood: Does the committee want me to provide my response at the moment in public or do you want me to send you a privileged memo on that issue?

Mr. David Zimmer: Well, I'm more concerned to get the answer so that—and I expect it may well come up in the future—we can deal with it then. I mean, Mr. Klees has already asked his question, set it up like that. So

what's the best way to deal with this to ensure that we're being fair to everybody and all the members of this committee have the background documents that any of us, on either side of the House, are basing our approaches on?

Ms. Catherine Beagan Flood: So two points: First of all, the rules of hearsay don't apply within this committee in the way that they would in a court of law. So questions that rely on hearsay or on information that was obtained from someone else could be put to a witness here.

In terms of whether the name of the individual needs to be provided or the name of the document needs to be provided, I think if the witness requires more information—we have told the witnesses that they are free to ask for clarification of a question, so they are aware of that. If other members of the committee feel that a document is needed by them, they can certainly ask the Chair for direction that a document be provided.

Mr. David Zimmer: Would it be open to—I accept your second point. One question on your first point: Would it be open to a committee member if a question, as Mr. Klees raised earlier—I mean, you're telling us that the witness could say, "Well, who told you that so I can respond to it intelligently, carefully." Could a committee member say, "Mr. Klees, who told you that so we can do our homework?"

Mr. Frank Klees: No.

Mr. David Zimmer: Well, I'm asking the counsel, and that's why we've engaged the—on the first point.

I think you've said the witness could ask for the identify of the—

Ms. Catherine Beagan Flood: What I've said is if a witness requires clarification to be able to respond to a question, they're entitled to ask for that clarification. The Chair can then rule if there's an issue about that. Similarly, a member can ask for a document and the Chair will rule.

These issues are more issues of procedure of the legislative committee than strictly legal issues, given that the rules of hearsay don't apply here.

ORNGE

The Chair (Mr. Norm Miller): If we can call our next witness, please, Mr. Ian Delaney, the board chair of Ornge. Welcome to the committee, Mr. Delaney.

Mr. Ian Delaney: Thank you.

The Chair (Mr. Norm Miller): Did you already receive the "Witnesses Appearing before the Standing Committee on Public Accounts" information?

Mr. Ian Delaney: A horrifying document. Yes, I did.

The Chair (Mr. Norm Miller): Good. Thank you for coming today. We appreciate it. The clerk will swear—

The Clerk of the Committee (Mr. William Short): Mr. Delaney, if you could just raise your hand.

Do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

Mr. Ian Delaney: I do.

The Clerk of the Committee (Mr. William Short): Thank you.

The Chair (Mr. Norm Miller): You have five minutes to make an opening statement, and there are eight minutes for each party to ask questions of you. So please go ahead.

Mr. Ian Delaney: Thank you. I'll be very brief, not much of an opening statement.

I am the chair of the new board of Ornge, which has been in place for two months. This is, as members of the committee may know, a volunteer position. I was very honoured to be asked to do this. Similarly, the board that has been selected, I can certainly assure the members of this committee, is a very high-quality board. These are dedicated people who in the last two months have undertaken an enormous amount of work to begin to move the Ornge organization forward in a fashion that would make Ontarians proud. That's all I have to say for the moment.

The Chair (Mr. Norm Miller): Thank you. The PC Party gets to begin questioning today. Mr. Klees.

Mr. Frank Klees: Thank you, Mr. Delaney, for your time. I'm tempted to start off by asking what the share values are, but I won't do that.

First of all, thank you for your volunteer efforts. It's a huge job that you have, and I'd like to start by asking from whom you got the call, to begin with, to invite you into this role.

Mr. Ian Delaney: Well, I'm not entirely sure how my name came up, but the call came from one of the Premier's assistants, whose name I cannot remember. I've never met the person face to face.

Mr. Frank Klees: You know the Premier personally, do you?

Mr. Ian Delaney: No, I don't.

Mr. Frank Klees: Do you know anyone in the government personally?

Mr. Ian Delaney: No, I don't.

Mr. Frank Klees: You must have some sense—you must have asked, "Why are you calling me?" What was the response?

Mr. Ian Delaney: I didn't ask that question. I was quite pleased to get the call. I stepped down in early January from my primary occupation as the chief executive and chairman of Sherritt International Corp., which is the place where I spent most of my time. I'm still the chairman of that organization, but I've given up most of my day-to-day duties, and I'm assuming it came to someone's attention that I might be looking for gainful employment.

