

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

**Official Report
of Debates
(Hansard)**

FT-14

**Journal
des débats
(Hansard)**

FT-14

**Select Committee
on Financial Transparency**

**Comité spécial de
la transparence financière**

1st Session
42nd Parliament
Monday 3 December 2018

1^{re} session
42^e législature
Lundi 3 décembre 2018

Chair: Prabmeet Singh Sarkaria
Clerk: Valerie Quioc Lim

Président : Prabmeet Singh Sarkaria
Greffière : Valerie Quioc Lim

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<https://www.ola.org/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7400.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7400.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

ISSN 2562-0452

CONTENTS

Monday 3 December 2018

Committee business.....	295
Ms. Kathleen O. Wynne	295
Committee business.....	319

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**SELECT COMMITTEE
ON FINANCIAL TRANSPARENCY**

**COMITÉ SPÉCIAL DE
LA TRANSPARENCE FINANCIÈRE**

Monday 3 December 2018

Lundi 3 décembre 2018

The committee met at 1300 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Prabmeet Singh Sarkaria): Good afternoon. The Select Committee on Financial Transparency will now come to order.

Just a note that after today's hearings we have to discuss a few items regarding the committee's schedule, so to the members, please do stay back.

I would like to take an opportunity to welcome Ms. Wynne to the committee. We will be giving you an opportunity for a 10-minute introduction, followed by questioning from both the government side and the opposition, starting with 20-minute rounds of questioning.

With that, we will—oh, sorry. Ms. Fife.

Ms. Catherine Fife: Thank you, Chair, for recognizing me.

We did receive correspondence from Mr. Glenn Thibeault, who has made a request to the committee for reimbursements to attend. The reason I think that we should probably deal with that at the beginning of this committee is that I'm not sure, if we don't approve financial reimbursement for him to come to Toronto, if in fact he'll be able to come, and then that may change some of the questions that we ask today.

The Chair (Mr. Prabmeet Singh Sarkaria): I was thinking that we would save it for after the witness, just out of respect, but if the committee agrees, we can discuss it beforehand.

Ms. Lindsey Park: I think we can discuss it beforehand. That's fine.

The Chair (Mr. Prabmeet Singh Sarkaria): Before is okay? Okay.

As Ms. Fife has mentioned, Mr. Thibeault has requested reimbursement for the possibility of attending or video conferencing. The committee can decide to reimburse all or part of, or to not reimburse, Mr. Thibeault's travel, so I would put that to the committee for further discussion. Does the committee agree? Ms. Park.

Ms. Lindsey Park: I believe the request had particular dollar values attached to it. The dollar values seemed reasonable, so I guess limiting the reimbursement to the dollar values mentioned would seem appropriate.

The Chair (Mr. Prabmeet Singh Sarkaria): Will the committee agree to a dollar value? Ms. Fife.

Ms. Catherine Fife: In the correspondence with the Clerk's office, did Mr. Thibeault make any reference as to whether or not reimbursement was contingent on him coming to Toronto? The memo was very brief and just had a hotel request and a gas money request.

The Chair (Mr. Prabmeet Singh Sarkaria): The understanding, according to Madam Clerk, is that he will still be coming in.

Ms. Catherine Fife: Okay.

The Chair (Mr. Prabmeet Singh Sarkaria): As to the question of reimbursement: Does the committee agree to the reimbursement for Mr. Thibeault, the total costs of \$250 for accommodation, plus mileage, at \$338.80? That's both accommodation and mileage. The committee agrees? Thank you.

MS. KATHLEEN O. WYNNE

The Chair (Mr. Prabmeet Singh Sarkaria): Back to Ms. Wynne: We'll start with a 10-minute introduction.

Ms. Kathleen O. Wynne: Good afternoon, Chair and committee members. I want to begin by thanking all the members of the committee for your work. I spent many hours and days for three years working as you are on committee, hearing delegations, helping to move legislation through the process.

As I thank you, the elected members and the legislative staff, let me also thank all of the fine civil servants who, through this process, have shared their knowledge and experience with you, and who, throughout my time as an elected official, served me and my government so well. I was privileged to work with many of them directly, and I hold the OPS and the public servants in all of Ontario's agencies and related organizations in the highest regard. Their advice, their diligence and their understanding of the complementary roles that elected and non-elected officials play were always exemplary.

But I'm here today, and rightly so, because it is the obligation and the honour of elected officials, and especially the Premier, to take the responsibility for decisions that are made on her watch and by her.

On every policy file, I attempted to have as full a grasp of the issues as possible, so that I could make informed decisions, guided by my colleagues and my staff, and in partnership with the public service.

Although I entered elected office first as a school trustee, and then as a provincial member of Parliament, to strengthen, to work to reinforce and to rebuild, in fact, the

publicly funded education system, the issues that swirled around our electricity system were constantly in the foreground of my political life. Whether it was the degraded electricity system that led to brownouts and smog days in 2002-03, or Bill 100, the Electricity Restructuring Act of 2004, which was in fact the subject of my very first experience on committee, touring the province to get community input, and learning from Shelley Martel how to be a committee member, or the Green Energy and Economy Act of 2009, or the cancellation of the gas plants, or my Hydro One decision, or, at this point, the Fair Hydro Plan—with all of those things, the electricity system in Ontario has been a constant policy priority.

There are good reasons for the high profile of electricity in Ontario, and I made a statement on March 2, 2017, which I believe puts that profile in perspective.

I began by stating that governments of all stripes had made mistakes in the structuring of Ontario's electricity system. I went on to say that Liberal, NDP and Conservative governments “let the maintenance and support of that system slide. No politician ... wants to defend rising rates, and for decades the easiest way to avoid the pinch was to invest as little as possible.... Eventually, systems became outdated, the grid was less reliable and, just like an old house that wasn't kept up, it began to show.” I stand by that statement.

So it fell to us in 2003 to rebuild the system. There was a big price to pay for the neglect. I just want to reinforce this point: If, for 40 years, governments of all stripes, term after term, had invested, modernized, innovated and kept up, the situation that we inherited would have been very different.

We made the necessary investments: more than \$50 billion in infrastructure for new dams, new towers; \$13 billion to refurbish nuclear plants; billions more for thousands of kilometres of transmission and distribution lines.

But we asked one generation—today's—to pay the whole freight, even though previous generations had benefited from not having to pay for investment, and even though future generations would benefit from the assets and the economic progress that is being enabled by those assets.

As a result, unacceptably high electricity rates became a burden on people across the province, and we had to fix that. We had to help people to deal with the impact of the investments that had been made.

There was no simple solution, and there was no single solution, either political or technical, because there were different challenges.

There were people already living in poverty, so the Ontario Electricity Support Program was designed to help there.

Disparity in distribution costs by region: The rural and remote rate protection, the RRRP, was designed to deal with some of those issues.

The need for local distribution company flexibility, in order to provide relief to customers, was another issue. The Affordability Fund was an attempt to address that.

The cost of electricity to businesses: The industrial conservation initiative was already in place, and the expansion of that was an attempt to further deal with that issue.

Distribution costs to First Nation reserves: The on-reserve delivery credit was designed to deal with that.

The overall residential rates: We had already removed HST from the rates and onto the tax base, but GA smoothing, the global adjustment smoothing, was designed to deal with that.

You've already heard from many of the technical experts who worked so hard with us to find a range of solutions to fit that range of challenges. It was both a complex and a complicated process, but I was determined to find a responsible way to mitigate the negative impacts of investments and upgrades that were necessary to the integrity and strength of our electricity system.

Furthermore, I was determined to have the payment for that mitigation assigned where it properly belonged: to the tax base or the rate base, or some combination of both. In the end, we determined that social programs, such as the expansion of the OESP, the expansion of the RRRP, the LDC affordability fund and the First Nation on-reserve delivery credit that I just talked about, should rightly be borne by the taxpayer. Those social programs went onto the tax base. Investments in electricity infrastructure should rightly be borne by the ratepayer within the electricity system.

1310

I look forward to today's discussion, but before we begin, just a reminder that I'm not an accountant, I'm not a lawyer, nor am I an economist. I'm a practical politician who worked hard to find answers. All of the people you have talked to were honest with us. They gave us their very best advice, and then we made our decisions; I made my decisions. It's possible that someone else might have had the perfect solution, but I did my utmost at every turn to work with the hand that I was dealt. I'm happy to be here to answer your questions about my decisions.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you very much, Ms. Wynne. Before I hand it off to the government side, I just want to make a note and remind and caution all honourable members on their language and decorum in committee today. I recognize that at times, discussions can become heated, but I would ask members to keep their remarks and tone temperate. The committee is an extension of the House, and members must maintain the same order and decorum as they would in the chamber. If I find that a member is not upholding this conduct, I will move on, and that member will lose the floor.

With that, I would like to pass it off to the government with Ms. Martin and 20 minutes of questioning.

Mrs. Robin Martin: Ms. Wynne, when did you realize that hydro rates were out of control?

Ms. Kathleen O. Wynne: At least a year before the Fair Hydro Plan was introduced, we were working on mitigating the costs. The removal of the HST from electricity bills and putting that onto the tax base, the renegotiation of the Samsung contract, the decision not to go ahead

with the building of new nuclear—all of those decisions were part of an attempt to deal with increasing electricity prices.

Mrs. Robin Martin: At least a year before the Fair Hydro Plan would be March 2016, approximately.

Ms. Kathleen O. Wynne: Yes.

Mrs. Robin Martin: Okay. You didn't go through your elected history, but I know that you were elected in 2003, that you served as a senior minister in governments under Dalton McGuinty—municipal affairs and housing, education, transportation. You were campaign chair in the 2011 election. You were involved in the gas plants; you signed a memo, at least, that came out in the disclosure around 2010, 2011 on that. You said yourself in your statement earlier that electricity formed a part of—

Ms. Kathleen O. Wynne: Absolutely.

Mrs. Robin Martin: —all the way through. Why didn't hydro rates come to your attention sooner than March 2016?

Ms. Kathleen O. Wynne: I think it's fair to say that we were conscious of the impact of the changes that were being made, because they were massive. As I said in my introduction, the very first committee that I served on was to travel with Bill 100. I think that if you look back, the very first speech that I made in the House before I made my maiden speech was about the electricity system.

All along, first as a backbencher—I was a backbencher for three years—and then as a minister, I was always aware that we were making decisions that were having a huge impact on the electricity system. I wouldn't say that I was unaware of electricity prices; I think we were always aware of electricity prices. But there was an increasing awareness and increasing concern throughout that period that the burden was really becoming unmanageable.

You'll remember that there was a clean energy benefit that had been put on people's bills. That was being removed, so that actually increased the burden that people were dealing with.

Mrs. Robin Martin: Yes. I think that was removed in 2011, though—

Ms. Kathleen O. Wynne: Yes, but I'm just saying that there were a number of factors that led to an increasing and a heightened awareness, and a heightened need for us to act.

Mrs. Robin Martin: Including, I guess, the fact that hydro rates were increasingly a burden on people?

Ms. Kathleen O. Wynne: Well, that's fundamentally what I'm talking about. When I talk about the burden, it's the burden on people that I'm talking about.

Mrs. Robin Martin: Right. What made you decide to take action in about March 2016?

Ms. Kathleen O. Wynne: Exactly what we're talking about: that it was increasingly clear to me that we needed to do more to find a way to mitigate electricity rates.

Mrs. Robin Martin: Nothing specific at that moment that brought it to your attention?

Ms. Kathleen O. Wynne: No, not that I can recall. My recollection of that process was that it was increasingly an issue that people were having to deal with. There had been

conversation for some time, for example—and the northern members will know this—about the discrepancy in distribution rates. That had been something that had been raised. For some time before we acted on the HST and then moved forward with the Fair Hydro Plan, I had had conversations with our northern members about how we might deal with those distribution rates, because there were real discrepancies.

So it wasn't that it was a new discussion; it's just that we had reached a point where we realized that it really was untenable for many people in the province, not just in rural communities but also in urban and small towns, and that we needed to do more, beyond what we were already doing.

Mrs. Robin Martin: The Auditor General said in her 2015 annual report that Ontarians would pay \$9.2 billion more for renewable energy over the next 20 years because of the Green Energy Act. Do you agree that this contributed to skyrocketing electricity rates?

Ms. Kathleen O. Wynne: I think that there were a number of things. Yes, that was part of it, but as I said in my opening remarks, the rebuild of the system—and part of that rebuild was building a cleaner, more renewable electricity grid—all of that rebuild and that progress that was being made had a price tag associated with it.

Mrs. Robin Martin: Right. Certainly I heard that in your talking points earlier. But the bulk of the money that you spent didn't go to rebuilding the system. It went to, for example, wind and solar contracts and the transmission lines required to put in wind and solar contracts. That amounted to \$20.4 billion. Isn't that correct?

Ms. Kathleen O. Wynne: As I said, it was over \$50 billion, and in fact there are calculations that are higher than that, so—

Mrs. Robin Martin: In fact, there are calculations that are lower than that. I believe your own energy minister issued a press release September 13, 2016, saying it was a \$35.5-billion investment.

Ms. Kathleen O. Wynne: The point I'm making is that there are different calculations in terms of the number. I've heard anything from that to \$70 billion. But the fact is that the building of those transmission lines, the move to a cleaner grid, the shutting down of the coal-fired plants and the rebuild was all part of the infrastructure that I'm talking about. In fact, it was part of the strengthening of the electricity system, the modernization of the electricity system. That's exactly what I'm talking about. It's all of a piece.

Mrs. Robin Martin: I think Parker Gallant wrote a blog on the subject, which I have here—

Ms. Kathleen O. Wynne: Who? Sorry?

Mrs. Robin Martin: Parker Gallant, G-A-L-L-A-N-T, for the record—in which he indicated that \$20.4 billion of that went to wind and solar and transmission for wind and solar, that \$4.1 billion went to Beck and Mattagami, \$3.4 billion went to nuclear refurbishment, and \$7.4 billion went to smart meters and conservation and cancelling gas plants and stuff like that. That adds up to \$36 billion or so—

Ms. Kathleen O. Wynne: Do you have a document that I should be looking at? I don't know what this is or who this person is.

Mrs. Robin Martin: Yes.

Ms. Kathleen O. Wynne: This is one person's opinion or one person's research. I can't comment on this. I don't know who this person is. I don't know where he got his numbers.

Mrs. Robin Martin: Fair enough. You also said it was to rebuild the system, but isn't it true that blackout rates increased 275% between 2012 and 2015?

Ms. Kathleen O. Wynne: I don't have that statistic. I know that the smog days have disappeared.

Mrs. Robin Martin: That may be, but blackout rates have increased 275% during that period of time, and in 2017 we had the highest number of blackout days, in Ontario, of any province in the country. Do you have any reason to dispute that?

1320

Ms. Kathleen O. Wynne: Again, I don't have that number. I don't know what those blackouts are attributed to. Whether it's through the ice storms, whether it's through the changing climate—I don't know what those are attributed to.

Mrs. Robin Martin: The point is, though, that the system really hasn't been improved for reliability. There was a lot of money spent, but it went to things that didn't really improve the reliability of the system.

Ms. Kathleen O. Wynne: I guess I would challenge that in the sense that we had an inadequate supply of electricity. We had a dirty supply of electricity in 2003. I knocked on tens of thousands of doors in 2002 and 2003, and it was a top issue for people in Toronto and around the province, and so we worked to re-establish the integrity of the system. We have a clean renewable electricity grid, which we did not have in 2003.

Mrs. Robin Martin: We did have an adequate grid in 2003. This story about there not being adequate electricity supply is a story, because we never had any blackout caused by a lack of power availability, did we?

Ms. Kathleen O. Wynne: Again, we had a dirty, unreliable grid in 2003 that had been neglected. There were tens of thousands of lines that needed to be rebuilt.

Mrs. Robin Martin: There still are.

