

Legislative  
Assembly  
of Ontario



Assemblée  
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**Official Report  
of Debates  
(Hansard)**

A-25

**Journal  
des débats  
(Hansard)**

A-25

**Standing Committee on  
Government Agencies**

Intended appointments

1<sup>st</sup> Session  
42<sup>nd</sup> Parliament

Tuesday 18 February 2020

**Comité permanent des  
organismes gouvernementaux**

Nominations prévues

1<sup>re</sup> session  
42<sup>e</sup> législature

Mardi 18 février 2020

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Chair: John Vanthof  
Clerk: Jocelyn McCauley

Président : John Vanthof  
Greffière : Jocelyn McCauley

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Hansard Reporting and Interpretation Services  
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111 Wellesley Street West, Queen's Park  
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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  
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
GOVERNMENT AGENCIES**

**COMITÉ PERMANENT DES  
ORGANISMES GOUVERNEMENTAUX**

Tuesday 18 February 2020

Mardi 18 février 2020

*The committee met at 0900 in committee room 1.*

**The Chair (Mr. John Vanthof):** Good morning. I'd like to call this meeting to order.

SUBCOMMITTEE REPORTS

**The Chair (Mr. John Vanthof):** The first item of business this morning is the subcommittee reports. We will now move to the subcommittee report dated December 12, 2019. We have all seen the report in advance, so could I please have a motion? Mr. Natyshak.

**Mr. Taras Natyshak:** I move adoption of the subcommittee report on intended appointments dated Thursday, December 12, 2019, on the order-in-council certificate dated December 6, 2019.

**The Chair (Mr. John Vanthof):** Any further discussion? Seeing none—

*Interjection.*

**The Chair (Mr. John Vanthof):** Oh, sorry. Ms. Stiles.

**Ms. Marit Stiles:** Thank you, Mr. Chair. Well, here we are—back at it. We have, I think, on this page, six people who have nine, I think, appointees that this government wants to make to bodies such as the Health Professions Appeal and Review Board, the Ontario internal audit committee, TVO—by the way, I believe that was actually announced even before it was actually passed, but anyway—the board of health in the Middlesex-London Health Unit, and on and on and on. These are all appointments where we should have been given the opportunity, if the members opposite had agreed, to actually come back and hear from these people, so we have an opportunity to hear what qualifications they have, to ask important questions.

I think, given, certainly, the experience thus far with this government and their many political appointees, particularly with some of the issues that arose over our break, we have a responsibility here as committee members, as MPPs, to hear from these folks. So I certainly will not be supporting rushing these through without a proper opportunity to hear from the appointees.

**The Chair (Mr. John Vanthof):** Any further discussion? Seeing none, I'd like to call a vote. All those in favour? Opposed? The report is lost. It doesn't carry.

We will now move to the subcommittee report dated December 19, 2019. We have all seen the report in advance, so could I please have a motion? Mr. Natyshak.

**Mr. Taras Natyshak:** I move adoption of the subcommittee report on intended appointments dated Thursday, February 6, 2020, on the order-in-council certificate dated January 31, 2020.

**The Chair (Mr. John Vanthof):** Any further discussion? Mr. Natyshak.

**Mr. Taras Natyshak:** It's not a new session, but a continuation of the previous session. We're here after our winter recess. From what we just witnessed from the government members, I hope that this is a new direction, where they realize that it is important for us as committee members to review the appointments that have been named by the government and for us to do our due diligence on behalf of the public. We are public servants who should emphasize the service part of our jobs, which means giving full oversight to the people who are coming before us and questioning their credentials, their experience and their motivations around their intended appointments.

With that, I thank you, Chair, and I'm looking forward to voting on this.

**The Chair (Mr. John Vanthof):** Any further discussion? Mr. Smith.

**Mr. Dave Smith:** Mr. Chair, I'd like to ask for a recess before the vote, as we're entitled to.

**The Chair (Mr. John Vanthof):** Would you like 20 minutes or five minutes?

**Mr. Dave Smith:** Five minutes would be fine. Thank you.

**The Chair (Mr. John Vanthof):** Five minutes—9:10 will be our restart time.

*The committee recessed from 0905 to 0908.*

**The Chair (Mr. John Vanthof):** The meeting is reconvened.

Mr. Natyshak had comments on the subcommittee report of December 19. Any further discussion? Seeing none, I would like to call a vote. All those in favour? Opposed? That motion carries.