Mr. Frank Klees: I'd like to ask about your role as chair. What is your mandate? What is it that you've been asked to do?

Mr. Ian Delaney: I've been asked to chair the company in conventional fashion and terms, and the board of directors is responsible for oversight of the operations of Ornge; the formulation, together with the ministry, of

strategy; and to ensure the strategy gets implemented in light of the operations.

Mr. Frank Klees: What was the formal process of your appointment and the appointment of the other members of the board?

Mr. Ian Delaney: The previous board—let me say at the outset that I have very little knowledge of what went on prior to the appointment of the current board. I made it very clear to the minister at the time that I had no interest in presiding at an inquest; I was more than happy to take on the challenge of moving the corporation forward. So my knowledge of what went on before, other than with respect to tidying up several of the corporations in this complex structure, is pretty much what's in the Auditor General's report and in the press.

So, narrowly, the previous board was asked to resign, and my understanding of the legal position of that would be that they were asked to resign, and nobody could compel them to resign by the very nature of the corporate structure. So they volunteered to resign, you would say, and at the same time the six new members of the board agreed to voluntarily be appointed.

Mr. Frank Klees: More specifically, my question is, who appointed you?

Mr. Ian Delaney: The minister. The minister asked us to serve.

Mr. Frank Klees: But there is a formal process. Do you have some documentation? Was it an order-in-council appointment? I'm trying to get a sense here of what the line of responsibility is.

Mr. Ian Delaney: Well, the line—as you may know, the structure under which the corporation acted for most of the recent period of history was a federally chartered non-profit organization, and as such, it had two, if you will, administrative classes. As a charity, which is what it was, there are members of the charity, and it's the members of the charity who actually appoint the board. So in the prior organization, the prior structure, the members actually were also the board, so they not only resigned as board members, they resigned as members of the charity. Technically, we became the members of the charity by the sponsor, which was the minister, and then from that, we became the board. Now, that structure—

Mr. Frank Klees: Just for clarification, you're saying by the minister as the sponsor?

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Mr. Ian Delaney: Yes, as the stakeholder, if you will.

Mr. Frank Klees: I don't understand. The previous structure I understand—or I think I do. The members appointed themselves—

Mr. Ian Delaney: Yes, as directors.

Mr. Frank Klees: —as directors, and they volunteered to resign?

Mr. Ian Delaney: Yes.

Mr. Frank Klees: That structure is still there, the corporate structure?

Mr. Ian Delaney: It's slightly changed now, but—

Mr. Frank Klees: Now they're resigned, and you're saying that the minister appointed you—

Mr. Ian Delaney: As members.

Mr. Frank Klees: —as members.

Mr. Ian Delaney: I don't mean to be too vague on the point. I'm sure there's a lawyer in the room who's more competent at this than—

Mr. Frank Klees: Feel free to just say you don't know. What I'm concerned about is that we're coming out of a mess—

Mr. Ian Delaney: Yes.

Mr. Frank Klees: —an entangled mess, and hopefully, we're bringing some clarity to the new structure.

Mr. Ian Delaney: Well, let me talk about the new structure, if I can.

Mr. Frank Klees: Okay.

Mr. Ian Delaney: The old structure was cumbersome and lent itself to behaviour that was less than transparent.

Mr. Frank Klees: In that case, could I—

Mr. Ian Delaney: I would like to answer the question. May I?

The Chair (Mr. Norm Miller): Go ahead, please.

Mr. Ian Delaney: I think it's useful for general knowledge.

The better and more appropriate structure would be to shift the federally chartered not-for-profit organization to a provincially chartered not-for-profit corporation. That's a two- or three-step process, which we are two steps into at the moment. The ultimate position would be to have Ornge, the top Ornge company, as an OBCA corporation. That gives the provincial government more ability to intervene directly, which it couldn't do in a federally chartered corporation to the same extent.

We have to go through a two-step process at the federal incorporation. The third step will take place sometime in the next 30 or 60 days, which will result in the Ornge corporation, the top corporation, of which I am the chairman, being an OBCA corporation with a much clearer line of authority by the minister to the corporation.

Mr. Frank Klees: I just have one very quick question, if I might.

The Chair (Mr. Norm Miller): Very quick.

