



## **Presentation to Standing Committee on Finance and Economic Affairs regarding Pre-Budget Consultations 2018**

Thank you for the opportunity to present today. I have two matters to bring to your attention. In addition to budgetary considerations, they also concern Accountability and Transparency, matters that we understand are important to the Ontario Government.

### **1. Mandatory Oversight Fees paid to the ON Government by Administrative Authorities**

Background: The Ontario Government has implemented mandatory “oversight fees” for Administrative Authorities (AA), previously known as Delegated Administrative Authorities (DAAs). For example, from 2009 to 2015, the Tarion Warranty Corporation paid approximately \$1.6 million to the Ontario Government. A number of people have tried to ascertain precisely what these fees were used for, but the responses have been unclear. For example, MPP Pettapiece inquired about this in 2015, and the Minister’s response was:

*“...The Ministry of Government and Consumer Services charges oversight fees to its administrative authorities, including Tarion Warranty Corporation, to offset the cost to government of overseeing Tarion’s operations. The oversight fee amount that is charged is based on various costs incurred by government. For example, costs related to the development and administration of the administrative agreement between the authority and government and costs incurred for policy development and amendments to legislation and regulations administered by the authority...”*

A copy of the Minister’s response to MPP Pettapiece is included in your package that we provided.

But we understand that there is no specific budget allocation or reporting to ensure that the mandatory oversight fees paid by an AA are actually spent on overseeing the AA. We also understand that the \$1.6 million paid by Tarion for “oversight” of Tarion between 2009 and 2015 may have been spent on matters unrelated to Tarion oversight.

Recommendation: There should be transparency in the budget concerning these mandatory AA oversight fees, as well as reporting/transparency regarding how these oversight fees are spent by the Ontario Government.

## 2. Costs related to special reviews such as the Tarion Review

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Background: CPBH has repeatedly requested information about the total costs of the Tarion Review that was announced in Nov. 2015 and concluded in Dec. 2016. We were advised that the total final costs for the Tarion Review are not available. It appears that this review may not have been budgeted.

Documents obtained via Freedom of Information and other related estimates suggest that the total costs for the Tarion Review were in excess of \$750,000.

Recommendation: There should be transparency in the budget concerning special reviews such as the Tarion Review, as well as reporting/transparency regarding the total costs spent for such special reviews, compared to the budget provided.

I am happy to address any questions or comments you may have.

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