Ms. Kathleen O. Wynne: Yes. To this day, we don't have enough access for communities in the northwest. I sincerely hope that this government will go ahead, for example, with the Watay Power project, because those are the kinds of things that build on the foundation that we've put in place.

Mrs. Robin Martin: All parties promised to get rid of the coal power plants by 2015. I believe that your government closed them in 2014. But "dirty" doesn't mean "reliable" or "unreliable."

Let's move on. Where did the idea of the Fair Hydro Plan come from?

Ms. Kathleen O. Wynne: It was very much a collaborative process among my office, the Minister of Energy's office, our colleagues in finance, the public service. It was

a very intense discussion about what we could do and how we could address all of those challenges that I laid out in my remarks.

Mrs. Robin Martin: And the genesis of the idea—is there someone you can point to as the person who came up with it?

Ms. Kathleen O. Wynne: Sorry. Which idea are you talking about, Ms. Martin?

Mrs. Robin Martin: The complicated scheme for refinancing the global adjustment.

Ms. Kathleen O. Wynne: So you're just talking about the global adjustment piece?

Mrs. Robin Martin: I believe that is what the Fair Hydro Plan—

Ms. Kathleen O. Wynne: No, the Fair Hydro Plan is much more than that.

Mrs. Robin Martin: I see.

Ms. Kathleen O. Wynne: The Fair Hydro Plan is the expansion of the OESP, which was the program to help people on low income. The Fair Hydro Plan is the—

Mrs. Robin Martin: I'm just talking about the expensive part of the Fair Hydro Plan.

Ms. Kathleen O. Wynne: Actually, the social programs cost nearly a billion dollars that was put onto the tax base, so it was a pretty significant investment that was taken off of the rate base and put onto the tax base as part of the Fair Hydro Plan. So if you're just talking about the global adjustment smoothing, yes, that's part of it. But the Fair Hydro Plan had a much broader impact, because it had all of those pieces that I was talking about. They were not inexpensive; they were serious investment in people living in poverty and people living in rural and northern communities, in people living in First Nations communities and in distribution companies, to help people when they were strapped.

So you want me to focus on the global adjustment smoothing?

Mrs. Robin Martin: Yes.

Ms. Kathleen O. Wynne: Okay. That was the piece of the Fair Hydro Plan, as I said earlier, that was designed to deal with the cost of those infrastructure investments that had been made. I don't know whose idea it was to extend that investment over a longer period of time. I can't tell you who the one person was because I don't know.

Mrs. Robin Martin: When did you start discussing it?

Ms. Kathleen O. Wynne: Again, I think that there were likely technical discussions. There were people talking about these things before I would have become part of those conversations.

Mrs. Robin Martin: Was it driven out of your office? Were you the one saying, "We have to get hydro rates down and figure out a solution"?

Ms. Kathleen O. Wynne: It was my office. It was my caucus and cabinet members. It was my colleagues. We all were MPPs in our constituency offices getting concerns. We knew that something had to be done, and so it was very much a process that we were all involved in.

Mrs. Robin Martin: David Herle was the Liberal Party campaign manager in 2014, correct?

Ms. Kathleen O. Wynne: Correct.

Mrs. Robin Martin: And in 2018?

Ms. Kathleen O. Wynne: Correct.

Mrs. Robin Martin: And in between, his company, the Gandalf Group, was employed by your government to do polling. Isn't that correct?

Ms. Kathleen O. Wynne: He would have gone through a competitive process with the government just as every other company did.

Mrs. Robin Martin: Okay. In a slide that he presented in 2016—can someone help me distribute those? Thank you. I believe this slide is from February 26, 2016. He presented this slide, and it said 80% of Ontarians agreed that “the cost of electricity in Ontario is unreasonably high,” 69% of Ontarians believed “the cost of electricity hurts the Ontario economy and costs jobs,” and 61% of Ontarians agreed that “the cost of electricity is a real financial hardship for me.”

Were you worried about the growing public anger toward the government's energy policies in and around February 2016?

Ms. Kathleen O. Wynne: My experience with this kind of research is that nine times out of 10, it confirms what we already know as politicians. There is nothing in this document that was surprising to any of us as politicians sitting around the table. It confirmed that this was a high-priority issue and that electricity prices were a burden for people. This was not a newsflash, Mrs. Martin, that made us all say, “Oh, my goodness, we never thought of that.” We knew, and this was confirmation.

The Chair (Mr. Prabmeet Singh Sarkaria): Just under five minutes.

Mrs. Robin Martin: So internal polling conducted for your government in the month prior to the announcement of the rebate on electricity bills—which I believe was September 2016, so the polling would have been August 2016—suggested that “94% of residents were eager for price relief.” Were your efforts motivated by the fear of a backlash at the ballot box?

Ms. Kathleen O. Wynne: My actions were motivated by wanting to solve this problem. We had embarked upon a rebuild of the electricity system, and there were impacts on people that were of real concern to me.

Mrs. Robin Martin: Okay, so—

Ms. Kathleen O. Wynne: Particularly, for me, I just have to say—

Mrs. Robin Martin: Sure.

Ms. Kathleen O. Wynne: Particularly for people who were living on the margins, people who were living in remote areas and people who didn't have the resources to deal with these challenging electricity prices—that's what motivated me. Did I recognize it as a political problem? Yes, I did. But at its base, it was a human problem that needed to be resolved by government.

Mrs. Robin Martin: On September 12, you announced the rebate of 8%, matching the provincial HST for January 1, 2017.

Ms. Kathleen O. Wynne: Correct.

Mrs. Robin Martin: But even as you finally realized that hydro prices were too high, you increased hydro bills, because you proceeded with the March 2016 LRP1, the large renewable procurement, adding 500 megawatts and \$1.5 billion to power bills. You signed an agreement with Hydro-Québec in October 2016 which cost \$70 million, and you were putting the cap-and-trade on people's bills for January 1, 2017, when you were going to take off the 8% HST rebate. How do you reconcile that? If you were so concerned about people, why did you keep putting more things on their bills?

Ms. Kathleen O. Wynne: Let me tackle those. The LRP contracts would have been contracts that would have been in place, and there was some hue and cry from some quarters about cancelling those contracts. There would have been a huge cost associated with that.

Mrs. Robin Martin: Not at that point.

Ms. Kathleen O. Wynne: Well, there would have been a cost associated with cancelling contracts.

In terms of Hydro-Québec, I have a strong belief—I worked very closely with the Premier of Quebec to find ways to come up with mutually beneficial agreements. In fact, the agreements that we forged were beneficial to him, to Quebec, because they have the advantage of geography in terms of the water and the decisions that they have made over the years. They have very cheap hydroelectric power. I have always thought that we had an opportunity to do more with Quebec rather than less with Quebec, so that's what that was about. It was actually about trading power.

1330

I'm not sure if that was the first agreement that we made, because we did have a couple of agreements with Quebec, but the idea was to actually get power at a cheaper rate than we would have had to pay otherwise, so—

Mrs. Robin Martin: But we didn't need more power. We had an abundance of power, as you know.

Ms. Kathleen O. Wynne: Well, we certainly did by the end of the term. But as I said, we were working to, in our off-peak and their on-peak times, trade power in a way that would benefit both jurisdictions. The need for power, as you know, is not even throughout the year. We have a peak in the summer; they have a peak in the winter. We were trying to have an arrangement that was going to allow us to have a mutually beneficial agreement.

Mr. Roman Baber: Time check?

The Chair (Mr. Prabmeet Singh Sarkaria): Forty seconds.

Mrs. Robin Martin: Well, then, just let me follow up on that. In October 2016, we had a superabundance of power. We had more power than we could possibly use, and yet you signed that contract.

Ms. Kathleen O. Wynne: Well, as I said, the contract was for over a period of time. It wasn't for that day.

The Chair (Mr. Prabmeet Singh Sarkaria): Now I will pass it over to the opposition for 20 minutes of questioning, starting with Ms. Fife.

Ms. Catherine Fife: Thank you, Ms. Wynne, for being here. As you know, this process has been quite interesting. This committee has the unprecedented mandate to review

an accounting smoothing transaction through the Fair Hydro Plan, and we're working backwards, if you will—sometimes figuratively and literally—on how these decisions were made and how we got to this point.

As New Democrats, we've been trying to navigate through this process by trying to come to a place where potentially we won't end up doing the same things that were done under your government, particularly around accounting.

The commissioners' report: Have you had an opportunity to review it?

Ms. Kathleen O. Wynne: Yes, and I've got a copy of the recommendations here.

Ms. Catherine Fife: That's great. So you know that in their executive summary they make multiple recommendations around transparency, around accounting principles, around rejigging or, if you will, renewing the relationship with the province's auditor. They also even go into some of the economic impacts of decisions that have been made, why we are here and what challenges are before us; namely, cyber security, climate change. In some regards, our mandate is limited to explore some of those options.

I would like to go back to your opening statement, because you delved into the fact that we are here in this place because of multiple governments, and that throughout that journey decisions were made which compounded the problem.

I think that for us, we have to go back to the sell-off of Hydro One—the privatization, or the broadening of the ownership; whatever language you want to use. There was a point in time when the advisory council was brought into play by your government, under the leadership of Mr. Clark, who, you know, we had before us in this committee.

Ms. Kathleen O. Wynne: Yes, I do.

Ms. Catherine Fife: They very clearly made a decision, and this is going back to November 2014, so four years ago, where they said, "We recommend keeping all three companies—OPG, Hydro One and the LCBO—in public hands, and we do not recommend selling off these assets."

We also had Mr. Al Rosen, who is an accounting expert. I know that you're familiar with him. He went on to say that the role that governments play in privatizing public assets—he said selling public assets off is the quickest way to bankruptcy.

I feel like there was a time and a place where you may have viewed public assets differently, because you were on the record as supporting, back in 2014, Ed Clark's recommendation that Hydro One in particular not be privatized. I wanted to give you an opportunity, just as I gave him, to tell the committee, or to explain, how you went from not believing in or not supportive of selling off a public asset—which generates revenue for education and health care, as we all know—to a place where you could rationalize that, perhaps, to yourself, to your party and certainly to the people of this province.

Ms. Kathleen O. Wynne: Thank you for the question. I know that this is something that you and your party have

worked very hard on. I know that it is a particular point of contention between us, and I understand that.

I think you also know that it was a very difficult decision for me, because I do believe in public assets. But I believe in public assets writ large. I believe in public transit. I believe in public infrastructure that had to be built. Those comments that I made, Ms. Fife, about the electricity system, I could have made about roads, I could have made about bridges, I could have made about transit.

When I became the Minister of Transportation in 2010—and I had the privilege for two years of serving in that role—I travelled the province. There are 7,000 bridges in this province, including huge culverts that had not been rebuilt. In fact, the amount of money that had been invested by the previous government did not even meet the threshold of maintenance for infrastructure across this province. By that, I mean that there's a percentage investment—it's about 5%—that actually allows you to grow your infrastructure. I think we were well below 2%—

Ms. Catherine Fife: But do you feel like you had a mandate? Every government—I mean, this government is blaming your government. When you came in, you blamed the previous government. At some point, there has to be an accountability measure here.

Ms. Kathleen O. Wynne: But just let me finish this thought: Because what we had committed to was building infrastructure. We had committed to building roads and bridges and transit, particularly. Remember, there is no ministry in Ontario that's called "the Ministry of Transit." There's the Ministry of Transportation, which used to be the Department of Highways, and that's what it focuses on.

I had made a commitment that we were going to continue to build transit and actually increase our investment. It was that imperative that brought me to the point where I needed to make a decision about how we were going to finance that. I know that there's a discussion about the efficacy of that. I get that. But we realized \$9 billion by broadening the ownership of Hydro One, by changing the ownership of Hydro One. We already had a mixed private and public transmission system across the province, so I was convinced that we could move ahead in the best and most efficient way.

We couldn't borrow all of the money to do the infrastructure-building that we needed. We needed to have some liquidity in order to do that, and that's why I made that decision. It wasn't an easy one. I was brought to it reluctantly, but I got there.

Ms. Catherine Fife: We know that you weren't originally in favour of it, because you're on the record doing so.

Ms. Kathleen O. Wynne: Correct.

Ms. Catherine Fife: Afterwards, you did make the case that \$9 billion would be generated through the privatization of Hydro One. However, that \$9 billion was never—\$5 billion of it was supposed to go down to pay the deficit. The commission—

Ms. Kathleen O. Wynne: It was debt, right?

Ms. Catherine Fife: Debt, sorry. The commission of inquiry noted that one-time revenues from the sale of Hydro One significantly reduced the deficits, actually, in 2015-16 and 2017-18. So there were short-term and time-limited gains that compromised the usefulness of those deficit figures. But, essentially, you reduced the deficit in the short term but maybe forgoing revenues in the long term. I think that's what Mr. Rosen was actually referring to.

In fact, when the proposal to sell 60% of Hydro One was announced, it was estimated that this sale would generate that \$9 billion, but it did not, because after three offerings, there was only \$6.5 billion, and tracking the public accounts and the expenditures on infrastructure investments found that there was no new investment into infrastructure.

Do you feel like, at the end of the day, those transit and infrastructure investments, which you said were so important as to sell off Hydro One, were never realized?

Ms. Kathleen O. Wynne: A couple of things: I just have to challenge the notion that there was no new infrastructure. There's building going on all over this province. There's building going on in Kitchener-Waterloo. There's building going on in Toronto. There's building going on in northern communities.

1340

Ms. Catherine Fife: Well, I'm going to put my plug in for two-way, all-day GO to the government of the day.

Ms. Kathleen O. Wynne: And two-way, all-day GO was part of—

Ms. Catherine Fife: It has not been realized, for sure.

Ms. Kathleen O. Wynne: Well, it has not, but the planning is in place. You know that these projects take a long time, which is exactly why government after government didn't invest in them, because you couldn't cut the ribbon on them. I knew that when we were moving ahead. The fact is that that money provided the opportunity for us to make investments and, yes, it sat in the treasury and was part of the overall financial well-being of the province. But it was the money upon which we relied in order to make all those investments. I don't think anybody who drives, certainly, in the GTA or beyond would argue that there isn't investment going on. There's construction going on all over the province, and that's those dollars at work.

Ms. Catherine Fife: So—

The Chair (Mr. Prabmeet Singh Sarkaria): Ms. Fife, a quick caution here. With respect to the report, if we can tie the question into the masking of the deficit or forgoing of future revenue, that would be appreciated, because I sense we're getting a bit broader here.

Ms. Catherine Fife: Well, I'm quoting the financial commissioners' report.

The Chair (Mr. Prabmeet Singh Sarkaria): No, no, exactly, but the question gets a bit broad. If we can bring it back to what the report was actually mentioning, which is the masking of the underlying deficits or the forgoing of future revenues.

Ms. Catherine Fife: My point is that political decisions get made. The funding for those political decisions is promised and dedicated to certain infrastructure assets. In this case of Hydro One, it wasn't realized because only \$6.5 billion was generated.

But I'm going to move on to accountability and transparency. In the Auditor General's report—because that speaks directly to the report—in 2017, and this was in October, the Auditor General decided to actually do a value-for-money review of the Fair Hydro Plan. The reason they were giving is that the AG has the responsibility “to speak out when the financial information of the government is not, or will not be, presented fairly and transparently to both the Legislature and Ontarians.”

So the Auditor General felt so strongly that the accounting and the smoothing out—we've heard various language, like “energy cost bending,” the “smoothing out,” the “creative accounting schemes.” We'll need a thesaurus pretty soon, at this rate. But she goes on to say, and this is in the Auditor General's report, which you're familiar with, that, “Because the province does not borrow all funds directly as shown ... Ontarians may pay up to \$4 billion more in interest expense. This cost stems from the fact that OPG/OPG Trust must pay a higher interest rate on borrowings than the province would if it were to borrow in the normal manner through the Ontario Financing Authority.” This was confirmed when the OFA folks came to us, as well.

Thankfully, they've just delivered 161 boxes containing the printed documents and contents from that decision to this committee.