Mr. Frank Klees: Public companies and other private companies—there are certain liabilities that a director takes on when they accept an appointment.

Mr. Ian Delaney: Yes.

Mr. Frank Klees: Could you just comment very briefly on what obligations you, as the chair of the board, and your new directors have taken on? What liabilities do they take on in their new roles?

Mr. Ian Delaney: Well, there are very real liabilities. We are the first line of defence, and we are charged with executing those responsibilities. Failure to do that does expose us to liability. It's like any corporation anywhere. The directors are responsible for outcomes.

In most of the cases, there's no personal liability other than for certain specified acts: wilful bankruptcy and things like that.

Mr. Frank Klees: Do you intend to pursue—

The Chair (Mr. Norm Miller): Thank you. I'm sorry; you're overdue of time. If we can move on to the NDP. France.

Mr. Ian Delaney: Sorry. I'm enjoying the line of questions.

M^{me} France Gélinas: Hopefully, I'll be just as enjoyable.

You come from Sherritt, a very well-diversified global company. Ornge is a fraction of the size of Sherritt, where you come from, and certainly is far less diversified than where you used to work. Given that, would you describe Ornge's previous corporate structure as understandable?

Mr. Ian Delaney: I am no stranger to complex corporate structures.

M^{me} France Gélinas: We know that.

Mr. Ian Delaney: So I certainly understood it. It was a structure which lent itself to a lack of transparency, both by virtue of being a federally chartered not-for-profit corporation and then by virtue of having arm's-length corporations apart from that. It's certainly not the most complex corporate structure I've ever seen, but it did differ in a couple of ways. One is that on many of these subsidiary corporations or related corporations, the board of directors of the top company also served as directors of these subsidiaries or related corporations.

In any of the structures that I would ever work with or set up, we wouldn't allow that because that causes the board itself to have differentiated interests. And so while some of those corporations endured today and must endure for some period of time simply because they hold licences or other things which can't be transferred instantly, we've cleaned up most of the completely redundant corporations. But the better business practice would be that the board of directors of the top company only serves as directors of the top company. In all the other corporations, the boards are populated by staff and you really treat them not as corporations; you really treat them as divisions so that you have an undifferentiated interest in the top board.

M^{me} France Gélinas: Aside from, as you said, to take away from transparency and giving the ability to move money around, could you think of a useful purpose for the corporate structure that was developed at Ornge?

Mr. Ian Delaney: Usually when these corporations are set up, they are done to either isolate liability, minimize tax. They're typically set up for some kind of advantage. I think the—I don't know; I wasn't there—the nomenclature that has evolved is the for-profit and the not-for-profit. Splitting them into the for-profit and not-for-profit clearly was a business intent, to conduct a business away from the principal federally chartered corporation.

M^{me} France Gélinas: So you see nothing else. Would you recommend some kind of a modified structure like this for Ornge right now?

Mr. Ian Delaney: No, not right now.

M^{me} France Gélinas: Is there any purpose that this could serve?

Mr. Ian Delaney: No. Our task for the next couple of years is very straightforward application of basic business principles to rebuild the leadership of Ornge and re-establish the credibility of the corporation. Our first and foremost preoccupation is safety; secondly, it's efficiency, so we have to spend a great deal of time on the oversight in those two areas, but the more fundamental building process that needs to go on in the next two years is a new class of leadership and reaffirming the brand.

M^{me} France Gélinas: So this idea that the knowledge skills that have been developed in air ambulance in Ontario could be exported to other areas so that Ontarians would benefit from this—this is no longer on?

Mr. Ian Delaney: In the short term I don't believe it is, because in the short term I don't believe we have the credibility.

M^{me} France Gélinas: And have you ever contributed to a political party?

Mr. Ian Delaney: Yes, I have.

M^{me} France Gélinas: And which one was it?

Mr. Ian Delaney: Years ago, not recently, to the Liberal Party.

M^{me} France Gélinas: Thank you.

Mr. Jagmeet Singh: Just touching on that corporate structure: This is, for all intents and purposes, a quasi-public institution, the fact that it's primarily funded through the public. If you were to see this corporate structure in something that was a quasi-public institution—first of all, do you agree with me that that's a fair assessment, that it's a quasi-public institution?

Mr. Ian Delaney: No, I think it's a public institution. There's nothing quasi about it.