We will now move to the subcommittee report dated January 23, 2020. We have all seen the report in advance, so could I please have a motion? Mr. Natyshak.

**Mr. Taras Natyshak:** I move adoption of the subcommittee report on intended appointments dated Thursday, January 23, 2020, on the order-in-council certificate dated January 17, 2020.

**The Chair (Mr. John Vanthof):** Any further discussion? Mr. Natyshak.

**Mr. Taras Natyshak:** Chair, being ever the optimist, I had hoped that we were going to see a change in direction on the part of the government. I guess we can chalk up their previous vote to just not being fully awake yet—I'm not really sure. They missed the vote. We would hope that it was due to them finding a clearer path towards oversight and accountability and transparency in this committee; alas, it is not. It is a government that is fully intent on shovelling through as many of their hand-picked partisan appointments as they can find, and it's really unfortunate—not only unfortunate for the integrity of this committee, but also for oversight and for accountability and transparency within the government.

**The Chair (Mr. John Vanthof):** Ms. Stiles.

**Ms. Marit Stiles:** I'd like to support my colleague in his comments and concerns raised. It's hard to hear myself, though. There's a lot of conversation happening over there.

Important agencies like Public Health Ontario—it would seem that, of all the times when we might want to actually talk to the people who are going to be appointed by this government to an agency like Public Health Ontario, this would be the moment. This would be when you want to hear about what their vision is, what concerns they might have—

*Interjections.*

**Ms. Marit Stiles:** There's a lot of commotion happening on the other side, Mr. Chair. It's distracting.

Things like the police services board in Guelph: Again, these are really important responsibilities. And I think, as we've seen repeatedly under this government, we've seen connections—strong, partisan, political connections—which I think the people of this province have reason to be concerned about. But more importantly, these are actually agencies where we have to do our due diligence. We have a responsibility to the people of Ontario. We've been elected to ensure that the people who are being appointed to these boards, these agencies, are in fact able to share with us some of their vision and experience. It's really doing them a disservice, as well, I believe.

Again, I have to say that I'm really disappointed that the government seems to have fallen back into this path of opposing everything and not allowing these appointees to appear here, as they should and as I'm sure many of them would be happy to.

**The Chair (Mr. John Vanthof):** Any further discussion? Seeing none, I would like to call the vote. All those in favour? Opposed? That motion is carried.

We will now move to the subcommittee report dated February 6, 2020. We have all seen the report in advance, so could I please have a motion? Mr. Natyshak.

**Mr. Taras Natyshak:** I move adoption of the subcommittee report on intended appointments dated Thursday, February 6, 2020, on the order-in-council certificate dated January 31, 2020.

**The Chair (Mr. John Vanthof):** Any further discussion? Mr. Natyshak.

**Mr. Taras Natyshak:** I'll remind members of this committee that the process of denying extensions to

certificates in order to not see anyone is a relatively new one. In fact, in the 15 years that the previous Liberal government held government and had tenure of this government, they only did it a handful of times. I would argue that this government has never extended a certificate. They've done the opposite: They've denied every extension of every certificate that this committee requests. It's unprecedented. It's a pattern. It borders on abuse of power, and it's a disservice to taxpayers, who are paying the wages of every person on this committee.

We were told that things were going to change months ago, when we heard and learned about appointments such as the ones that were pushed forward by Dean French, the former chief of staff of the Premier—close connections to the chief of staff, close connections to the Premier and various other PC Party insiders. We were told that that was going to end. We were never told how it was going to end. We were told that the government understands. The Premier himself took responsibility and said that this is going to stop under his watch: “We're going to take care of it. We're going to look at the appointments process in the backroom”—not a public process to review how we do things in here, but something in secret, private, behind closed doors, and maybe even in the Premier's office; who knows? But we weren't privy, as members of this committee, to what that process or what that review was going to be, and to this day, we still don't know what they've done. For all we know, they've done nothing.