Ms. Kathleen O. Wynne: What a relief.

Ms. Catherine Fife: Yes. We're going to have to have an inquiry into this inquiry, I'm pretty sure, at the end of the day.

This was a pretty scathing report.

Ms. Kathleen O. Wynne: We knew, Ms. Fife, that there was a very clear risk that the Auditor General wouldn't agree with the Fair Hydro Plan.

Ms. Catherine Fife: Can you expand on that? If you knew that they weren't—

Ms. Kathleen O. Wynne: We had established that just putting the cost of spreading that global adjustment, that investment in electricity infrastructure—just putting that cost on the single generation, as I talked about, and not smoothing it across, spreading it across, whatever words you want to use, over a longer period of time and other generations was not consistent with our understanding of how these assets were going to benefit not just this generation but the future generation.

It also was, from our perspective, important that we make that distinction between the rate base and the tax base. What the Auditor General was saying, and I know that others who have come before you have said, was that it just all should have gone on the tax base and that somehow that would have been more transparent. We can have that discussion. I think in terms of transparency, we worked very hard to make it clear what we were doing, where that cost was going to be borne—that OPG was

going to be part of the process; that OPG was going to, as part of the electricity system, carry that refinancing responsibility. But fundamentally, it was what I talked about in my opening remarks, that there were programs we believed needed to be on the tax base—essentially, those social programs—and then there was the rebuild of the electricity system, the building of the infrastructure, the electricity costs that needed to be carried by the rate base in the electricity system. That's why we made that distinction.

The Auditor General didn't agree with that. She didn't agree with the accounting process, even though it was the rate-based accounting that was used and that had been used in other jurisdictions. She didn't agree with that, and I knew that was a risk.

Ms. Catherine Fife: Well, not everybody agrees with that rate-based accounting as used in other jurisdictions. In fact, Mr. Rosen doesn't think it's the most transparent model for accounting to be used in governments. So I think that the general question arising from—

Ms. Kathleen O. Wynne: But it is a discussion—if I may—among accountants—

Ms. Catherine Fife: Ontario prompted that discussion because of its use of that. It's interesting that all of the Auditors General, though, across the country did support her in having an open and transparent accounting model. That really is the heart of why we're here.

Did your government deliberately structure the Fair Hydro Plan to keep costs off the books? Was that a deliberate, intentional decision that your government made?

Ms. Kathleen O. Wynne: There are two parts to this. The deliberate decision that we made was to have the rate base and the tax base pay for the things that it made most sense for them to pay for: social programs on the tax base; electricity investment on the rate base.

As I read the executive summary, I think maybe there's another question, and that is, how do we make the separation of those things more transparent? Let's just say we agreed that there were things that the rate base should pay for and there were things that the tax base should pay for. Then maybe what we should be doing is work on making both those processes more transparent. From our perspective, saying and demonstrating how we were going to spread the cost over a longer period of time—that more than one generation was going to pay for it, that the electricity system was going to recoup those costs through the rate base—that is a pretty clear process. If it's not clear through the accounting system, then maybe that's what we need to be tackling. But the fundamental concept of dividing those two issues, I think, is pretty clear.

The Chair (Mr. Prabmeet Singh Sarkaria): Three and a half minutes.

Ms. Catherine Fife: I go back to Mr. Clark's testimony in some regard, because he disagreed with your government's accounting scheme, and you know this because he was very vocal about it. It even came up through the committee, as well. We were able to question Mr. Clark about why he did not feel that the accounting scheme or schematic used with the Fair Hydro Plan was in the best

interests of the people of this province. He gave you and your government his best advice, as did successive other people. So I guess the question is, is there ever going to be a measure where the best advice is given but then the politics sort of trump those decision-making—

Ms. Kathleen O. Wynne: If I may, the advice that was given to us was different depending on who you're talking about. Ed Clark didn't agree. He thought it should just all go on the deficit and be carried by the tax base. But he also was not engaged—yes, he went to some meetings, but he said to you quite clearly that he wasn't engaged in the formulation of the plan because he fundamentally didn't agree. So, fine, he was not part of that.

The people who were engaged in it—there were cautions and there were concerns that had to be worked out, but they worked with us in order to find a way to make this fundamental separation between the rate base and the tax base, which I think is the right and logical separation.

Ms. Catherine Fife: So you still, despite the fact that the Financial Accountability Officer has done a full review of this plan and has projected that it may cost up to \$40 billion extra to future generations because of the design of this model, and already we know that \$4 billion in additional interest costs—

Ms. Kathleen O. Wynne: That's a contested number, Ms. Fife. That \$4 billion, if you'll remember—I think the OPG talks about \$2 billion.

1350

Ms. Catherine Fife: Somebody said between \$2 billion and \$4 billion. Billions of dollars matter, though. They still matter in Ontario, right?

Ms. Kathleen O. Wynne: I get that—

The Chair (Mr. Prabmeet Singh Sarkaria): One at a time.

Ms. Kathleen O. Wynne:—but I just need to say that those are numbers that have been modelled. They are contested numbers. There are a lot of numbers that are thrown around. They're contested in the modelling, but secondly, those are numbers that, over time, can change.

One of the questions that I asked my staff and that I asked officials through this whole process was that as we look at this model—just to go back to basics, we put these mechanisms in place. We lowered people's electricity prices. I wanted assurance that we were going to be able to continue to work after those four years when the electricity prices were kept down, that we would work through those four years in order to make sure that in the out-years the prices came down too, because in every long-term energy plan that we wrote, in reality the projections ended up that the costs were lower than the increases that we put in place.

All I'm saying is that the modelling is modelling. We have to work really hard to outperform. We did outperform every time. It didn't mean that electricity prices didn't go up, but they didn't go up as much. They didn't—

Ms. Catherine Fife: I don't think that we overachieved in this.

Ms. Kathleen O. Wynne: No, they didn't. What I'm saying is that the electricity prices did not go up as much

as the model said they were going to. That's the point that's important when we look at this long-term plan.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you. That concludes the time for the opposition at this moment.

Just as a caution: For the mikes, one at a time. I understand that discussion can go back and forth, but for the mikes, we need to ensure that it's only one person.

Ms. Kathleen O. Wynne: That was my fault. I apologize.

The Chair (Mr. Prabmeet Singh Sarkaria): It's okay, Ms. Wynne.

Now over to the government side for 20 minutes of questioning, starting with Mr. Baber.

Mr. Roman Baber: Ms. Wynne, have you been following the work of the committee?

Ms. Kathleen O. Wynne: In preparation for coming here, yes, I read most—I didn't commit to memory all of the transcripts, but I did—

Mr. Roman Baber: That wasn't my question.

Ms. Kathleen O. Wynne: Yes, I have been.

Mr. Roman Baber: I appreciate that. You're familiar with some of the testimony we've had?

Ms. Kathleen O. Wynne: Yes.

Mr. Roman Baber: Okay. Do you agree with me that, as former Premier, as Premier at the time, that you are responsible and you are held responsible for the major actions of your government? The buck stops with you: Is that correct?

Ms. Kathleen O. Wynne: I think I said that in my opening remarks.

Mr. Roman Baber: Thank you.

First, I want to talk to you about pensions for a minute. You characterized the pension side as an accounting dispute with the Auditor General, so it's fair to say that you're at least somewhat familiar with this issue, right?

Ms. Kathleen O. Wynne: Yes, I am.

Mr. Roman Baber: And you were briefed on this issue?

Ms. Kathleen O. Wynne: At the time?

Mr. Roman Baber: Yes.

Ms. Kathleen O. Wynne: Yes, absolutely.

Mr. Roman Baber: My friend has provided you with some documents. We heard evidence from the Auditor General that there's consensus among accounting professionals that in order to gain credit of the net pension asset, at the very least, some agreement is required between the co-sponsors of the plan as to the contribution schedule or contribution limit. Is that correct?

Ms. Kathleen O. Wynne: Yes.

Mr. Roman Baber: Okay. We know that your government, in fact, commissioned various professionals as the Pension Asset Expert Advisory Panel, which looked at this point for the benefit of your government. Is that correct?

Ms. Kathleen O. Wynne: Yes. We did ask some experts to look at it, yes, because there was a disagreement between accountants within government and the Auditor General.

Mr. Roman Baber: Right. But I put to you, Ms. Wynne, that in fact the accountants you commissioned and paid for have agreed with the Auditor General.

If I may just take you to page 2 of their report—

Ms. Kathleen O. Wynne: Yes, okay.

Mr. Roman Baber: I'll take you to the highlighted portion contained at bullet point number 2.

Ms. Kathleen O. Wynne: I see it.

Mr. Roman Baber: "In contrast, the joint plan sponsors are free to decide on their own level of required contributions as long as they comply with the terms of the plan and with the Pension Benefits Act. All that is required is for the joint sponsors to agree." Do you see that line?

Ms. Kathleen O. Wynne: Yes.

Mr. Roman Baber: So, Ms. Wynne, my question to you is: Was there an agreement between the co-sponsors? Did you have an agreement with the OSSTF or OPSEU as to future contribution limits or future contributions? Did you or not?

Ms. Kathleen O. Wynne: That was an ongoing process.

Mr. Roman Baber: And—

Ms. Kathleen O. Wynne: When I was Minister of Education—sorry. I just need to—

Mr. Roman Baber: Yes, that's fine.

Ms. Kathleen O. Wynne: When I was Minister of Education, that was an ongoing conversation. What there was was an understanding that there would be an interaction between all of the players in that plan.

Mr. Roman Baber: Excuse me, Ms. Wynne. Conversations are meant to be had. The whole point in the accounting principle is, before you can take a pay holiday or before you can reduce your contribution, all the stakeholders have to agree on the existing value of the plan and the anticipated contribution. By the sounds of it, you may have had conversations, but you had not had agreement. So what I put to you—

Ms. Kathleen O. Wynne: Well—

Mr. Roman Baber: Excuse me—is that if you did not have an agreement with OPSEU or OSSTF, you were not allowed to input, to add the value of those net pension assets into the province's books. Nonetheless, for 2017-18 and 2018-19, you added those net pension assets, to the tune of about \$2.2 billion to \$2.4 billion. Isn't that correct?

Ms. Kathleen O. Wynne: Here's the situation: As we came up to this discussion, the accounting for these assets—and I remind you again that I'm not an accountant—had been done one way for over a decade, back into the previous Conservative government. There had been, I think it was, 14 years or so when the assets had been handled in one way, and then quite precipitously, as I understand it, certainly from my perspective, this became an issue of disagreement between the Auditor General and the internal accountants.

I would just say that in the recommendation of your own Independent Financial Commission of Inquiry, the recommendation is to engage the auditor in an effort to reach agreement on the accounting treatment of any net pension assets of the OTPP or the OPSEU pension plan.

So I believe this is an ongoing point of contention that—I think the word “negotiation” is used somewhere in the commissioner’s report. I don’t think this is an accounting principle that has been—I won’t use “principle,” because that’s a technical term. But I don’t think this is an accounting issue that has been resolved, by your own commissioner’s admission.

Mr. Roman Baber: But it is an issue that your own independent panel of experts, your own commissioned panel of experts, opined on, and they suggested to you that in order for you to credit the pensions onto the province’s books, you required an agreement. However, no such agreement took place. I therefore suggest to you that when the Liberal government told voters that for fiscal year 2017-18 you were running a balanced budget, that was not true.

Ms. Kathleen O. Wynne: Again, this is an issue of contention among accountants. We took the advice of the accountants that we had asked to look at—because there were warring factions in terms of the accounting world, and we took the advice and used, I will acknowledge, the previous accounting mechanism in order to bring forward our budget. To this date, this issue has not been resolved.

Mr. Roman Baber: Ms. Wynne, it was the same with 2018-19, when the new Progressive Conservative government took over. You had previously suggested to voters, at least in the pre-election report, that the provincial deficit was \$6.7 billion, and that wasn’t true either. If you take the advice of your own accounting professionals, who told you that all that’s required was an agreement—in the absence of such agreement, the provincial deficit could not be, by definition, \$6.7 billion.

Ms. Kathleen O. Wynne: I maintain, Mr. Baber, that—

The Chair (Mr. Prabmeet Singh Sarkaria): Sorry, Ms. Wynne.

I just want to caution the member on making any accusations. As I reminded before, the same rules apply here as they do in the House—and also to keep our tone and remarks temperate.

Continue.

Ms. Kathleen O. Wynne: This is an issue of contention. It has not been resolved. Your own commissioner acknowledged that this is something that will have to be resolved by engaging the Auditor General. I will leave it at that.

Mr. Roman Baber: Okay, let’s talk about the Fair Hydro Plan. At some point in 2016, you decided that you needed to address skyrocketing rates, which is why you directed your staff to figure out a way to subsidize hydro bills. That’s how the Fair Hydro Plan was born. Correct?

Ms. Kathleen O. Wynne: What we determined was that we needed to find some solutions to mitigate the negative impacts of the investments that had been made and to lower electricity prices. That was what the Fair Hydro Plan, in all of its pieces, was about.

1400

Mr. Roman Baber: And you stand by the Fair Hydro Plan? You even boasted about it in the most recent election campaign. Is that correct?

Ms. Kathleen O. Wynne: We worked very hard to find a way to lower people’s electricity prices, yes.

Mr. Roman Baber: I want to direct you to an email authored by Andrew Teliszewsky, former chief of staff to the Minister of Energy.

Ms. Kathleen O. Wynne: Do I have that?

Mr. Roman Baber: You do have that before you. It’s an email of January 18, 2017. He refers at slide 17: “Meeting held today with KPMG to provide options on how to ensure the most appropriate accounting treatment (off-book); much work remains but KPMG was not fussed.”

Do you see that?

Ms. Kathleen O. Wynne: Yes, I do.

Mr. Roman Baber: Ms. Wynne, why was there an emphasis that the treatment of the accounting be off-book?

Ms. Kathleen O. Wynne: Because this goes back to the electricity system. It goes back to the rate base versus the tax base. The book was the tax base and we were looking for a way to have these costs, these investments in the electricity system, on the rate base.

Mr. Roman Baber: Ms. Wynne, you told me that you have followed some of the testimony, or at least reviewed some of the testimony, given to this committee prior to today.

Ms. Kathleen O. Wynne: Correct.

Mr. Roman Baber: We have now had three witnesses telling us that it is not necessary for the province to pin the debt on the ratepayer in order for it to be off the books. In other words, similar to what used to be known as the debt retirement charge, which was collected by the Ontario Electricity Financial Corp. through hydro bills, but at the same time was on the provincial books, thereby allowing the province to borrow cheaper.

With respect, Ms. Wynne, I understand that you’re not an accountant, but I’m not going to accept this proposition that you had to put it off-book in order to collect from the ratepayer. The province has a history of doing this and three witnesses—some of them friendly to your government; some of them objective, such as Gadi Mayman—said that you could still collect it from the ratepayer but have it on the provincial books. So with respect, I do not accept your explanation.

Ms. Kathleen O. Wynne: Well—

Mr. Roman Baber: Go ahead.

Ms. Kathleen O. Wynne: Well, I was just going to say, Mr. Baber, you can accept what you choose to accept. I am telling you—

Mr. Roman Baber: I accept the independent witnesses that were here.

Ms. Kathleen O. Wynne: Okay, fair enough. And I am telling you that we were looking for a way to keep the electricity costs within the electricity system and have them on the rate base. You are challenging that, so that’s fine. That’s your prerogative.

Mr. Roman Baber: Well, fair enough. We’ve already done that through the debt retirement charge. We could have looked at that.

Let me ask you this: When the province conceived—

Ms. Kathleen O. Wynne: Sorry, can I just—

Mr. Roman Baber: Sure.

Ms. Kathleen O. Wynne: The debt retirement charge—I'm going to have to reach back into my mind here—the debt retirement charge, that was carried on the provincial books, the provincial treasury.