Mr. Jagmeet Singh: Okay, fair enough. Nothing quasi about it—that's even better. Then given that it's a public institution, did that corporate structure—if you looked at that, would that raise some concerns that there's something going on here that doesn't make sense?

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Mr. Ian Delaney: At arm's length? I don't think it would. As I say, I'm no stranger to complex corporate structure. Goodness, I don't even know.

In various of my companies, I suspect a number of corporate entities—they vary by jurisdiction, they vary for tax effect, they vary because you want to isolate liability, you want to isolate a problem. Sometimes you have differentiated ownership in subsidiary corporations, partnerships and the like.

So there's nothing a priori in looking at that organizational—that corporate layout that would have said to me this is inappropriate. Clearly, when you delve into it, as your committee has learned and only from what I know in the papers and the Auditor General's report, all was not as it seemed.

Mr. Jagmeet Singh: One last question and then I'm going to leave it over for my colleague.

Being a public institution, should it have been set up the way it was set up, in your opinion?

Mr. Ian Delaney: Well, it's an interesting—well, the—

The Chair (Mr. Norm Miller): You have two minutes.

Mr. Ian Delaney: The concept of a charitable organization to do this is not a new model. I don't know for a fact, but I suspect that people were looking out to western Canada, to the province of Alberta, for instance, to the STARS model, their Shock Trauma Air Rescue Society, which is also a charitable organization—very successful. It's been going for 25 years. It's an organization with whom we are trying to get some exchanges of information set up. I suspect it was the model. The STARS organization, in order of magnitude, is 70%, 72%, 73% funded by donations, and I think that was the original model for Ornge.

Mr. Jagmeet Singh: Okay. Thank you very much.

The Chair (Mr. Norm Miller): You have 30 seconds.

M^{me} France G  linas: Okay. We know that Dr. Mazza owes a lot of money to Ornge. How much effort and what kind of effort are you putting into getting in touch with Mr. Mazza so that he pays his debt to Ornge?

Mr. Ian Delaney: I'm putting zero effort into it. It's in the hands of lawyers.

M^{me} France G  linas: It's in the hands of lawyers? Okay. Thank you.

The Chair (Mr. Norm Miller): Thank you. To the government, Ms. Sandals.

Mrs. Liz Sandals: Just following up on that last line of questioning—not about Dr. Mazza but about corporate structure because you're obviously much more comfortable with corporate structures than most of us on the committee. When I looked at the organization chart, I found it bewildering, but I think what I hear you saying is that, as somebody who's familiar with looking at complex corporate organizations, you didn't find it unusually bewildering, that the structure in and of itself was not a red flag.

Mr. Ian Delaney: No. In and of itself, it wasn't. As I did mention, however, the one thing that instantly would have been a red flag was the fact that you had different directors serving on different organizations, and that sets up differentiated interests on the part of the top board, which is not a structure that I would tolerate.

Mrs. Liz Sandals: Okay. But just looking at the org chart—

Mr. Ian Delaney: Just looking at the corporate structure itself, no.

Mrs. Liz Sandals: —didn't necessarily send one off in a rage?

Mr. Ian Delaney: No, no.

Mrs. Liz Sandals: Okay. Because I think for those of us who aren't used to org charts, we look at that org chart and say, "Oh, my goodness," but that's more a reflection on us than it is on the organization. You can say yes; it's okay. I won't be insulted.

Since you were appointed as the chair, obviously there have been a number of things that have happened, but two of the significant things are, there has been a new performance agreement signed, there has been new legislation tabled, and I'm sure you're quite familiar with

the new legislation. How do those two things change the relationship between the ministry and Ornge?

Mr. Ian Delaney: Well, it gives the minister and the ministry much more authority to intervene in the event that they are uncomfortable with outcomes. It troubles me not at all. I think the new performance agreement is perhaps overly restrictive in some regard, but it's a natural consequence of going from one that didn't work to a slight overcorrection the other way. But it troubles me not at all because at bottom, it deals with transparency and integrity, and I can assure you, having worked with our board and from my own standards and the standards that we have agreed to adopt as a board and the natural inclination of the other board members, that our own particular standards would transcend anything the minister might want.

Mrs. Liz Sandals: And how important is that legislation in terms of shifting those accountability structures that were in place in the past and will, if the legislation is passed, be in place in the future?