Today establishes a continuation of that pattern, where they don't want to see, they don't want to hear, they don't want to know who's coming through this committee. Better that no one knows. And what happens then, Speaker—Chair, rather—is that we get candidates such as Mr. Quinto Annibale, who was named as a vice-chair of the LCBO and who is allegedly under investigation by Elections Ontario for alleged violations of the Election Act.

I can't reinforce enough how egregious this is on the part of the government. My only hope is that members across the way find some gumption, some intestinal fortitude, to say, “No; we have to do things differently.” Today, on our first day back from recess, the pattern continues. It does not breed optimism in me, and I can't imagine that it would with the general public.

**The Chair (Mr. John Vanthof):** Any further discussion? Ms. Stiles?

**Ms. Marit Stiles:** I do want to just note that on this list there are two people, two individuals, who are supposed to be appearing today. I'm going to hope that the members opposite give them the respect they deserve by ensuring that this actually does pass, so that we can actually hear from these individuals. To be clear, they have the power right now to just wipe that off and let it go, and we won't have to hear from them, and off everybody goes. But I hope that they have every intention of supporting this so that we can actually hear from Mr. McLarty and Mr. Dicerni.

**The Chair (Mr. John Vanthof):** Any further discussion? Seeing none, I'd like to call a vote. All those in favour? Opposed? The motion carries.

## INTENDED APPOINTMENTS

## MR. DOUGLAS McLARTY

Review of intended appointment, selected by official opposition party: Douglas McLarty, intended appointee as member, Alcohol and Gaming Commission of Ontario—board of directors.

**The Chair (Mr. John Vanthof):** We will now move to our review of intended appointments. First, we have Douglas McLarty, nominated as member of the Alcohol and Gaming Commission of Ontario—board of directors.

Could you please come forward? Thank you. Welcome. You may be aware that you have the opportunity, should you choose to do so, to make an initial statement. Following this, there will be questions from members of the committee. With that questioning, we will start with the official opposition, followed by the government, with 15 minutes allocated to each recognized party. Any time you take in your statement will be deducted from the time allotted to the government. Good morning, and the floor is yours.

**Mr. Douglas McLarty:** Good morning, Mr. Chairman. Thank you very much for the opportunity to be here this morning. I am very sensitive to the comments that have just been made in the room. I can assure you that I come forward as a candidate who I believe is non-partisan and has qualifications for this important role.

With that, I'd like to briefly give the committee an overview of some of the qualifications that I think are important. I have been involved in the volunteer world my entire career. I was a chairman of one of the boards in Ottawa. I have been a member of the board of the Institute of Chartered Accountants of Ontario. I've been a board member of the Ottawa Congress Centre. I was the vice-chair of the Ottawa Community Care Access Centre. More latterly, I was the chair of the audit and finance committee for Hydro Ottawa. I was secretary-treasurer to the Innovation Centre at Bayview Yards in Ottawa, which is our innovation accelerator of activity in the city.

I am also currently the chair of something called the Capital 2020 Task Force, which, again, is a non-partisan group of leaders in the community from all walks of life, on both sides of the river. Really, it's a civic action committee designed to stimulate and improve the lives of all who are in Ottawa.

On my qualifications: When I made the application to be considered for this board, I did speak with the chair of the commission. He indicated to me that he had done a board matrix, looking for specific qualifications, background and representation in the province of Ontario. One of the areas that he was hoping to bring to the board was professional accounting and some governance experience. In addition to that, he wanted some representation from the eastern part of the province. Having had the discussion with him, he felt that it was worthwhile for me to bring my application forward and that it might work in terms of the matrix requirements he had.

0920

In that regard, I have a professional accounting designation. Also, when I was on the board of Hydro Ottawa as

the chair of the audit committee, I was able to attend the Institute of Corporate Directors here in Toronto at the Rotman school over a period of a year, and I obtained my ICD.D designation, which is a corporate governance designation that most large boards are requiring as we move forward in the corporate governance area.

I also hold a number of other designations.

On the board at Hydro Ottawa, one of the areas that I believe I moved the board forward in was with respect to cyber security, which has become an extremely important area.

I think I can bring something to the board. I mentioned my qualifications, but I also, on a number of other boards—I was the chair of the Independent Accountants Financial Group board, which is a board governed by the Ontario Securities Commission. So I have been on boards where a regulator has been overseeing the board, and I understand what is important when it comes to a regulator. On that particular board, I brought three new committees to the table, including the HR committee, the audit and risk committee and the governance committee.