Mr. Roman Baber: Correct. It was collected through the ratepayer—precisely.

Ms. Kathleen O. Wynne: But it was paid for by the tax base. It wasn't paid for by the rate base.

Mr. Roman Baber: It was on the provincial books and it was collected through bills, Ms. Wynne. I want to move on—

Ms. Kathleen O. Wynne: Of course it was collected through—well, okay.

Mr. Roman Baber: —because I want to understand why this happened. Do you remember making a promise that for fiscal year 2017-18, your government was going to run a balanced budget? Do you remember that?

Ms. Kathleen O. Wynne: That actually was a promise that had been made by Dwight Duncan and we retained that commitment, yes.

Mr. Roman Baber: And you wanted to keep that promise, right?

Ms. Kathleen O. Wynne: We did.

Mr. Roman Baber: But in order to maintain a balanced budget but still find a way to pay for the Fair Hydro Plan and to borrow for those bills, you needed to keep the cost of the hydro plan off the books. Isn't that correct? Isn't this why you decided to borrow through OPG instead of borrowing directly?

Ms. Kathleen O. Wynne: We worked with OPG to find a way to keep the cost of the electricity investments within the electricity system, on the rate base. As I said before, that was our motivation. And, yes, there was also an imperative that we had to balance the budget, but they were not necessarily one and the same thing.

Mr. Roman Baber: You borrowed through OPG—and, by the way, you said to us earlier that the \$4 billion number is contested.

Ms. Kathleen O. Wynne: It is.

Mr. Roman Baber: To be clear, the FAO, a non-partisan organization, came out in spring 2017 and said, "Ms. Wynne, if you're going to borrow through OPG instead of borrowing directly through the Ontario Financing Authority, that is going to result in an extra \$4 billion worth of interest." Now, you resent that model, but you can't disagree with me that borrowing through the province would have been cheaper than borrowing through OPG. Do you not accept that proposition?

Ms. Kathleen O. Wynne: No. I'm sorry, "resent" is not the right word. I was simply saying that—and I think it was in the testimony of Jeff Lyash when he came before this committee. He talked about \$2 billion. I'm just saying that there were different models and there were different numbers used. That's all I'm saying, Mr. Baber.

Mr. Roman Baber: So we're talking about, on the low end—

The Chair (Mr. Prabmeet Singh Sarkaria): I'm just going to caution again on tone, one more time, Mr. Baber.

Mr. Roman Baber: Thank you, Chair.

So, on the low end, it would be \$2 billion, like two gas plants, and on the high end, it would be \$4 billion, like four gas plants. Ms. Wynne, at the end of the day, you borrowed through OPG to keep an election promise. You borrowed through OPG to keep a balanced budget in 2017-18 and to reduce the deficit for 2018-19 all, respectfully, for politics. Correct me if I'm wrong.

Ms. Kathleen O. Wynne: Well, I don't accept the premise of the statement. I was looking for a solution to a very complex electricity system problem. We had a multi-faceted solution, much of which was exactly what you are purporting to support, which is to take costs out of the electricity system and put them on the tax base, and we did that, to the tune of billions of dollars. But we also spread electricity costs over a longer period of time and kept those in the electricity system. You're telling me you don't agree with that solution, and I hear that, but that was the solution that we came up with, with the best advice that we could find, that would allow us to keep that separation between the tax base and the rate base.

Mr. Roman Baber: The best advice you could find was Ed Clark, your trusted adviser, who—the phrase he used, sitting in the chair you're sitting in right now: "I wasn't going to have anything to do with that." Gadi Mayman, the head of the Ontario Financing Authority, thought that wasn't a good idea. In fact, Andrew Teliszewsky initially, as early as December 2016, said that the initial plan was to borrow through government.

Again, what the motivation was is probably not something you would be willing to testify to today. But did you rely on advice and go with the best advice possible? With respect, Ms. Wynne, you went against all advice possible. I suggest to you, respectfully, that the reason foreseen was political.

I would like to move on to the next question and ask, whose idea was it to keep the accounting of the Fair Hydro Plan off-book? Do you own that decision?

The Chair (Mr. Prabmeet Singh Sarkaria): Four and a half minutes left.

Ms. Kathleen O. Wynne: I take full responsibility for the Fair Hydro Plan in all of its aspects. As I said at the beginning of my remarks, it is my responsibility, having been Premier, to take responsibility for decisions of our government. It was a very, very challenging process to come up with a long-term plan that was going to be in the best interests of people in this generation and beyond. So, yes, I take responsibility.

Can I tell you who the person was—because I think you asked me, who came up with the idea of the OPG process, the OPG Trust? Is that what you're looking for? Sorry.

Mr. Roman Baber: It was your decision to go with OPG Trust and thereby incur an extra \$2.4 billion worth of costs, as opposed to listening to your adviser, Ed Clark or Gadi Mayman or even Andrew Teliszewsky, initially, and do the right thing for ratepayers or taxpayers.

The Chair (Mr. Prabmeet Singh Sarkaria): Mr. Baber, I'm cautioning once again on motive and tone.

Mr. Roman Baber: Thank you.

Ms. Kathleen O. Wynne: It was my decision as the leader of the government to work with my colleagues, to work with our organizations, to work with OPG, with IESO, to find a solution, and that's what we did.

The Chair (Mr. Prabmeet Singh Sarkaria): Ms. Park. Just about three minutes and 20 seconds.

Ms. Lindsey Park: Thank you so much for coming today. In the interests of time, I'm just going to jump into it here. We had Steve Orsini, the secretary of cabinet, come and give evidence before our committee on October 16. I just want to talk a little bit about your relationship with the secretary of cabinet during your premiership.

When Steve Orsini was appointed secretary of cabinet, you said, "I know Steve Orsini will serve Ontarians well and help our government lead from an activist centre." Do you remember that?

Ms. Kathleen O. Wynne: I do, and he did.

Ms. Lindsey Park: You went on to say, speaking about the deficit, that he would eliminate it by 2017-18. Do you remember that?

Ms. Kathleen O. Wynne: That was certainly part of the initial conversation when he was appointed. Absolutely. He knew that. He had been Deputy Minister of Finance and he knew that that was already a decision that had been made.

Ms. Lindsey Park: And it's fair to say you hold a great deal of respect for Mr. Orsini.

1410

Ms. Kathleen O. Wynne: I do.

Ms. Lindsey Park: I think you said in your opening remarks that you would hold the public servants in the highest regard.

Ms. Kathleen O. Wynne: Absolutely.

Ms. Lindsey Park: When you were Premier, is it fair to say you had regular discussions with Mr. Orsini?

Ms. Kathleen O. Wynne: Yes, Steve and I would meet most weeks—I would say every week that cabinet was meeting, and cabinet did meet every week when the House was sitting, and even when the House rose. He and I would meet before the cabinet meeting at a minimum, and if there was a need to meet at another time, we would.

Ms. Lindsey Park: The topic of those conversations, and obviously I'm not asking for—there were many conversations over many periods of time, but usually it was regarding the government's priorities and the implementation of those priorities.

Ms. Kathleen O. Wynne: Correct.

Ms. Lindsey Park: I'm just assuming again, but I think you've said it before: The Fair Hydro Plan would have been one of those priorities?

Ms. Kathleen O. Wynne: Yes.

Ms. Lindsey Park: And balancing the budget would have been another one of those priorities?

Ms. Kathleen O. Wynne: Yes. But they were less—I would just say, they were like information exchanges, things we were concerned about. The working sessions on

both of those issues would have been larger and involved different people.

Ms. Lindsey Park: That's fair. And your objective was to achieve a significant hydro rate reduction, when we talk about the Fair Hydro Plan, but without compromising that other objective of balancing the budget.

Ms. Kathleen O. Wynne: Correct.

Ms. Lindsey Park: Time check?

The Chair (Mr. Prabmeet Singh Sarkaria): About 35 seconds.

Ms. Kathleen O. Wynne: They were both imperatives that we were dealing with, yes.

Ms. Lindsey Park: Steve Orsini is the most senior civil servant in the Ontario public service; correct?

Ms. Kathleen O. Wynne: Correct.

Ms. Lindsey Park: Okay. You've already said that you have a great deal of respect for him. Now, Steve Orsini told this committee, when speaking about the Fair Hydro Plan, "I can say categorically that we did—I did and others have done—express serious concerns about this approach. I can say that categorically."

You have the most senior civil servant in the Ontario public service, for whom you have a great deal of respect, raising serious concerns with the approach of the Fair Hydro Plan—

The Chair (Mr. Prabmeet Singh Sarkaria): Sorry, I'm going to have to step in now. My apologies, Ms. Park. You're over your allotted time. We can come back to it after.

Ms. Kathleen O. Wynne: Yes, he was doing his job. He was doing his job. That's his job, to express concerns.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you. We'll come back to it again on the next round of questioning. We'll hand it over to Mr. Vanthof for 20 minutes from the opposition.

Mr. John Vanthof: Thank you, Ms. Wynne, for being here today. Before we launch into some questions, I would just like to put something on the record. In his line of questioning, Mr. Baber brought forward an email from Andrew Teliszewsky that specifically said, "Meeting held today with KPMG to provide options on how to ensure the most appropriate accounting treatment (off-book); much work remains but KPMG was not fussed."

I would like to put on the record that that is one of the reasons why we wanted KPMG here, and I would like to put on the record that the government blocked our motion to get KPMG here to testify. We put on notice that we plan to put a motion forward again, because this email is evidence that KPMG is not just another company. The government is quoting KPMG themselves, and yet a day ago or two days ago said, "Oh, it's just another company." They are vital to this and we need to bring them before this committee.

The Chair (Mr. Prabmeet Singh Sarkaria): Ms. Fife.

Ms. Catherine Fife: I'm going to continue primarily with one of the recommendations from the financial commission of inquiry. Now, they describe—and still staying on the Fair Hydro Plan—the Fair Hydro Plan as "risky, complex and ultimately opaque."

Ms. Kathleen O. Wynne: Sorry, Ms. Fife, I missed—who are you quoting from?

Ms. Catherine Fife: The financial commission that did the report.

Ms. Kathleen O. Wynne: Oh, okay. Yes.

Ms. Catherine Fife: Led by the former Premier.

Ms. Kathleen O. Wynne: Gordon Campbell.

Ms. Catherine Fife: “Risky, complex and ultimately opaque”: That’s how they describe the Fair Hydro Plan and the accounting of it. I just wanted to give you a chance to weigh in if you think that’s a fair characterization.

Ms. Kathleen O. Wynne: Well, again, I think these are experts who have made some recommendations on how to increase transparency. I respect that and I think that it will be important, as it always is when there is a process that looks at government action. Whether it’s regular ombud’s reports or whether it’s Auditor General’s reports, there is always learning to be taken from those processes. I think that there is learning from this one as well.

I will just say that we worked to make it very clear. When I made that speech on March 2, there was lots of supporting documentation to make it clear exactly what it was we were doing, and to make it as transparent as possible.

Ms. Catherine Fife: And at that time, you were not concerned that a portion of the cost of the Fair Hydro Plan would be off-books. You had accepted the fact that—you were aware of it, you accepted it and you were willing to go forward with the plan, knowing that a good portion of it was off-books.

Ms. Kathleen O. Wynne: Because it was being accounted for through the rate base. That was my understanding of how it made sense. That made sense to me, so I accepted that. It was logical to me that we would have that payment over a period of time within the electricity system.

Ms. Catherine Fife: But you essentially had to create legislation to do the rate-based accounting. I mean—

Ms. Kathleen O. Wynne: Well, because it was a new—

Ms. Catherine Fife: So you were working backwards a little bit.

Ms. Kathleen O. Wynne: But it hadn’t been used. I think in some of the documentation from this committee, the catalyst for the rate-based accounting—I think that was some of the language that was used—was the Fair Hydro Plan. So yes, it was new, and I acknowledge that.

I guess the other thing about this is that there were challenges to work through. There were things that had to be looked at. Decisions had to be made about exactly how it would work because it was new.

Ms. Catherine Fife: So there were players involved in this conversation—OPG, IESO—and along the way, they secured indemnification because they themselves, as players or characters in this drama, sort of recognized that there could potentially be risks, not just to them as organizations, but to shareholders. At some point, would your chief of staff or any of your advisers have said, “The people who are involved in this accounting scheme are

concerned about their own well-being and are securing indemnification”? They were seeking protection.

Ms. Kathleen O. Wynne: My understanding of that was that there was sort of a blanket indemnification that people were looking for, which then became a negotiation about what actually the agreement needed to be. I think it became a narrower focus. Again, that was one of the things that, because it was new, because there was a question about if government changes or if there is a change in circumstances, what happens, then there needed to be some protection. I think it became a provincial protection agreement. It was a negotiation about what exactly that protection needed to be.

So yes, I was aware. I was not aware of the specifics of the negotiation in any way, but I was aware that that was one of the issues that was raised that had to be resolved. I was also aware, and asked, that it had been resolved and was told it had been resolved.

Ms. Catherine Fife: Going back to some of the accounting changes, what prompted the IESO to adopt the accounting changes that raised concerns with the auditor? Because we need to sort of delve into the relationship with the auditor when she found out that the IESO—in her testimony to us, she essentially said she found out about it on the website and then knew that legislation was being created so that these accounting changes could happen.

The Globe and Mail had reported that the change was prompted by a conversation with the provincial controller, who urged the IESO to adopt this change. What conversations did you have with the provincial controller about the change in the accounting, the recommended accounting changes, and specifically with IESO, at a higher level, I’m sure?

Ms. Kathleen O. Wynne: The provincial controller was very important in this whole process, obviously, as the accountant for the government. I can’t recall having a specific conversation with the provincial controller about that particular issue, but I know that she was very, very central to working with all of the different agencies to bring together a solution around these things.

The other thing that I can’t tell you is exactly the sequence of the IESO and the changes around the rate-based accounting, but I know that there certainly was a relationship, obviously, between those changes and the Fair Hydro Plan. But you would have to talk to the controller about that.

1420

Ms. Catherine Fife: We are trying to talk to the controller. The government won’t call the controller to this committee.

In your opinion, Cindy Veinot was a key player in the creation of the Fair Hydro Plan?

Ms. Kathleen O. Wynne: I don’t actually know how you can get a full and clear picture without having a conversation with the controller. We’re talking about accounting repeatedly, and she was the government’s accountant.

Ms. Catherine Fife: Okay. That’s important for us to know.

We have received a lot of paper—like, a lot of paper; millions and millions of pages. In one of the emails that we received, concerns were raised that the Fair Hydro Plan may have been unconstitutional. Do you remember this conversation happening?

Obviously, there was a lot of resistance to the Fair Hydro Plan once the numbers came to light, and understandably, you as the Premier were constantly defending—I mean, I remember a period of time when all we talked about was hydro. It was, I guess, a defining moment in the election. Do you recall the language around why the Fair Hydro Plan would be considered unconstitutional?

Ms. Kathleen O. Wynne: My memory of that is that it has to do with the life of assets and the matching of the payment period with the life of the assets. My understanding is that as we explored that, and by “we,” I mean all of us who were engaged in this, there was a recognition that the assets we’re talking about being paid for would have different lengths of time in terms of their life—for some of them, the life could be extended—but that ultimately, it made sense to be able to spread the cost over the 20 to 30 years that we were talking about.

Ms. Catherine Fife: Building on the testimony of other people who have come before the committee, there was almost a test at every single turn to make the Fair Hydro Plan a reality, and despite some of the best advice, it still went ahead—including, even, a constitutional challenge. I’m just reading back in my notes; it says that a constitutional law branch prepared an opinion for the ministry, and in that opinion, it indicates that the proposed regulation poses a moderately high risk of being found unconstitutional. I imagine that this is still a—

Ms. Kathleen O. Wynne: It was a very difficult process. I’m not going to pretend to any one of you that it wasn’t a difficult process. It was extremely difficult, because essentially—and I go back to my opening remarks—we were trying to redress costs that should have been invested over decades, and they had been invested in a much shorter period of time than they should have been. So we were actually trying to do something that in some ways was unnatural. Something that should have been a long-term process was done in a very intensive, short period of time, so we were dealing with the fallout in people’s lives in terms of high electricity costs.