Mr. Ian Delaney: Not at all, really. It provides the ability for more direct intervention, quicker intervention. It does give the ministry more rights to information audit and the like, but that is not in any way at odds with the basic operation of the business, and I don't anticipate it's going to be in any way a drag on our board, simply because our board has higher standards than that performance agreement.

Mrs. Liz Sandals: So from the point of view of the operation of Ornge as currently structured, or as currently evolving, it gives you the flexibility to be an excellent ambulance service, it gives the ministry the opportunity to have the accountability, if needed—and I'm not accusing you of in any way attracting the need, but were anything in the future to go off the rails, it gives the ministry additional opportunities to step in.

Mr. Ian Delaney: It does, and none of that is troubling to me by way of operation. There's a modest increase in expense in terms of reporting and monitoring, but in the main, it's certainly not a drag on what our board considers to be our challenge and our opportunity, frankly.

Mrs. Liz Sandals: You made reference to having relatively little interaction with the previous problems at Ornge, but I'm wondering if in your role as board chair, since you've been there, whether you've seen any indicators that the previous management at Ornge had deliberately misled, deliberately provided misleading information to the minister or the ministry?

Mr. Ian Delaney: I don't; I'm being intentionally obtuse on these points. At the present time, if there is a drag on management, I think we've got five sets of auditors in there looking at different things. It makes the current operation a little tedious, but I have no interaction with those auditors, and other than reading the Auditor General's report, I have no particular knowledge.

To the extent that you stopped the problems, the problems have been stopped. The corporate structure has been clarified, a redundant corporation has been put into

bankruptcy, management which were found to be wanting have been sent away. So our immediate priorities are new leadership, getting new leadership—always, always, always subordinate to the safety factor. But I must say that we've got good material to work with. Our board is completely engaged. Many of our board members have travelled as far afield as Sudbury and Thunder Bay to get right down on the ground and look at issues and talk to people. I, myself, have talked to pilots and paramedics from Toronto, Timmins and Thunder Bay. Before the passage of many more months, I think our entire board will have been to all our bases for an on-the-ground session with front-line people. The front-line people are marvellous. They are dedicated—

The Chair (Mr. Norm Miller): You have a minute and a half.

Mr. Ian Delaney: We have absolutely no concerns at all about the dedication and professionalism of our front-line people. Our pilots, our mechanics, our critical care, our advanced care people are all committed and they are all terrific. We have the benefit of one of the most modern fleets of aircraft in the world, and all of the questions and issues associated with the Pilatus aircraft and the AW139—this is something I do know; I do have a little specific knowledge. These are very successful aircraft and the most modern aircraft, the most modern fleet of its kind and the largest fleet of its kind anywhere on the planet. So we have real material to work with. I don't foresee any issue at all in re-establishing the credibility. It's very straightforward—not simple, but it is straightforward, what needs to be done, and our board is just committed to doing it.

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Mrs. Liz Sandals: Thank you very much for your presentation, and thank you very much for coming back this afternoon. We appreciate that, you rearranging your schedule.

Mr. Ian Delaney: I'm available at your pleasure.

The Chair (Mr. Norm Miller): Thank you very much. We very much appreciate that you came in, Mr. Delaney.

Mr. Ian Delaney: Thank you.

MINISTRY OF ECONOMIC DEVELOPMENT AND INNOVATION

The Chair (Mr. Norm Miller): Our last presenter today is Cathy Worden, chief of staff of the Ministry of Economic Development and Innovation. Welcome.

Ms. Cathy Worden: Thank you.

Mr. David Zimmer: I was going to ask him while I had him here why, when I drive down through the cities and towns of North America, do I drive down one week and it's a Sheraton Hotel and I drive down the next week and it's become another hotel and another hotel? But I didn't get a chance.

Interjection: I think it wasn't the Sheraton. It was the—

Mr. David Zimmer: Oh, I thought he said Sheraton.

The Chair (Mr. Norm Miller): No, it's Sherritt International.

Interjections.

The Chair (Mr. Norm Miller): Just to confirm, you've received the "Witness Appearing before the Standing Committee on Public Accounts" information?

Ms. Cathy Worden: That's correct. I have, yes.

The Chair (Mr. Norm Miller): Thank you. And the clerk will swear an oath, then.

The Clerk of the Committee (Mr. William Short): If you'd just raise your hand, Ms. Worden.