Of course, being a professional accountant, I bring audit and internal audit and other kinds of professional capabilities to the table.

Hydro Ottawa was also a regulated utility. So that's another regulated body, and I understood the importance of the regulator.

I understand the sensitivities that the members were discussing with respect to political involvement. If you look at my political donations, you'll see that I have donated to various parties over time and I have been involved with various parties over time. The one that I've most recently been involved with was the mayor of Ottawa. I was his financial officer for his latest run that he won. I'm talking about Jim Watson, whom many of the members in the room may know.

So although I have been involved in politics to the extent that I've played a role on various committees or various runs, I've done it on both sides of the political spectrum. I have always said that I have great admiration for people who come forward in political life, no matter what their political stripe is, because it takes a great deal of fortitude to be involved in politics, and I have a great deal of respect for anybody who does that.

Those are my comments, Mr. Chair.

**The Chair (Mr. John Vanthof):** Thank you very much. The first round of questioning will come from the official opposition. Mr. Natyshak.

**Mr. Taras Natyshak:** Thanks so much for being here. As you can sense and as you alluded to, on the opposition side we have some frustration around even seeing anybody or talking to anybody in front of this committee. I commend you for actually accepting the invitation to be here and for making every effort to get here. Where do you live?

**Mr. Douglas McLarty:** I live in the great city of Ottawa.

**Mr. Taras Natyshak:** That's fantastic. Thanks for getting here and making yourself available.

We believe it's an important component of the appointments process to be able to make eye contact, casual conversation: "You seem like a nice guy. It's great to meet you." It infuses some measure of trust in us, in our job, that the person who is being named to these important committees is worthy and has the credentials and has the experience and the motivation, really. Unfortunately, since this committee was convened, we've had to dig deeper into candidates than we ever have in terms of their partisan affiliation, and you alluded to that as well, because we've seen the government has established a pattern around naming partisan connections—call them patronage appointments—to the committee and to various boards and agencies.

You also mentioned that you have been affiliated with various parties.

**Mr. Douglas McLarty:** Yes.

**Mr. Taras Natyshak:** I wonder if I can ask you if you have ever been a member of the PC Party of Ontario.

**Mr. Douglas McLarty:** I was, early in my career.

**Mr. Taras Natyshak:** Are you currently a member of the PC Party of Ontario?

**Mr. Douglas McLarty:** Not the Ontario party. I think I am of the federal party.

**Mr. Taras Natyshak:** I'm not sure if that is similar to New Democrats; by extension, you are automatically a member of the—

**Mrs. Robin Martin:** No.

**Mr. Taras Natyshak:** No? Okay. So it's a separate entity.

**Mr. Douglas McLarty:** Yes.

**Mr. Taras Natyshak:** Have you ever worked on a PC Party electoral campaign during an election?

**Mr. Douglas McLarty:** I have not.

**Mr. Taras Natyshak:** Have you ever been a candidate yourself?

**Mr. Douglas McLarty:** I have not.

**Mr. Taras Natyshak:** Have you ever donated to any current member or minister?

**Mr. Douglas McLarty:** I do not believe I have.

**Mr. Taras Natyshak:** We see that there was a \$1,300 donation to the leadership campaign of—

**Mr. Douglas McLarty:** Caroline Mulroney.

**Mr. Taras Natyshak:** —Minister Mulroney; is that correct?

**Mr. Douglas McLarty:** Yes, I did.

**Mr. Taras Natyshak:** That's accurate.

**Mr. Douglas McLarty:** Yes.

**Mr. Taras Natyshak:** And over the years you've roughly made about \$3,000 worth of donations to the PC Party of Ontario?

**Mr. Douglas McLarty:** Yes.

**Mr. Taras Natyshak:** That's correct too, as well?

**Mr. Douglas McLarty:** That's correct.

**Mr. Taras Natyshak:** Does that ring a bell?

**Mr. Douglas McLarty:** I would assume that's correct. It sounds about right.

**Mr. Taras Natyshak:** Okay. Were you approached for this position? Did someone contact you?

**Mr. Douglas McLarty:** No. You can see from my background and my involvement in the volunteer world that I completed my term at Hydro Ottawa and I also completed a term at the Innovation Centre. I was looking for my next opportunity, and I was following the Ontario government website and I saw this particular opportunity. I made the application. I was contacted by the Attorney General's office to get further copies of the documentation.