There was no simple solution, because even the solution that was put forward by some of the people you’ve heard from and certainly by some of you as opposition and government members, which is that we just should have put everything on the tax base, which restricted us, which would have restricted government in a different way—

Ms. Catherine Fife: In defence, I don’t think that that is what we’re saying. We’re saying, why would you finance an already expensive initiative in the most expensive way that you possibly could? In the learning, just in going forward, I don’t see any way that we would stop a future government from doing exactly what you did, unless the Auditor General’s recommendations that she put forward to the committee are honoured. That goes back to the relationship that the Premier’s office and the

government of the day—I’m sure it will be this government as well. When the Auditor General exposes concerns, what is the responsibility of government to take that into account and have it truly affect policy? Because there’s a lot of damage control that I think needs to be done now with the Auditor General.

Ms. Kathleen O. Wynne: Well, I don’t disagree with you, but we had years of work with the previous Auditor General and with this Auditor General where hundreds of recommendations came forward and were followed. Officials worked with both Auditors General to implement the changes, to make sure that those changes were embedded in the programs that were delivered.

I don’t disagree that it’s important for government to have a good working relationship with all of the officers of the Legislature, including with the Auditor General. I believe that this situation with electricity prices posed a pretty intractable problem for our government, as it would have for any government that chose to take on decades of neglect, that chose to take on the rebuilding of a system that had not been invested in for years. I think that it posed a particular set of challenges. I’m not arguing that there aren’t some things in the commission of inquiry’s report that need to be tackled.

Ms. Catherine Fife: The relationship that government has—how much time left?

The Chair (Mr. Prabmeet Singh Sarkaria): Six minutes.

Ms. Catherine Fife: The relationship that it has with third-party contract accounting firms, if you will—I mean, all sorts of names have come up, from Deloitte to KPMG to Ernst and Young. It must give you some satisfaction to have the government still using the same consultants that they criticized you for using.

That aside, though, as my colleague Mr. Vanthof has mentioned, KMPG was a key player from the very beginning. Do you feel that there’s something to be learned from holding a third-party organization like KMPG, Ernst and Young or Deloitte at arm’s length from government? To have somebody from KMPG be at the very beginning of this Fair Hydro Plan and integral to the design of it, and yet still obviously on contract with the government and therefore having a financial interest in that project going forward: Do you see a potential conflict there?

The Chair (Mr. Prabmeet Singh Sarkaria): Five minutes.

Ms. Kathleen O. Wynne: I think that the need for the kinds of consultants and people you’re talking about is about getting the best advice and getting help with doing the things that need to be done. The fact that there are as many accounting disputes as there are, not just in government, but in business, demonstrates that there’s a need for those experts to be involved in the formulation of plans going forward. I believe that’s the reason that we need to continue, as this government is, to work with those experts who are not in government in the same way as OPS staff.

Ms. Catherine Fife: Mr. Clark has mentioned to this committee that by calling him and others before the committee and questioning them about their motives and/or

involvement in government policy, that could actually have a cooling effect on the relationship that the private sector has with government. Do you think that that is also true?

Ms. Kathleen O. Wynne: I saw those comments, and I would very much worry if that were to happen. It's one of the reasons I'm glad that I was called to come to the committee, because I do believe that when advice is given to politicians and politicians make decisions, we have to take responsibility for those decisions. So I would very much hope that this process doesn't put a chill on good private sector advice that is going to be needed by this government and is needed by every government.

You can't make good decisions in a vacuum. You have to have that advice from the outside. Whether it's people who work in poverty reduction, whether it's people who work in transportation or whether it's people who work in finance, you need to know what is best practice outside of government. I really hope that there is no chill, and I hope that by my appearing and by Minister Thibeault appearing, that will mitigate that impact.

Ms. Catherine Fife: It ultimately does come down to trust on some levels as well, and transparency. I think that the transparency piece is going to be the challenge for this committee, because we're supposed to deliver a report in 10 days to the Legislature on this entire process. Trust is something that you can't legislate, obviously. That's going to be a challenge going forward.

Thank you very much, Chair.

1430

Ms. Kathleen O. Wynne: I would just say good luck with that.

The Chair (Mr. Prabmeet Singh Sarkaria): You have two minutes. Ms. Shaw.

Ms. Sandy Shaw: Thanks, Ms. Wynne. Can I just take you back to the part where we talked about the Hydro One privatization, the partial privatization of Hydro One? You described that that was a decision on your part. Even though, previous to that, you understood the importance of public assets, that was a decision you made which was essentially a trade-off so that you could invest in infrastructure—

Ms. Kathleen O. Wynne: More public assets.

Ms. Sandy Shaw: —so invest to take some. I guess my question specifically around that was that the money that went into infrastructure from the sale was—yes, there was supposed to be—

Ms. Catherine Fife: Four billion dollars..

Ms. Sandy Shaw: Yes, it was meant to be \$4 billion.

Ms. Kathleen O. Wynne: My understanding was that it was. Ms. Fife raised an issue around the quantum of those offerings. I actually thought we had reached our targets, but again, I'd have to go back and look at that.

Ms. Sandy Shaw: Okay. But that was put into the Trillium Trust. At the time that you left government, was that trust still in existence?

Ms. Kathleen O. Wynne: I think it changed in some way, but what didn't change was the earmarking, the allocation of those dollars to back up or be the investment

dollars for transit and transportation—for infrastructure, I mean. That was what that money was for.

That was the only reason that I agreed to change the ownership of Hydro One. For example, the issue around the sell-off of Highway 407: That, for me, was the opposite of how public assets should be treated, because that was a one-time sell-off; the money went in to balance the budget. There was no earmarking of those dollars—I think it was \$3 billion at the time—for anything in particular. The only way I was convinced that changing the ownership of Hydro One—because it wasn't a complete sell-off, as you know. The only way I was convinced was that we were going to earmark those dollars for infrastructure.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you. That concludes the time for the opposition.

Just as a heads-up, we have two more 20-minute rounds, followed by two 10-minute rounds. For the final 20-minute round, we'll go to the government side, to Ms. Park.

Ms. Lindsey Park: Ms. Wynne, we left off talking about the serious concerns of your most senior public servant. You expressed in your opening the value you have for informed decision-making. I trust you considered Mr. Orsini's serious concerns?

Ms. Kathleen O. Wynne: I think I interjected just before we went over to the opposition that Steve Orsini was doing his job. On many, many files, there are concerns that the bureaucracy, that the public servants, bring forward. I've been a minister in a number of ministries, and part of the process of developing policy, as you will know now, is that the people who work in the ministry, many of whom have been there for many years and have had experience with these files for a long time, bring forward concerns and say, "Well, we can't do it this way. Maybe we can do it this way. Maybe we can't do it at all." That process of finding out what's the route to get a thing done is the process of governance.

I guess the most graphic example of that for me is when as a minister, particularly when I was Minister of Education, we were engaged in negotiations with teachers' federations and we were part of the provincial process. That back and forth of what's possible, what's not possible—that's absolutely an example of how it works. I can't think of a policy process where we just said, "Okay, we're going to do this," and we went from point A to point B and there were no bumps on the road. It's not possible.

Ms. Lindsey Park: With respect, we've all had a chance to read the cabinet briefing note that went to cabinet on this plan, and the concerns raised are quite unprecedented.

Just to be clear: Faced with these serious concerns being raised by your most senior public servant, you didn't change course.

Ms. Kathleen O. Wynne: What we did was, we said, "What are the concerns? How do we deal with them? How can we make sure that we address those concerns?"

Ms. Lindsey Park: So you decided to proceed with the fair hydro project in any event—

Ms. Kathleen O. Wynne: Because I was assured and I was confident that we had dealt with the concerns.

Ms. Lindsey Park: At the time these concerns were raised, they couldn't possibly have been dealt with yet. At the time that the serious concerns are raised by Mr. Orsini—he said he had a conversation directly with you, raising these concerns, and you said, “Thank you. Proceed with the project.”

Ms. Kathleen O. Wynne: But part of that conversation is, “We’re going to move ahead because we need to reduce people’s electricity bills and we need to find a way to deal with the concerns.”

Ms. Lindsey Park: By the way, just for context, I believe it was the next day that you announced the Fair Hydro Plan, after this conversation that Mr. Orsini gave evidence about. But one of—

Ms. Kathleen O. Wynne: But that would not have been—sorry—the first time that Mr. Orsini and I had talked about reducing people’s electricity bills. With all due respect, that would have been a conversation for many months.

Ms. Lindsey Park: One of the policy objectives with the Fair Hydro Plan was to make sure this hydro rate reduction did not affect your government’s net debt. Correct?

Ms. Kathleen O. Wynne: You’re going back to the tax base/rate base discussion. Yes—I think I’ve already spoken to that.

Ms. Lindsey Park: But particularly the government’s net debt—that’s what comes up in a lot of the cabinet briefing notes.

Ms. Kathleen O. Wynne: I think I’ve already spoken to why that separation was important.

Ms. Lindsey Park: Mr. Orsini told this committee that he told you: “There’s no guarantee it actually could be done; that notwithstanding, there’s no guarantee—as it was clearly pointed out in the note, this is something that—it was a policy objective, a policy direction. Staff were tasked to implement it in the best way possible. But at that point, there were no assurances that it could be successfully implemented.”

We have a situation where senior civil servants were saying it may not be possible to meet that policy objective. Correct?

Ms. Kathleen O. Wynne: That’s what those words mean, yes.

Ms. Lindsey Park: And you took that advice?

Ms. Kathleen O. Wynne: Again, I knew there were concerns. Civil servants were doing their job. Our objective was to reduce people’s electricity bills and deal with the concerns and find the best way to do that.

Ms. Lindsey Park: So you disagreed. You thought it was possible.

Ms. Kathleen O. Wynne: My understanding was that there were ways that we could deal with the concerns.

Ms. Lindsey Park: So you were comfortable going public with the policy plan that senior public servants were saying might not be possible.

Ms. Kathleen O. Wynne: Again, the advice that I had from the people around me was that there were ways to deal with the concerns that had been raised. That was—

Ms. Lindsey Park: So not Mr. Orsini. Who are these people around you that you’re talking about?

Ms. Kathleen O. Wynne: I’m talking about my staff, people in the minister’s office, the people who were engaged in resolving these issues.

I’ll give you an example. The issues around the distribution charges—it took weeks and weeks to come up with a way to land on how could we find a benchmark for the distribution rates, what was—

Ms. Lindsey Park: I’m just going to interrupt in the interest of time so we can stay on topic here—

Ms. Kathleen O. Wynne: This is part of the Fair Hydro Plan. Distribution rates are part of the Fair Hydro Plan. I’m just using it as an example. It was one that took weeks. There were points at which my own staff were saying, “We can’t do that,” and yet we found a way to work to come up with a way of benchmarking an urban distribution rate as the default or the standard that we were working from and then peg all of the other distribution rates to that.

The words that have been used are iterative. It was not a one-off process. There were many conversations that were very tough to deal with the issues that you’re talking about.

Ms. Lindsey Park: But you’ve already said the buck stopped with you. The final decision was yours.

Ms. Kathleen O. Wynne: It did.

Ms. Lindsey Park: Okay.

Let’s talk about Gadi Mayman. Of course, you know he’s the head of Ontario Financing Authority.

1440

Ms. Kathleen O. Wynne: Yes, I know Gadi.

Ms. Lindsey Park: He also appeared before this committee. So Mr. Mayman provided advice to you at different junctures in your premiership?

Ms. Kathleen O. Wynne: He did.

Ms. Lindsey Park: And you respect Mr. Mayman?

Ms. Kathleen O. Wynne: I do, yes. Absolutely.

Ms. Lindsey Park: So Mr. Mayman told this committee that he raised concerns with your government: “I know I wasn’t shy about it, and they would tell you I wasn’t shy about it.” Those were his words. He raised concerns about the Fair Hydro Plan. Correct?

Ms. Kathleen O. Wynne: Is there a document that you’re looking at that I should be—

Ms. Lindsey Park: Sorry, that’s a quote from committee that I’m quoting.

Ms. Kathleen O. Wynne: Okay, that’s from the committee.

Ms. Lindsey Park: So he raised concerns about the Fair Hydro Plan?

Ms. Kathleen O. Wynne: Gadi was always very forthright with us—not just on this, but on everything.

Ms. Lindsey Park: So when he raised these concerns, you dismissed them?

Ms. Kathleen O. Wynne: No. What I just said was he was very clear when he had concerns. He brought forward

issues on many, many files. When he would bring forward a concern, that would become an issue to be discussed, and we would try to find a way to address it.

Ms. Lindsey Park: He said his most significant concern was—and I’ll quote; I don’t want to stray from what he said—“the fact that we were not doing the borrowing. It’s not that we want to borrow for everything; we’d be quite happy to have others borrow. But in this case we were concerned that there was not sufficient risk transfer to the investors to offset that extra cost.”

In addition to the increased risk, we also know that there were billions of dollars in extra borrowing costs. You understood that risk?

Ms. Kathleen O. Wynne: We understood that there was a premium that was being paid for doing it this way and putting on the rate base, yes.

Ms. Lindsey Park: Okay, a premium. So you believed—

Ms. Kathleen O. Wynne: Well, there was an increased cost, yes.

Ms. Lindsey Park: —that risk of there being an increased cost to be true?

Ms. Kathleen O. Wynne: We knew that there was going to need to be—we used the analogy of a mortgage. There was a cost associated with spreading this payment over a longer period of time. I understand that you’re talking about borrowing from one, opposed to from another. I get that.

Ms. Lindsey Park: Thank you. Did you think that was significant?

Ms. Kathleen O. Wynne: Again, I think the concerns that were raised were all significant, you know? There were issues that had to be dealt with, for sure.

Ms. Lindsey Park: Okay.

I think this is what you were referring to in your last answer: If you had accounted for the Fair Hydro Plan transparently or on-book—we’ll say “on-book”—

Ms. Kathleen O. Wynne: “If it had been on the tax base” is what you’re saying.

Ms. Lindsey Park: Yes. If it had been through the Ontario Financing Authority, you could have saved billions of dollars in interest over the long run. Correct?

Ms. Kathleen O. Wynne: Again, I’m going to go back to—my understanding was that this was the way to keep the electricity investments within the electricity system. That’s why we made that decision.

Ms. Lindsey Park: So you agreed to have Ontarians pay billions extra in the future just so you could show them—

Mrs. Robin Martin: Demonstrate.

Ms. Lindsey Park: —or demonstrate that you were keeping costs within the electricity system?

Ms. Kathleen O. Wynne: I recognized that I was going to be saying to my grandchildren that they were going to be paying for something that their parents couldn’t afford to pay the whole freight for right now. That’s what I recognized.

Ms. Lindsey Park: I’m just going to be honest. Almost no one who has come before this committee has thought

that this was a good idea. Most people we have heard from said that they had significant concerns with this approach and wouldn’t have proceeded this way. Do you understand that?

Ms. Kathleen O. Wynne: I understand that that’s your interpretation of what has been said. But I also understand that—and I read the transcripts. The transcripts reflect the reality that, when we were going through this process, no one was coming forward and saying, “Here is a risk-free, simple solution to this problem.” None of the people working in the civil service had to take the responsibility for reducing people’s electricity prices. That was my responsibility. I had to make that decision. It was the politicians who had to make that decision and find a way to do it, while we did all the other things that government is required to do. That’s why I’m here, because it was my responsibility.

Ms. Lindsey Park: I appreciate you speaking about your grandchildren, because I think the cost of this plan is what we’ve been talking about for the whole committee. I think your evidence was that you were “comfortable” with future ratepayers being left with this burden.