Do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

Ms. Cathy Worden: I do.

The Clerk of the Committee (Mr. William Short): Thank you.

The Chair (Mr. Norm Miller): And the NDP gets to go first this time.

M^{me} France Gélinas: She has no statement?

The Chair (Mr. Norm Miller): Oh, sorry.

Ms. Cathy Worden: I do have a statement.

The Chair (Mr. Norm Miller): You have a five-minute statement and then the NDP will go first.

Ms. Cathy Worden: Thank you.

Good afternoon, Mr. Chair and members of the public accounts committee. I would like to provide a brief opening statement, and then I would be happy to answer any questions you may have.

My name is Cathy Worden and I currently hold the position of chief of staff to the Minister of Economic Development and Innovation.

From April 2010 until November 2011, approximately 19 months, I was honoured to work for the Premier of Ontario as a policy adviser. In my role as policy adviser, I had several areas of policy responsibility: transportation and transit, infrastructure, economic development and trade, research and innovation, and intergovernmental affairs.

My duties as a policy adviser included providing the Premier with strategic policy advice regarding the policy areas for which I was responsible, liaising with other offices here at Queen's Park, outside stakeholders and different levels of government, and, on occasion, I was required to travel with the Premier. I reported to the Premier's principal secretary and, on occasion, would report to other senior staff, including the chief of staff and our director of policy.

Regarding the January 2011 document from Ornge, I would like to make the following observations:

I have no recollection of receiving the January 2011 document from Ornge. I had many areas of policy responsibility while working in the Premier's office, and health policy and Ornge as an organization were not part of them. My only association with Ornge and the Ornge document of January 2011 is that I was c.c.'d on a document that was addressed to the Ministry of Health and did not fall under my areas of responsibility.

After seeing my name in the paper several weeks ago regarding the Ornge document, I did a search of my documents and email records. While I have no recollection of receiving the Ornge document, my records show that I sent an email to my colleagues in the Premier's office on January 31, 2011. The email simply indicates that we had all received the same document.

Finally, I had no further contact with anyone on this document. The document was addressed to the Ministry of Health, and the minister has taken action.

I would be happy to answer any questions you have for me.

The Chair (Mr. Norm Miller): Thank you. And now it's time for the NDP to ask questions. France.

M^{me} France G  linas: All right. You saw that you were copied on this document. You've now seen everything that has come about with Ornge. Looking back on this document and on the role that you played, why do you figure you were copied?

Ms. Cathy Worden: I can't speak to the intention of the individuals who wrote that document and who sent it. That's not something that I can speak to. I'm here to speak to the facts that I know and am aware of, and that's not something that I can speak to. You would have to ask the people who sent that document.

M^{me} France G  linas: So you have no idea?

Ms. Cathy Worden: Again, I can speak to what I know in terms of—

M^{me} France G  linas: I'm asking you your ideas.

Ms. Cathy Worden: I understand. I think you're asking me a hypothetical question, and as I stated in my opening statement, health policy and Ornge as an organization were not part of my responsibilities.

M^{me} France G  linas: You're not helping yourself here. I'm asking you, do you have any ideas why you were c.c.'d on this letter in January?

Mr. David Zimmer: Just a point of order: Perhaps, counsel, this is the sort of thing that we can seek your advice on, the appropriateness of that question.

The Chair (Mr. Norm Miller): It's not a question of the law, so you, as a witness, can answer what you're comfortable with, and if you have a question of our counsel, feel free to ask.

Ms. Cathy Worden: Absolutely. I understand the intent of the question. I don't know why I was c.c.'d. The only thing I can surmise—and I know that my current deputy minister, Wendy Tilford, was here earlier today and there were some trade missions. I can only surmise that that might be the only reason, but I can't speak to the intent. As I noted in my opening statement, health policy and Ornge as an organization weren't part of my responsibilities. I had had no dealings with Ornge as an organizations previously, at all. That was my first interaction, being CCed on a document that was addressed to the Ministry of Health.

M^{me} France G  linas: Do you know anybody at Ornge?

Ms. Cathy Worden: No, I do not.

M^{me} France G  linas: You don't know anybody? Okay. Have you been contacted by anybody from—we'll start with Alfred Apps. Has he ever contacted you regarding Ornge?

Ms. Cathy Worden: No. I have no recollection of any contact from him on Ornge.