**Mr. Taras Natyshak:** This is prior to the application—

**Mr. Douglas McLarty:** This was after I made the application.

**Mr. Taras Natyshak:** But nobody contacted you prior to your application?

**Mr. Douglas McLarty:** Nobody contacted me. I have no relationship with anybody in the cabinet. I didn't talk to anybody in the cabinet. This was strictly my initiative.

**Mr. Taras Natyshak:** Great. Had you applied to any other boards or agencies prior to the one that you have—

**Mr. Douglas McLarty:** I did not apply to any others. This was the one that—

**Mr. Taras Natyshak:** Have you ever worked in the public service?

**Mr. Douglas McLarty:** I have never worked in the public service.

**Mr. Taras Natyshak:** And you volunteered for Hydro Ottawa, you mentioned.

**Mr. Douglas McLarty:** Yes.

**Mr. Taras Natyshak:** Or you were on the board of Hydro Ottawa.

**Mr. Douglas McLarty:** Yes, I was.

**Mr. Taras Natyshak:** Correct me if I'm wrong, but you mentioned that you've received some certification in corporate board governance structure and governance models.

**Mr. Douglas McLarty:** Yes.

**Mr. Taras Natyshak:** I have never taken those classes, but I've been in this job for quite some time so I understand the orientation of government boards and agencies. I'm wondering if it is important for stakeholders of those various entities that have corporate boards of governors to understand who the board members are. Do they teach that in school, that we should all know who our board members are? Or is it better for a board to remain anonymous and make decisions on behalf of that entity?

**Mr. Douglas McLarty:** Absolutely not.

**Mr. Taras Natyshak:** No. So you would say that it's important for the stakeholders to understand who is within that governance structure.

**Mr. Douglas McLarty:** I think there needs to be a process like the one here today to ensure that people who are being appointed to public boards are subject to the word that you used earlier—transparency—and that they are qualified. So I would agree with you there.

**Mr. Taras Natyshak:** And even more importantly, perhaps, is to avoid any conflict of interest at the outset prior to them joining the board.

**Mr. Douglas McLarty:** Well, I don't think—personally, I come to this opportunity—

**Mr. Taras Natyshak:** I'm not talking about you. I'm talking about in general.

0930

**Mr. Douglas McLarty:** Well, it's important I answer the question.

**Mr. Taras Natyshak:** Sure.

**Mr. Douglas McLarty:** Because I don't think that way. I didn't come to this opportunity in a partisan fashion. I came to this thinking it was an important commission and that I could make a contribution based on my qualifications and my background. That's how I think.

**Mr. Taras Natyshak:** Mr. McLarty, I truly appreciate it. I'm just digging in because you have had training on corporate board structures, and this is essentially what it is.

**Mr. Douglas McLarty:** Well, I talked earlier about the board chair doing a matrix. If you look at governance today, usually a matrix is done that looks at all of the things that are outlined: diversity, location, qualifications. That's why I had the conversation with the board chair, to understand what he wanted on his board and what he was going to recommend to the AG's office.

**Mr. Taras Natyshak:** Correct me if I'm wrong, but I get the sense that that's why you're here before us today: because you hold those principles dear, you have nothing to hide and you're prepared to serve the public and prepared to give it your all and put your efforts and experience and vision towards the AGCO.

That's what we're looking for here. It's not that hard of a grilling. We're doing this on behalf of our constituencies and our communities in the province so that this province is well served. We think it's an important component of the appointments process.

I will pass it on to my colleague. I'm sure she has a couple of questions, if there's any time on the clock, but I thank you very much for appearing before us today.

**Mr. Douglas McLarty:** You're welcome.

**Mr. Taras Natyshak:** And good luck.

**Mr. Douglas McLarty:** Thank you.

**The Chair (Mr. John Vanthof):** Ms. Stiles?

**Ms. Marit Stiles:** I just have a couple of questions. Thank you very much, Mr. McLarty, for appearing here today and answering the questions so honestly, which I appreciate.