Ms. Kathleen O. Wynne: Two things on that: I believe that the assets that are being built are going to benefit them, as I said in my opening remarks. Either they will still be used—

Interjection.

Ms. Kathleen O. Wynne: I understand, Ms. Martin, that you don’t agree with what I’m saying. But either they will still be in use, or the economic activity that is being fostered right now is going to help them. So I was comfortable with that, yes.

The Chair (Mr. Prabmeet Singh Sarkaria): Mr. Romano.

Mr. Ross Romano: Thank you, Ms. Wynne. I want to try to maybe take a bit of a different approach with respect to some of the questions. First off, I want to thank you for being here today. I know we’ve even spoken outside of our roles, and I respect the time and effort that goes into a job as significant as being Premier of the province of Ontario. To be here today and having to answer some of those questions on some of the issues that have been addressed, I can appreciate is probably difficult, so I do want to thank you for being here today.

We heard perhaps by way of a moment of levity, if I can put it that way, when Ed Clark testified last week—there was a moment where he said, “Well, politicians making political decisions,” and I’ve misquoted it, I’m sure, but he made a reference to politicians making political decisions and what a big surprise that is.

I think the key here is, throughout this committee—and this is a committee, as you well know, that was created with the unanimous support of the House. The committee is here, and we’ve been saying for some time that people have a lot of questions and they would like some answers. We’re trying to gather those answers. This is a fact-finding mission, if you will. We’ve uncovered a lot of information that we were not privy to by simply having access to the Fair Hydro Plan summaries or responses that were created

by the Auditor General and the FAO offices—or even with respect to what was created by the commission of inquiry.

I want to get into some specifics. Obviously, there's this major gap. We have this major gap in the books that your government prepared in both 2016 and 2017 to what we see today. The gap that has been uncovered is in excess of \$8 billion, which I'm sure you will agree is an exceptionally large amount of money, and that's why we're here.

In terms of these political decisions, which every person in government—

Ms. Kathleen O. Wynne: Well, I just—

Mr. Ross Romano: I haven't got to a question, so if I may just—

Ms. Kathleen O. Wynne: No, I know. I just—

Mr. Ross Romano: I think my first question for you is: In order to get re-elected—and you've been through a few re-election processes—would you agree that as a starting point, you have to make sure that the people out there like you or, at a minimum, dislike you less than your opposition? Is that not a fair comment?

The Chair (Mr. Prabmeet Singh Sarkaria): Four minutes.

Ms. Kathleen O. Wynne: Well, Mr. Romano, we already know people didn't like me, so that's not even an issue. I'm not sure what your question is.

Mr. Ross Romano: Just that likeability is certainly something you have to prioritize going into an election. Is that not a fair comment?

Ms. Sandy Shaw: Point of order.

The Chair (Mr. Prabmeet Singh Sarkaria): A point of order—

Ms. Kathleen O. Wynne: I actually don't understand what this has got to do with—

Mr. Ross Romano: Okay, fair enough, fair enough.

The Chair (Mr. Prabmeet Singh Sarkaria): Sorry, point of order.

Mr. Ross Romano: I'm not trying to be—

The Chair (Mr. Prabmeet Singh Sarkaria): Sorry, Mr. Romano. There's a point of order from Ms. Shaw.

Ms. Sandy Shaw: I just want some clarity on how this relates to the mandate of the committee, this line of questioning.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you. I'm going to ask the member to move on. Thank you, Ms. Shaw.

Mr. Ross Romano: In terms of some specifics here, I understand that you've been paying attention to what has been going on before this committee. You've talked about reviewing transcripts. You've followed the evidence. I understand you have an OLIP intern as well. Correct?

Ms. Kathleen O. Wynne: Correct.

Mr. Ross Romano: And your intern has been present here every single day taking notes, and I'm sure you've discussed that with your intern?

The Chair (Mr. Prabmeet Singh Sarkaria): Mr. Romano, once again, I'm going to ask that—I don't think that's an appropriate question to—

Mr. Ross Romano: Okay, then, I'll move on. That's fine.

At the start of your evidence, you referred to this on-going problem, since your first day in politics here in Ontario, with the hydro system. Leading up to the creation of the Green Energy Act, you'll agree with me, I trust, that the issue going into the Green Energy Act—you were trying to create, I think your words were, a cleaner and more reliable energy system.

1450

But when your government made those investments, you never thought rates were going to escalate the way they did. You never envisioned a 300% increase in hydro rates. Is that not a fair comment?

Ms. Kathleen O. Wynne: I would say that when I was travelling with the Bill 100 committee, and then when the Green Energy and Green Economy Act was brought in, I wouldn't have had enough depth in the sector to be able to say what or whether the increase would be.

Mr. Ross Romano: Okay. It's pretty obvious, and this relates to my first series of questions: Increasing people's rates by 300% certainly would not be good policy. Fair?

Ms. Kathleen O. Wynne: Fair.

Mr. Ross Romano: Okay. That was something that completely took the government by surprise, that they went up to the extent that they went up.

Ms. Kathleen O. Wynne: I can't speak for everybody in the government. I can't.

Mr. Ross Romano: Okay, fair enough. By March 2016, you indicated earlier, you knew you had to address this problem with hydro. Just some of the quotes from your earlier comments: You said there was a "burden on people," "we needed to do more to find a way to mitigate electricity rates," "it was increasingly an issue that people were having to deal with," and "it really was untenable for many people in the province."

This was a major issue—

Ms. Kathleen O. Wynne: We had to further address, yes.

Mr. Ross Romano: You had to further address the issues. Now, going back to Mr. Clark's comments, while politicians will do political things, the way you spend people's money, as the government, has to be done in a very transparent and clear way, does it not?

Ms. Kathleen O. Wynne: Correct.

Mr. Ross Romano: So it's a matter of, you could do political things, but you have to do it on the up and up; you have to come with clean hands. There can be nothing hidden up your sleeve, right?

Ms. Kathleen O. Wynne: Right, so that's what—

Mr. Ross Romano: Okay, fair enough. Now—

Ms. Kathleen O. Wynne: But just before you continue, Mr. Romano, that's why I wanted to just say something about this \$8 billion. I think that when you talk about a gap, it sounds like nobody knew where that money was. The fact is that there were issues around the pension assets. There was a conflict among the accounts. Everyone knew—

Mr. Ross Romano: There were a number of accounting conflicts.

Ms. Kathleen O. Wynne: But those amounts of money, people knew where they were and they could be absolutely accounted for. There were no secrets here, just like there's no new information that is—

Mr. Ross Romano: I think what we've heard from a number of the witnesses—

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you. Sorry, Mr. Romano, that's going to take us over the time limit for this.

I'm going to ask now for the opposition, for 20 minutes, with—

Ms. Sandy Shaw: Sorry to confuse you. If I could just—

The Chair (Mr. Prabmeet Singh Sarkaria): Ms. Shaw?

Ms. Sandy Shaw: Yes.

The Chair (Mr. Prabmeet Singh Sarkaria): Okay, thank you. Twenty minutes.

Ms. Sandy Shaw: I just want to go back and finish that line of questioning that I was trying to get to, around the Hydro One partial divestment. Really, it speaks to the whole idea of accountability and transparency.

As a new MPP trying to understand what has happened before and what is to come—the Trillium Trust was an example of a way that we could track the idea that this was going to be money that went from one sale to be invested in infrastructure.

My sense is, that didn't track very well, and then in going forward, it's still not clear, with this current government, as to how we can find what the Trillium Trust has done in terms of reinvesting back into infrastructure.

Ms. Kathleen O. Wynne: So, I'll be—

The Chair (Mr. Prabmeet Singh Sarkaria): Sorry, Ms. Wynne.

I'm just going to ask Ms. Shaw—with respect to the partial divestment of Hydro One and with the Trillium Trust, I think we might be expanding it too much.

Ms. Sandy Shaw: Okay. All right.

The Chair (Mr. Prabmeet Singh Sarkaria): But if we can rope it around what the report was talking about, the deficits or—

Ms. Sandy Shaw: Sure. All right. So I'll go back to the report, specifically. In the report, it says, "The public deserves to know the long-term fiscal implications of these transactions"—it's referring to the sale—"for two reasons: They can mask underlying deficits, and they require the government to forgo future revenue from investments that have been built up over long periods of time. The above observations reinforce the importance of transparency in financial reporting."

So, in some regard, can you maybe comment on what would be financial reporting around sales of a government-based enterprise that would be effective for future readers of those financial statements?

Ms. Kathleen O. Wynne: Yes, and I don't disagree with any of that. I think it's important for people to know how much money is being invested in infrastructure, where that money is coming from and how it's being used. I think it's critical. It's one of the reasons that we were the

government that brought in a long-term infrastructure plan.

It's interesting. In this province, we've had a long-term highway-building plan for years. There's always a five-year plan that you can look at. But we've never had an overall infrastructure strategy. I think it's incredibly important for there to be that strategy and for people to understand where the money is going to come from. To the degree that that was not clear to people, that needs to be improved, and I certainly support that.

Ms. Sandy Shaw: Okay. Thank you.

The Chair (Mr. Prabmeet Singh Sarkaria): Mr. Vanthof.

Mr. John Vanthof: Ms. Wynne, first of all, I have to make a comment before I start my questioning. The government said that this committee is a fact-finding mission, and I agree with that; we agree with that. I think we all agree that the Fair Hydro Plan, particularly the global adjustment smoothing, was a bad idea. The government has said that so far, all of the witnesses have said that it's been a bad idea. I'd like to put on the record that witnesses who could have, perhaps, had another view are being blocked by the government, specifically Cindy Veinot and KPMG. I'd like to put that on the record.

Mrs. Robin Martin: Point of order.

The Chair (Mr. Prabmeet Singh Sarkaria): Point of order: Ms. Martin.

Mrs. Robin Martin: I don't think, really, this is the appropriate use of your time for questioning the witness. If you don't want to use your time to question the witness, we can discuss these issues afterwards. But it's not really a question for the witness.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you. Mr. Vanthof, you can continue, but I do ask that you pose a question.

Mr. John Vanthof: I appreciate that, Chair. I plan to use my time as I see fit as long as it fits within the parameters of this committee. Thank you.

Ms. Kathleen O. Wynne: May I just say something, Mr. Vanthof?

Mr. John Vanthof: Of course.

Ms. Kathleen O. Wynne: Having sat in this room many, many times, I would just say to the Chair: There's always been very creative use of time by the opposition, I will just say, as a former government member.

Mr. John Vanthof: I am the least creative guy in this precinct. But anyway.

At one point, we heard—I believe it was Mr. Imbrogno who, at the time, was the Deputy Minister of Energy.

Ms. Kathleen O. Wynne: Oh, Serge Imbrogno?

Mr. John Vanthof: Yes. In his testimony—I'm paraphrasing, because I don't have it in front of me—he basically said that the ministry had asked for options to lower the retail price of hydro and that they had given 10 options, none of which were global adjustment smoothing. Were you aware of that conversation, or were you aware of any of those options?

Ms. Kathleen O. Wynne: Do you know what? I don't recall which options he would be talking about. We had a

number of things that we did: the distribution rates, the OESP. We moved a lot of those programs off of the rate base.

I imagine that in that list of 10, some of those would have been there, but I don't know what list he's talking about.

Mr. John Vanthof: Okay. Having never been in the Premier's office, I'm assuming that this was a fairly robust debate.

Ms. Kathleen O. Wynne: Absolutely. I would say it was not a debate; it was more a really intense collaboration on how we were going to solve this problem because it was so challenging.

Mr. John Vanthof: In the government's questioning regarding the opinion—and I believe ours too, Ms. Fife's—regarding the Auditor General, who is the external auditor, at one point, you mentioned the internal accountants. Just for the record, who would the internal auditors, the internal accountants, for the government be?

Ms. Kathleen O. Wynne: Cindy Veinot was the person I was in meetings with.

Mr. John Vanthof: Okay. Another thing that I need some clarification on: On the global adjustment smoothing plan, that part of the Fair Hydro Plan, the goal was to keep that part rate-based, on the ratepayer.

Ms. Kathleen O. Wynne: Correct.

Mr. John Vanthof: That's the main reason for the—

Ms. Kathleen O. Wynne: Correct.

Mr. John Vanthof: The province has the Ontario Electricity Financial Corp. Why wasn't that used? Wouldn't that have done the same thing, only simpler?

Ms. Kathleen O. Wynne: This is where you really need to talk to the technical people, because there was a lot of back and forth about how this best could be done. I think because OPG had the experience in this kind of financing, they were the best entity to do it. That's my understanding. I know that's a pretty rudimentary explanation, but that was my understanding of how we landed on OPG.

1500

Mr. John Vanthof: Okay. In the research we've done, it could have been kept off the tax base with the Ontario electricity financial—

Ms. Kathleen O. Wynne: But I'm not sure that it wasn't that the OPG had the expertise and was in this business of financing their own assets.

Mr. John Vanthof: Okay. And just for my own understanding, part of the problem—I think it's a problem. I think your people identified as a problem too that when you lengthen on global adjustment smoothing, you lengthen the payment plan regardless of who's—sometimes the payment plan is going to go past the assets, or could. Right? People always laugh at me when I use an analogy, but I have to fit it in. It's like buying a cow.

Ms. Kathleen O. Wynne: I thought we were going to hear about a cow.

Interjections.

Ms. Kathleen O. Wynne: I knew the cow was coming.

Mr. John Vanthof: But I've thought about this process a little bit further because my first analogy didn't make sense, but this one does. When you buy a dairy cow and you buy it to make milk and you buy it over five years, that works because the average cow's lifespan is five years.

Ms. Kathleen O. Wynne: But don't they have babies?

Mr. John Vanthof: Yes, yes, but the average cow's production lifespan.

Ms. Kathleen O. Wynne: Yes, yes.

Mr. John Vanthof: You can expect to get milk from that cow probably for five years, but when you refinance that cow for 15, you're in trouble because that cow could maybe give for seven and there is a residual benefit to selling the cow, but for the last seven there will be no milk from that cow to make the payments on the—

Ms. Kathleen O. Wynne: I don't know enough about farming to—

Mr. John Vanthof: I'm trying to get you into the cow business, but anyway, forget about the cow. When you have an asset and the debt on the asset is going to outlive the asset, that's a problem.

Ms. Kathleen O. Wynne: Right. So that's why I raised the issue before with Ms. Fife, that there are some of those assets that, like the cow, will be gone after five years, but there are others where there will be renewal, where there will be the ability to refurbish, renew, extend the length, and then there are some that will just last longer. Right?

Mr. John Vanthof: That's where the risk is in it because—

Ms. Kathleen O. Wynne: I understand, and that was raised. That was raised and the Ministry of Energy—and I think that Andrew Teliszewsky spoke to this. They looked at that. They got advice on that, and they were satisfied that there was a reasonable prospect of those assets—of there being enough benefit that the smoothing would work.

Mr. John Vanthof: Okay. Getting back to the sale of Hydro One and the transparency of financial records—and I don't pretend to be an accountant either, but when I look through the books, the infrastructure construction that's going on now wasn't exactly—the catalyst wasn't the Hydro One sale. Actually the money from the Hydro One sale isn't directly responsible for the wave of construction that's going on now.

Ms. Kathleen O. Wynne: It's actually part of the money that is set aside that backstops those investments. So if you look at our budgets from 2014, 2015, 2016, you will see that that is part of the money that is—as I say, they're backstopping or being directly invested. I've already said to Ms. Shaw that to the extent that that's not transparent, that there isn't that connection, then that likely does need to be improved. But again, the only reason I agreed to the partial sale of Hydro One was that that money was going to be used for infrastructure, and the fact is, there is building all over the province. It's partly that money. It's other money that has been borrowed, but the infrastructure investment has been huge in the last five years.

Mr. John Vanthof: I guess from a small business perspective—and perhaps government is just too complicated—it would be better if there was a more clear link, where you could say, “Okay. We’re selling this asset and it has done this and this and this.” When I look at the books, it just looks like we sold an asset and it went into general revenue or in a trust account. But still, it wasn’t really a separate earmarking.