M^{me} France G  linas: No? Have you ever spoken to the Premier about Ornge?

Ms. Cathy Worden: I have not.

M^{me} France G  linas: Not since the scandal came out? Never?

Ms. Cathy Worden: I have not.

M^{me} France G  linas: Okay. That's all for me.

Mr. Jagmeet Singh: Have you had any contact with Alfred Apps just in general terms?

Ms. Cathy Worden: No, I don't know him.

Mr. Jagmeet Singh: Okay. And at any point in time were you aware of Ornge and its for-profit schema or schemata in terms of corporate organization?

Ms. Cathy Worden: I was not. The first instance was when I saw things in the media and specifically with my name associated with the document.

Mr. Jagmeet Singh: Okay. And in the Premier's office, are you aware, in general, of when the issue of Ornge came up?

Ms. Cathy Worden: No. I would state I'm no longer in the Premier's office. I'm now the chief of staff to the Minister of Economic Development and Innovation. And no, when I was in the Premier's office, for my time there, I had no discussion about Ornge.

Mr. Jagmeet Singh: Okay. So it's fair to say that when you received that email you were CCed, you don't recall it, per se. You sent out a letter or an email on January 31.

Ms. Cathy Worden: Correct.

Mr. Jagmeet Singh: Who did you send that out to?

Ms. Cathy Worden: I sent that to the principal secretary, the Premier's health policy advisor and the assistant to the principal secretary.

Mr. Jagmeet Singh: Would you be able to table that email, that correspondence?

Ms. Cathy Worden: Yes, absolutely. I don't have it here with me today but absolutely, yes.

Mr. Jagmeet Singh: Okay, certainly. And why did you choose those people to send the email off to?

Ms. Cathy Worden: Again, I'll go back. I actually don't recall receiving the document, but if I had to think of my mindset, perhaps I looked at who was also CCed on that document, and those would have been my colleagues at the time in the Premier's office that were also included. That's what I can imagine my headspace was.

Mr. Jagmeet Singh: Sorry, who was the health policy advisor?

Ms. Cathy Worden: It was an individual named Dan Carbon at the time.

Mr. Jagmeet Singh: Okay. That's fine. Thank you.

The Chair (Mr. Norm Miller): Very well, on to the government.

Mrs. Liz Sandals: No questions.

The Chair (Mr. Norm Miller): No questions? Okay, very well. And for the opposition, Mr. Ouellette.

Mr. Jerry J. Ouellette: I see we're getting questions.

Mrs. Liz Sandals: You didn't know you had any, did you, Jerry?

Mr. Jerry J. Ouellette: Well, not for this individual, no.

Did you have any involvement with the trip to the Middle East or the trips that were brought forward in the past?

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Ms. Cathy Worden: I did not.

Mr. Jerry J. Ouellette: You did not. So there was no involvement at all with even the air show that took place as well?

Ms. Cathy Worden: I did not.

Mr. Jerry J. Ouellette: Okay. Do you have—and I believe you mentioned your deputy was here earlier on—any expenses that may have been incurred by individuals within the minister's office regarding the trips abroad that involved going to the Middle East and that? We would hope that you might be able to forward us that information. Do you understand what I'm asking?

Ms. Cathy Worden: I'm so sorry; no, I didn't understand the question.

Mr. Jerry J. Ouellette: Okay. The trips that went to the Middle East that the deputy spoke of earlier on: Can we get copies of the expenses of the individuals who were in attendance from your ministry, or from the minister's office, to be brought forward so that we may be able to review those and the possibility of any actions that may have occurred at that time?

Ms. Cathy Worden: To the Chair and to the member, I can absolutely speak with officials and endeavour to do that. I have no problem making that request, of course.

Mr. Jerry J. Ouellette: Have you or any of your staff met with the officials from AgustaWestland?

Ms. Cathy Worden: The honourable member would know that staff and the minister etc. have changed since the previous election, so what I can tell you is that I have not met with any of the members of the company. I think the deputy was here earlier and provided details on that. I couldn't speak to that. I don't believe any of my current staff in the minister's office have met with the company. We've had no interaction with them.

Mr. Jerry J. Ouellette: So from your recollection, nobody in your current staff had those. Were you aware of any previous staff members who had those meetings as well?

Ms. Cathy Worden: With the company?