Ms. Kathleen O. Wynne: It was earmarked, and again, we’re getting into an accounting issue. It was earmarked, and without it, we wouldn’t have been able to do the building that we’ve been doing.

I think the problem comes in being able to link a specific dollar to a specific project. That’s the challenge, and that was a challenge that I put to staff. It’s fair to say I don’t think we satisfactorily resolved that. I don’t know whether it can be resolved, that you can say, “This \$100 million is going to this project, and this \$100 million is going to this project, and it came from these pockets.” I just don’t know. I’m not an accountant. I don’t know if there would be a better way of doing it.

Mr. John Vanthof: A different subject: We’ve had quite a few people come forward to this committee—several senior civil servants, Ed Clark—and yes, some of them, the majority of the witnesses we had, did express an opinion on specifically the global adjustment smoothing plan that was not positive. But I did note that specifically the four senior civil servants all expressed that they didn’t feel any hesitation to express that. I’m assuming that in your administration—how important do you think that is, that the senior civil service has—there’s a point where they can express their concerns, and when the government makes a decision, then they do the will of the government. How important is it that senior civil servants have the ability to express their views to the government?

Ms. Kathleen O. Wynne: I think it’s fundamental. I think that it has to be a pillar of that relationship between government and the civil service. Otherwise, it’s impossible to get honest and forthright advice. Whether that advice is going to be comfortable or not, it’s really important to know what these people, who have dedicated their lives to a particular sector—they need to be able to say what they think, because they have the depth of understanding that I couldn’t possibly have as a politician, as a Premier. So I think it’s really very important.

Mr. John Vanthof: I’m done.

The Chair (Mr. Prabmeet Singh Sarkaria): Ms. Fife, five minutes and 20 seconds.

Ms. Catherine Fife: Okay, thank you.

Just to go back to that question of accountability and finance, particularly around infrastructure—because you mentioned that you’re not clear; you don’t know if it actually can be done, if you can tie some funding specifically to an infrastructure project. I thought that’s what the long-term infrastructure plan was supposed to be, particularly on transit. But in order—

Ms. Kathleen O. Wynne: Well, it’s about—sorry, Ms. Fife. It’s about laying out what that long-term blueprint is. The point I was making is I’m not an accountant, so I’m

not able to say, “How do you say that X dollars go into X”—it’s like with a school board. With non-enveloped money, it’s very hard to say exactly where those dollars go in a particular program or a particular system.

Ms. Catherine Fife: We can talk education funding another time.

Ms. Kathleen O. Wynne: No, but it’s a similar issue.

Ms. Catherine Fife: For a lesson, though—something good has to come from this committee. The FAO basically describes that the Trillium Trust originally was a designated purpose account which tracked the province’s commitment to fund infrastructure, but it didn’t necessarily track the financing of it. But when he went back and reviewed the actual expenditures, “Through 2017-18, it is expected that only \$670 million in infrastructure project spending connected with the Trillium Trust commitment will have occurred.”

I guess this goes back to the recommendation in the report around accountability and transparency. The advisory council that you appointed, which Mr. Clark was a part of, their decision process remains—they were charged with having a transparent, professional and independently validated process. There were supposed to be accountability measures with that advisory council, and there weren’t. I have to ask you: You created the advisory council. They published a report recommending, for instance, in one part, the sale of Hydro One and then also, going forward, finding a solution to deal with the high cost of hydro. But there was never any background information; there was never any independent analysis to show how the council had arrived at these recommendations. You were taking the advisory council’s recommendations—or, in some instances, you weren’t—without a transparency measurement built into that process.

1510

Ms. Kathleen O. Wynne: You’ve raised two different kinds of issues. In terms of the money going into transit, the FAO did not speak to the degree to which that money was earmarked. He talked about how much was spent, but I would just say to you that the next question that would have to be asked is, was it clear to him that those dollars had been earmarked? Even if they hadn’t been invested yet, were they earmarked? So that’s—

Ms. Catherine Fife: He actually did call for that. He said that the government should publicly release a complete list of infrastructure projects.

Ms. Kathleen O. Wynne: And that list actually exists, but I think that the tying of those trillion trust dollars or that account to the projects is where the issue is.

Ms. Catherine Fife: That’s a big issue, though. It’s a big issue, where the money is going, because infrastructure promises mean nothing unless there’s money attached to them.

Ms. Kathleen O. Wynne: It’s a big issue if the projects are not getting built, and it’s a big issue if the money is not earmarked. I would say to you that the projects that we published as being under way were all under way, whether it was a planning process—they take time and the money

hadn't flowed yet—or whether it's money that was earmarked for projects that would be undertaken.

Ms. Catherine Fife: I heard, though, that you are surprised at the fact that the Hydro One privatization, or partial privatization—that was supposed to result in a significant amount of money that goes into infrastructure, and that didn't happen. I heard you say that you are surprised by that.

Ms. Kathleen O. Wynne: To the degree that that is not clear to the public how that happened. My understanding is that that \$4 billion is either earmarked or is being invested. If that's not clear, if we can't establish that that's the case, then that's a problem, because that was not my understanding. My understanding was that it was earmarked, that of course, it hadn't all necessarily been spent or been invested, but that it was earmarked for those projects.

Ms. Catherine Fife: It is a relevant question for this committee, because the PC government is dissolving the Trillium Trust in Bill 57, so the question is, where is the money going to go and what money is there? This goes back to the issue that the committee is grappling with around the lack of transparency and how government reports—

Ms. Kathleen O. Wynne: But that—

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you. I'm sorry. That's the end of time for this round of questioning.

Ms. Kathleen O. Wynne: With all due respect, that is not a problem I can help you resolve, because we had that money earmarked for transit and transportation.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you, Ms. Wynne. That concludes that 20 minutes. A final 10 minutes of questioning from the government side with Mr. Romano.

Mr. Ross Romano: I want to bring you to an email. It was provided to you in the last round. It's dated February 12, 2017, from Andrew Bevan to Andrew Teliszewsky.

Ms. Kathleen O. Wynne: Wait a second—oh, here, yes.

Mr. Ross Romano: The bottom third of the page reads:

“Thanks Andrew

“Looks good.”

Ms. Kathleen O. Wynne: Yes.

Mr. Ross Romano: We went through this email with Mr. Teliszewsky. In the course of his evidence, he indicated that the purpose of the Fair Hydro Plan, or the initiative that became the Fair Hydro Plan, was certainly to recognize that electricity prices had become an issue of significant public concern. We know this was a determining factor in the upcoming provincial election.

Now, the email that was presented to Mr. Teliszewsky—you'll notice it's from Mr. Bevan to Mr. Teliszewsky and it reads:

“Thanks Andrew

“Looks good.

“Slide 2. A win should be defined as neutralizing as an electoral issue electricity prices prices prices if we (govt

and Premier) are recognized as having fixed prices appropriately.”

So, as a starting point, going back to the comments I made earlier, a significant issue here was trying to gain a political win. Correct?

Ms. Kathleen O. Wynne: There is no doubt—I mean, it would be ridiculous for me to suggest that there wasn't a political aspect to this.

Mr. Ross Romano: Okay, thank you.

Ms. Kathleen O. Wynne: But, no, that's not—

Mr. Ross Romano: The only reason.

Ms. Kathleen O. Wynne: —the whole issue.

Mr. Ross Romano: No, and I can appreciate that.

Ms. Kathleen O. Wynne: It's part of it. This is Andrew Bevan, as I look at this, doing what he would have done, which was giving his edits to a larger deck, and I don't have the larger deck.

Mr. Ross Romano: Fair enough.

Now, the second area I want to discuss is that trying to resolve the issue of hydro—

Ms. Kathleen O. Wynne: Are we done with this email?

Mr. Ross Romano: Yes.

There have been all these discussions about accounting. If we can try to keep this very simplistic here, there were a number of risks with the global adjustment refinancing proposal. There were uncontrollable risks and there were controllable risks. Would you agree with that statement?

Ms. Kathleen O. Wynne: Yes.

Mr. Ross Romano: Okay. In terms of the controllable risks—and we saw a lot of this play out. There were constitutional issues; it was referred to as an unconstitutional tax. There were freedom-of-expression issues. There were financing issues. There were accounting issues. A lot of those issues were all addressed through what essentially is the Fair Hydro Plan, but a lot of those even required legal indemnifications, which I'm sure you would agree were very, very out of the ordinary.

Then there were non-controllable risks, which—

Ms. Kathleen O. Wynne: Again, you're making some blanket statements, some of which I've already addressed, so I don't know if you're asking questions on each of these or—

Mr. Ross Romano: No, I'm getting into the next portion in terms of—

Ms. Kathleen O. Wynne: But some of the things you're saying, I've already refuted, I've already—

Mr. Ross Romano: Okay, that's fair. Perhaps, maybe, just in terms of the non-controllable risks: Obviously, if interest rates went up, that's something beyond any government's control.

Ms. Kathleen O. Wynne: Correct.

Mr. Ross Romano: And that would put this into serious compromise—this plan.

If demand for electricity went down, you were advised that that would become a major risk that was beyond your control, or any government's control—future governments. That would be a major problem for this plan? You're nodding in the affirmative.

Ms. Kathleen O. Wynne: Yes.

Mr. Ross Romano: Also, in terms of the value of the assets, you could not know for a fact that the assets would last longer than 20 years, as it was set up—30 years or maybe even 40 years. You don't know. Some of those assets may not last through any of that.

Ms. Kathleen O. Wynne: No, but that's why the Ministry of Energy got advice on that, on the life-of-the-assets issue.

Mr. Ross Romano: And there were certainly some difficulties with respect to that, but—

Ms. Kathleen O. Wynne: Well, there was a response that there will be some that will outlast the period and there will be some that won't, and I think there were assets operating without a contract. There was a whole range of responses on that—

Mr. Ross Romano: Sure. I don't intend to ask any questions with respect to that, and I think you've already discussed that.

The bigger issue is that in the face of all of these issues—controllable problems, non-controllable problems, requirements for indemnification agreements—it was a very, very complex proposal that was put forward.

Now, I have heard you refer on a number of occasions here today to the borrowing being either from the tax base or the rate base, but it has been made crystal clear—abundantly clear—to this committee that the debt could still have been borne by the province of Ontario and been reflected on the province of Ontario's net deficit and net debt, had it been still applied to the rate base, meaning that if the debt could have still been managed within the electricity system, as you've indicated you wanted it to be, it still could have been borrowed by the province and been reflected on the books.

While we've heard this evidence from so many people, everybody that has been before this committee—with the exception of Mr. Teliszewsky, who did not provide accounting advice. But from all of those persons who provided us accounting advice, they all, in one way or another, expressed serious concerns, significant concerns. The Deputy Minister of Energy himself, Imbrogno, said he thought it was a bad idea. We heard this from countless sources, including your most significant adviser, Ed Clark.

Ms. Kathleen O. Wynne: Who was not engaged in the process.

Mr. Ross Romano: Well, he actually indicated at this committee that he checked out, because he knew you weren't going to take his advice. That was his evidence, and I'm sure you heard that.

Ms. Kathleen O. Wynne: I did.

Mr. Ross Romano: When you started off your statement today, you said, "I'm not an accountant." Correct?

Ms. Kathleen O. Wynne: Correct.

Mr. Ross Romano: And I trust that was because you did not want us to consider you an expert in accounting. Is that not a fair comment?

Ms. Kathleen O. Wynne: I would advise you to bring in the accountants who were involved in the process.

Mr. Ross Romano: You don't want to be misconstrued as an expert because you are not an expert.

Ms. Kathleen O. Wynne: No, I am not, so that's why it would be really important to get the accountants who were involved in the process here at the table.

Mr. Ross Romano: Right. Now, let's deal with that issue, because the Auditor General's office has over 100 staff, many of which are accountants, who are paid for by the people of Ontario. They are paid for the benefit of the people of Ontario. That is their job. They are our accountants.

1520

You don't have the background in accounting—and you've qualified that. You're not the expert. So why didn't you listen to the experts who were paid by the people of Ontario on behalf of the people of Ontario?

The Chair (Mr. Prabmeet Singh Sarkaria): Three minutes.

Ms. Kathleen O. Wynne: Just so that we're clear, the Auditor General's staff are not the accountants with whom government works to formulate policy or a plan. The Auditor General's staff are the people who look at government action, government policy, and make a judgment on that. The accountants that we worked with are the accountants who are within the OPS. Those are the people who, when we say as government, "We've got to find a solution to this"—we work with those people to help us, and then the Auditor General's accountants will, as I say, pass judgment on that.

Mr. Ross Romano: Ms. Wynne, we've heard from the OFA. We've heard from the AG. We've heard from the FAO, IESO, OPG, the four top-ranking bureaucrats. Everybody said this was a bad idea and one we should—

Ms. Kathleen O. Wynne: So—

Mr. Ross Romano: Please let me ask my question. All I'm asking is, why would you not take their advice?

Ms. Kathleen O. Wynne: Mr. Romano, I read the testimony of the OPG, and that was not the simplistic thing that they said. I just think that we need to deal in the realities.

The people who we worked with gave us advice, told us their concerns, and we found a way to move forward. I hope you will talk to all of those people.

Mr. Ross Romano: My time, Mr. Chair?

The Chair (Mr. Prabmeet Singh Sarkaria): A minute and 30 seconds.

Mr. Ross Romano: I'm going to build off something Mr. Baber asked you earlier, where he talked about who. I'm going to ask you a question here: Given the fact that the people of Ontario will be paying for this pre-election decision—the Fair Hydro Plan—for the next 30-plus years, don't you think they have a right to know exactly who came up with this idea? It's their money.

Ms. Kathleen O. Wynne: I honestly have to tell you, Mr. Romano, that I am not being wilfully obtuse by not telling you. I don't know who it was. When there's an intensive collaboration, when there's a problem that a whole bunch of people are working on, there's sometimes a situation where a number of people come up with the

same idea at the same time. I don't think that it's unusual. In my experience in government, in life, there are many times when you'll come to the same conclusion and it's not one person's idea; it has actually come from a bunch of different places, and it has come out of the process of everyone working together. So I don't think there's anything nefarious in this. The reality is that there were a lot of people working on coming up with solutions.

Mr. Ross Romano: My last question is—

The Chair (Mr. Prabmeet Singh Sarkaria): Sorry, Mr. Romano; I'm not going to be able to let you—we're five seconds over time.

That concludes the government's time. For the final 10 minutes, we'll go over to Ms. Fife.

Ms. Catherine Fife: I find it very ironic that Mr. Romano is talking about the importance of listening to accountants when we're trying to get the provincial controller, the chief accountant, into this committee to give her testimony on the Hydro One plan. You can't have it both ways.

I don't think anybody expected us to be talking about accounting as much as we have been. That said, when OPG did come in, they were pretty clear that they did not have the special financing expertise that the OFA had around this mechanism. From our perspective—from the people who are looking at it after the fact—the only reason to have OPG do the financing was to conceal the hydro debt off the government's consolidated books. For us, there's really no other obvious reason.

In your opening remarks, you talked about successive governments in the past who have made mistakes or failed to invest and failed to take action. Your government has a record on this issue as well. There's obviously the gas plants. There's the privatization of the Green Energy Act, which cost \$9 billion-plus. There was the privatization of Hydro One, which we're not really allowed to speak about, but there is a long-term cost to that as well.

Then, at one point, you made the decision to move towards the Fair Hydro Plan. I guess the question is, because that plan and that strategy that you employed—that your government employed; not you personally—really caused a lot of mistrust on this file, on the energy file. I would agree with you that the energy file is a mess; there's no doubt about it.

The Premier, when he was striking this committee, made very public statements about the motivation for this committee. He went as far as to say that there were dirty accounting tricks and that a lot of Liberals got rich under this plan. I wanted to give you a chance to speak to those comments, because they're quite something for a Premier of the province to be saying prior to the committee even getting the opportunity to call witnesses.