Mr. Jerry J. Ouellette: Yes.

Ms. Cathy Worden: No. Again, I can't speak to it. I think the deputy provided information. I'm sure she and members of the previous minister's staff could give details, but I can't. I don't know when they met, who they met, if they met. I apologize.

Mr. Jerry J. Ouellette: Thank you very much. I'm not sure if my colleagues have questions?

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

Mr. Frank Klees: No, Mr. Chair, I have no questions for this witness. I think we have some motions, and I defer the time to get that business done.

The Chair (Mr. Norm Miller): Very good. Thank you very much for coming before the committee today.

Ms. Cathy Worden: Thank you.

The Chair (Mr. Norm Miller): The first motion we have is one from Ms. Sandals.

Mrs. Liz Sandals: You would like me to read it into the record, Chair?

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

Mrs. Liz Sandals: That the Standing Committee on Public Accounts ("the committee") direct the clerk of the committee to request the attendance of the following individuals as witnesses in relation to the committee's consideration of the 2012 special report of the Auditor General of Ontario on Ornge air ambulance and related services: the member of provincial Parliament for Oshawa, the member of provincial Parliament for Whitby–Oshawa, the member of provincial Parliament for Simcoe North, the member of provincial Parliament for Dufferin–Caledon, and the member of provincial Parliament for Nickel Belt.

The Chair (Mr. Norm Miller): Okay. Any discussion on that? Debate? France?

M^{me} France Gélinas: Am I in a conflict of interest to vote?

The Chair (Mr. Norm Miller): Good question. Just give us a second here; the clerk's thinking.

We're just going to recess for one minute so he can check—

M^{me} France Gélinas: Well, I think the vote will go through anyway, so I'm going to abstain, just in case, and my colleague will vote for it, and that will be the end of that. How's that?

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

Any other comments?

Mrs. Liz Sandals: Recorded vote.

Mr. Frank Klees: Can I just ask you to read that motion again, please?

The Chair (Mr. Norm Miller): Sure. Go ahead.

The Clerk of the Committee (Mr. William Short): Ms. Sandals moved that the Standing Committee on Public Accounts ("the committee") direct the clerk of the committee to request the attendance of the following individuals as witnesses in relation to the committee's consideration of the 2012 special report of the Auditor General of Ontario on Ornge air ambulance and related services: the member of provincial Parliament for Oshawa, the member of provincial Parliament for Whitby–Oshawa, the member of provincial Parliament for Simcoe North, the member of provincial Parliament for Dufferin–Caledon, and the member of provincial Parliament for Nickel Belt.

Mr. Frank Klees: If I might, Mr. Chair, I'm prepared to support that on the proviso that the member agrees that we add the Premier to that list.

Mrs. Liz Sandals: That will have to be a separate motion.

Mr. Frank Klees: No, I move an amendment to that.

Mrs. Liz Sandals: Then could you please produce that in writing?

Mr. Frank Klees: Gladly.

Mr. Chair, I'll read my amendment.

The Chair (Mr. Norm Miller): Will you read it into the record, please?

Mr. Frank Klees: Yes.

The Chair (Mr. Norm Miller): Go ahead, Mr. Klees.

Mr. Frank Klees: I propose the following amendment: That the Premier be added to the list of MPPs to be requested to attend as a witness to the committee hearings.

The Chair (Mr. Norm Miller): Okay. We'll need to take a short recess, two to five minutes, to get this printed.

The committee recessed from 1447 to 1452.

The Chair (Mr. Norm Miller): Okay. Any further debate or can we get—

Mrs. Liz Sandals: I actually have another amendment, if I may. Actually, it's my motion. Mr. Zimmer has an amendment. I misspoke.

The Chair (Mr. Norm Miller): Mr. Zimmer has decided to make an amendment.

Mr. David Zimmer: I've got to speak with my subcommittee member here.

I move this amendment to Mr. Klees's amendment.

The Chair (Mr. Norm Miller): Okay.

Mr. David Zimmer: That the leader of the official opposition and the leader of the third party be added to the witness list.

Mrs. Liz Sandals: We'll need that in writing.

The Chair (Mr. Norm Miller): We need to take another recess to get this printed.

The committee recessed from 1454 to 1458.

The Chair (Mr. Norm Miller): We'll come back on the record. We are now adjourned.

The committee adjourned at 1458.

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