Ms. Kathleen O. Wynne: Well, they are absolutely without base. Those baseless allegations, I think, create very much a toxic environment in which to have a conversation, because what we're talking about is what I said at the beginning of this: a government and I as the Premier trying to make decisions that would solve problems.

I absolutely admit the culpability of Liberal governments and our government in terms of there being

challenges with the things that we did. We may identify them as different challenges, but I certainly think that, when we brought in the Green Energy Act, there wasn't enough involvement with communities. I think that there wasn't enough community buy-in, and I think it would have been a very different situation. It pains me, actually, that the whole notion of wind and solar power has become wrapped up in bad process around the Green Energy Act, because that was certainly never our intention.

When you characterize the Fair Hydro Plan as having created mistrust, I think, honestly, that what was creating huge mistrust around the province for individual people and families was that they didn't understand why their electricity prices were going up so quickly and so high. We had to address that.

Ms. Catherine Fife: And that became a narrative, obviously. It became a narrative in the election. I ran in the 2014 election and everyone thought that would be about gas plants, but it wasn't. But hydro costs were definitely an issue in 2018, because people get their hydro bills every month, and it was very tangible.

Your interim leader, John Fraser, said at your AGM that your party is in the penalty box because of decisions that your government made. Do you feel the same way about that?

Ms. Kathleen O. Wynne: I think there will be lots of analysis of why we are where we are. I think that people were disenchanted for a number of reasons. I don't think I can pinpoint one reason.

Ms. Catherine Fife: Okay.

The energy file, going forward, is obviously going to have some real challenges. The commission identified the economy—we are looking towards perhaps moving into a downturn—and interest costs. They actually cite that there will be a short-term economic downturn or perhaps a longer downturn, and they also reference climate change.

That sort of ties into the Green Energy Act. I do agree with you that it's unfortunate that hydro projects are being cancelled when we need to find greener options. If you were willing to give advice on that climate change recommendation that was highlighted by the commission as an economic pressure point for the province of Ontario, what would you say, aside from not following the Green Energy Act, as it was designed originally?

1530

Ms. Kathleen O. Wynne: Well, I think that the—

The Chair (Mr. Prabmeet Singh Sarkaria): I'm just going to—as long as it's within the mandate and tied into the report's recommendations of risks that were taken into consideration, I'll allow it to continue. I'm just cautioning on that.

Ms. Kathleen O. Wynne: Ms. Fife, you're talking about which recommendation?

Ms. Catherine Fife: It's on page 31.

Ms. Kathleen O. Wynne: I'm looking at the executive summary that has the recommendations in it. But, you know what, I don't need to look at it again. The reality is that tackling climate change, doing it in a way that fosters innovation and economic activity, is part of the defence

against economic downturn. Investments in new technology and allowing businesses to innovate and government supporting them in doing that, which is what was—well, they were supporting themselves through the cap-and-trade system.

But being a jurisdiction that is highly educated, that demonstrates to the world that our economy is strong because of our highly educated workforce, because we are in the 21st century in terms of our understanding of both the mitigation of climate change and adaptation—I think that those are bulwarks against economic downturn. I would not deign to give advice to the government, but what we were trying to do is, we were trying to build that strong, inclusive economy that was tackling climate change, that was investing in new science, technology, engineering—

The Chair (Mr. Prabmeet Singh Sarkaria): Two minutes.

Ms. Kathleen O. Wynne: —and higher education in order to be strong to weather whatever came at us.

Ms. Catherine Fife: I think that that's relevant to the report in the fact that the commission recommends that the government, this government, going forward should create the flexibility needed to respond to those points and not be so rigid. They also say—I think this is the largest learning point for this committee—that transparent public reporting that fairly represents the current and future obligations of taxpayers is current in this context. I think that would be probably our largest take-away, that there is ultimately a responsibility to the citizens and the taxpayers to clearly articulate what the cost of innovation could be, and energy policy and education and health care policy. That will require us to report the finances of this Legislature, I think, in a different way.

I want to thank you very much for being here today.

Ms. Kathleen O. Wynne: I think that your last point is an extremely important one. I think that we have not, as a society—this isn't a comment about a particular government. I think, as a society, we have not been good about valuing and being able to articulate the monetary value of investments that we make in some of those areas. We have been much too short-term in our thinking. That's robbed us, as government but also the people of the province, of an understanding of how a current investment actually has an impact in the future.

Ms. Catherine Fife: Hopefully, we can change that. Thanks.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you very much. Nine seconds—

Interjection.

The Chair (Mr. Prabmeet Singh Sarkaria): Okay. Perfect. That concludes the time for questioning today.

I would like to thank Ms. Wynne for her time and participation today.

Ms. Kathleen O. Wynne: You're welcome, Chair. Thank you very much for the opportunity.

The Chair (Mr. Prabmeet Singh Sarkaria): We appreciate it.

Ms. Kathleen O. Wynne: Good luck with your deliberations.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you.

COMMITTEE BUSINESS

The Chair (Mr. Prabmeet Singh Sarkaria): We do have further committee business, if the committee would like to get right into it, or we can take a five-minute recess. I'll leave it to the committee.

Interjections.

The Chair (Mr. Prabmeet Singh Sarkaria): We'll go right into it. Okay. So we will go right into our committee business.

Just before we go on, in regard to the comments earlier to Mr. Thibeault's travel to attend committee tomorrow, I just want to get some clarification. Mr. Thibeault provided an estimate of \$250 for accommodation. He also provided an estimate for fuel. Our practice is to reimburse mileage, so our calculation is \$169 per one way trip, and a total of \$338 for a two-way. So a max, with hotel, would be \$588. Agreed?

Mrs. Robin Martin: Yes. We already agreed.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you. I'm just clarifying.

I'd like to draw the committee's attention to Mr. Bert Clark's email, which you have in front of you. The committee should accommodate and decide if it wishes to meet in the week of December 17. Since the committee can meet at the call of the Chair, I can consult with subcommittee members on when to call the committee meeting when the House is not sitting.

We should also discuss if the committee wishes to call more witnesses, or we can go into closed session after tomorrow's meeting and the committee can begin providing direction to our research officers on what it would like to see in the draft report.

Discussion? Mr. Romano.

Mr. Ross Romano: It is our position, Mr. Chair, that, given the delays in the scheduling of Mr. Clark at this stage, we are not prepared to accommodate the December 17 time frame.

The Chair (Mr. Prabmeet Singh Sarkaria): Further discussion? Ms. Fife.

Ms. Catherine Fife: I guess I would just ask what we had hoped to get from this testimony. If it is really important and if it is timely, then we would be okay to meet on December 17, I'm sure.

The Chair (Mr. Prabmeet Singh Sarkaria): Mr. Romano?

Mr. Ross Romano: I can appreciate that the opposition has some difference of opinion on these matters. It is our perspective that, with respect to the witnesses we are not calling or not continuing on with, it is felt that the relevance of those witnesses would not assist us in any recommendations we would make in furtherance of the mandate that we have. We have a specific mandate to have concluded this committee by week's end next week. We have worked very diligently throughout this committee in terms

of preparation for all witnesses—review of documents—to be able to accommodate that. At this stage, unless there is something very telling or something that can be at least shown to be marginally relevant, we would not be prepared to proceed with that witness.

The Chair (Mr. Prabmeet Singh Sarkaria): Ms. Fife?

Ms. Catherine Fife: Are we still talking about Bert Clark or are we talking about Cindy Veinot?

The Chair (Mr. Prabmeet Singh Sarkaria): I think it's about Bert—

Mrs. Robin Martin: Any witness. We're trying to finish. We're trying to finish on time.

The Chair (Mr. Prabmeet Singh Sarkaria): —or any witness.

Ms. Catherine Fife: Okay. Just on this point, though, we've heard from several delegations that Ms. Veinot was a key part in the designing of the Fair Hydro Plan.

Mrs. Robin Martin: No, we haven't.

Ms. Catherine Fife: Yes, we have. In fact, the former Premier just said, "I don't understand how you could write a report," because she was clearly—

Mrs. Robin Martin: I know why she wants us to call them.

Ms. Catherine Fife: Oh, you know why she wants—
Interjection.

Ms. Catherine Fife: Excuse me. You've got to speak through the Chair.

The Chair (Mr. Prabmeet Singh Sarkaria): One at a time. Thank you.

Ms. Catherine Fife: It's interesting that we are here, as a committee, and we have heard from an external auditor, and yet the government refuses to call the provincial controller who was writing the report.

So we are willing to come back for December 17. We're prepared to hear from Bert Clark. We're prepared to hear from Cindy. We're prepared to hear from KPMG. If you want a final report that has any value and meaning and credibility, then let's do it. We've been sitting in these committee meetings now for two and a half months. It's one more week.

The Chair (Mr. Prabmeet Singh Sarkaria): Ms. Martin?

Mrs. Robin Martin: The opposition members are casting a lot of aspersions on us. We're trying to finish within the time allotted. Ms. Veinot was in government for only one year and was provincial controller for only six months. I don't think, despite anyone's suggestions, that she is the most relevant witness to all of these things that occurred. In the circumstances, because we're trying to finish and cannot call everyone, we have to make some choices. We don't think that is a choice that we should be making.

The Chair (Mr. Prabmeet Singh Sarkaria): Mr. Vanthof?

Mr. Ross Romano: This has already been voted on, Mr. Chair—

The Chair (Mr. Prabmeet Singh Sarkaria): I know. Yes, we should be speaking to Mr. Bert Clark. For now, if we could stick to Mr. Bert Clark, and then if—

Mr. John Vanthof: If I could, I would just like to respond to Ms. Martin; then I will switch to Mr. Clark.

The Chair (Mr. Prabmeet Singh Sarkaria): Okay.

Mr. John Vanthof: Ms. Veinot, perhaps, was the provincial controller—I believe you said for only one year or—

Mrs. Robin Martin: Six months.

Mr. John Vanthof: —only six months. But the provincial controller is the internal auditor of the province. That is an incredibly important position. She was the controller during the implementation of the Fair Hydro Plan, again.

At one point, Ms. Martin—I'd like put on the record—you stated, "We already know what she's going to say." That is pre-judging the witnesses. I need to put that on the record, because you just heckled that across the way to me. That is prejudging the witnesses.

As for Bert Clark—

Mrs. Robin Martin: I don't know what she would say; I don't care—

The Chair (Mr. Prabmeet Singh Sarkaria): One at a time, Ms. Martin. Mr. Vanthof.

Mr. John Vanthof: The reason we pushed for Mr. Clark is we believe he's a relevant witness. To the government's credit, they actually agree. Now, his schedule doesn't seem to be working. But in the bigger picture—and I would be happy to help make the pitch to the House—for this committee to go on for a couple of more weeks and hear from relevant witnesses would serve the people of Ontario very well. We are talking about billions of dollars that we would like to not be spent in the same way again.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you. I'm just going to clarify a couple of things before I pass it on to Ms. Martin and Mr. Romano.

First of all, in the discussion about Mr. Bert Clark and whether we're going to call him, if the committee as a whole doesn't agree, we will have to have a motion. Just a note on that—

Mr. Ross Romano: If there's no agreement, then we can just put it forward—

The Chair (Mr. Prabmeet Singh Sarkaria): You can just put forward a motion on that too.

Mr. Ross Romano: I would like to put a motion forward at this time.

The Chair (Mr. Prabmeet Singh Sarkaria): I'm sorry. Just one second—

Interjections.

The Chair (Mr. Prabmeet Singh Sarkaria): Just as a clarification: As per the mandate we set out, the final report is by December 13 or on a date determined by the committee.

Back to Mr. Clark, if we can focus discussion on that: We can also come back tomorrow to discuss further if that's agreeable, or we can—we would need a motion.

Mrs. Robin Martin: Chair?

The Chair (Mr. Prabmeet Singh Sarkaria): Ms. Martin.

Mrs. Robin Martin: I just want to put on the record that Mr. Vanthof misquoted me, and that is not what I said.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you, Ms. Martin. Mr. Romano?

Mr. Ross Romano: I will move a motion at this time.

The Chair (Mr. Prabmeet Singh Sarkaria): Thank you. Please go ahead.

Mr. Ross Romano: Given the unavailability of the witness, Bert Clark, who has been previously required by this committee to attend as a witness, we will not be proceeding with Mr. Clark as a witness at this time.

The Chair (Mr. Prabmeet Singh Sarkaria): Okay. We're just going to have to recess for five minutes so that Madam Clerk can draft the motion, and then we will reconvene. The committee will return at 3:47.

The committee recessed from 1542 to 1552.

The Chair (Mr. Prabmeet Singh Sarkaria): The Select Committee on Financial Transparency is now back in session. Mr. Romano has moved a motion. If you could repeat the motion that is before all of the members.

Mr. Ross Romano: I move that the Select Committee on Financial Transparency not proceed with calling on Bert Clark to come before the committee as a witness.

The Chair (Mr. Prabmeet Singh Sarkaria): Mr. Romano has moved the motion in front of us. Further debate? Are members ready to vote?

Mr. John Vanthof: Yes. Recorded vote, please.

Ayes

Baber, Martin, Park, Parsa, Romano.

Nays

Fife, Vanthof.

The Chair (Mr. Prabmeet Singh Sarkaria): The motion carries.

That will now conclude—

Mrs. Robin Martin: Tomorrow, we'll be here?

The Chair (Mr. Prabmeet Singh Sarkaria): Yes.

That concludes today's business, and we'll adjourn until tomorrow at 3 p.m.—oh, sorry. Ms. Fife.

Ms. Catherine Fife: Thank you. We obviously have a very tight timeline now for our report-writing. We will call Mr. Thibeault tomorrow. Are we going to commence report-writing after Mr. Thibeault's testimony, or have we set another schedule for that?

The Chair (Mr. Prabmeet Singh Sarkaria): We can have that discussion right now or tomorrow, as to—

Mr. Roman Baber: Let's have it tomorrow.

The Chair (Mr. Prabmeet Singh Sarkaria): Tomorrow?

Ms. Catherine Fife: Perhaps somebody can figure out when we're going to write the report. That would be helpful.

Mrs. Robin Martin: Immediately.

Ms. Catherine Fife: Right away; right now. That's good.

Interjections.

Ms. Catherine Fife: Let's give it to Michael. Michael just showed up. It's good.

The Chair (Mr. Prabmeet Singh Sarkaria): One at a time, thank you. Order.

We won't be able to table on December 13 as of right now, but we will take direction from the committee and we can discuss further tomorrow as well.

With that, the committee is adjourned until tomorrow at 3 p.m. Thank you.

The committee adjourned at 1554.

SELECT COMMITTEE ON FINANCIAL TRANSPARENCY

Chair / Président

Mr. Prabmeet Singh Sarkaria (Brampton South / Brampton-Sud PC)

Vice-Chair / Vice-Président

Mr. Doug Downey (Barrie–Springwater–Oro-Medonte PC)

Mr. Roman Baber (York Centre / York-Centre PC)

Mr. Doug Downey (Barrie–Springwater–Oro-Medonte PC)

Ms. Catherine Fife (Waterloo ND)

Mrs. Robin Martin (Eglinton–Lawrence PC)

Ms. Lindsey Park (Durham PC)

Mr. Ross Romano (Sault Ste. Marie PC)

Mr. Prabmeet Singh Sarkaria (Brampton South / Brampton-Sud PC)

Ms. Sandy Shaw (Hamilton West–Ancaster–Dundas / Hamilton-Ouest–Ancaster–Dundas ND)

Mr. John Vanthof (Timiskaming–Cochrane ND)

Substitutions / Membres remplaçants

Mr. Michael Parsa (Aurora–Oak Ridges–Richmond Hill PC)

Clerk / Greffière

Ms. Valerie Quioc Lim

Staff / Personnel

Mr. Ian Morris, research officer,
Research Services