I did have a question, because we've also seen some concern about compensation of some appointees by this government. One that particularly galls me is the \$140,000—I think \$140,000 or \$170,000—that's being paid to the new EQAO chair, who was appointed by this government. Previously it was a maximum of \$5,000 a year, a kind of per diem situation.

Anyway, I did note that in this position, which is part-time, you would be remunerated at a rate of \$472 as a per diem. Do you have any anticipation of how many days in your position that you would be spending in this role?

**Mr. Douglas McLarty:** I did understand that that was the per diem. I did discuss that with the chair of the board. I did discuss the time commitment because I have a very

active professional life, in addition to my volunteer positions.

He explained to me that it was probably in the neighbourhood of six to eight days, but that he was hoping to introduce some more structure at the governance table which may impact on that and it may be several days more.

**Ms. Marit Stiles:** So, six to eight days a year?

**Mr. Douglas McLarty:** Pardon?

**Ms. Marit Stiles:** Six to eight days a year?

**Mr. Douglas McLarty:** Yes.

**Ms. Marit Stiles:** Okay. So many responsibilities for this agency, it's hard to imagine—especially with the kind of expansion into cannabis retailing and such—that there wouldn't be more.

I'm not entirely clear: Do you sit currently on any of those boards? I know we have a list, but which ones are you currently sitting on as well?

**Mr. Douglas McLarty:** I don't think I'm on any other boards currently. I am on another non-profit, but it's a personal non-profit.

**Ms. Marit Stiles:** Would you see yourself throughout your tenure on this commission continuing to donate or continuing to be active in the local riding association, for example, or the federal Conservative one, as you have been in the past? Would you see yourself continuing to be active in political partisan roles like that?

**Mr. Douglas McLarty:** Well, I'm not currently active, but I do have a business relationship in town with various political entities and I am supportive of individual people that I have a great deal of respect for. I may continue to do some of that. It depends on the person.

**Ms. Marit Stiles:** Are any of those individuals that you have a lot of respect for members of the PC Party in Ontario that are currently elected as MPPs? I know you mentioned you don't have any personal relationships with cabinet ministers. There are a few Conservatives elected in—

**Mr. Douglas McLarty:** In Ottawa.

**Ms. Marit Stiles:** —the Ottawa area.

**Mr. Douglas McLarty:** Yes, and I do know them, but I'm not doing anything actively to support them, if that's what your question is.

**Ms. Marit Stiles:** We've noticed this a lot. There are a lot of similarities. You're not alone. A lot of people, particularly in your kind of position, are donating to Conservatives and Liberals. This is not surprising to those of us in the NDP. But it would be interesting, I think, to consider, in a position where you—

**Mr. Douglas McLarty:** I have supported NDP members, by the way.

**Ms. Marit Stiles:** Well, that's great.

One of the things that I noted was that the commission is involved—and it's a very sensitive role, I think—in reviewing applications for liquor licences. I have to say, in the past, those decisions could be kind of murky in the political realm, in my experience. I guess I would just wonder, given your background, if you have any experience making the kind of decisions that you would

be required to make as a member of this commission in relation to things like liquor licences.

**Mr. Douglas McLarty:** Well, I do understand that there are sensitive areas related to this commission, for sure. But I view it as a governance role. Of course I've read the statutes, and I understand the statutes. I'm not there to make decisions that the management team is making on individual licences; I'm there to ensure that the statutes are being properly addressed in a balanced fashion. I'm not there to challenge an individual cannabis licence or an individual liquor licence. That's not my job as a member of the board.

**Ms. Marit Stiles:** I certainly appreciate that. I think that is the ideal. But if the advice you're getting from staff at the commission, which is actually kind of carrying out what the government is dictating—is there a point at which you say, “This smells like political interference,” or, “This seems like a decision we shouldn't be heading in that direction for?”

**Mr. Douglas McLarty:** I understand the difference between the statutes that have been enacted and our governance role. Our governance role isn't to challenge policies of the current government; it's to deal with the statutes as enacted.

**Ms. Marit Stiles:** Thank you, Mr. Chair.

**The Chair (Mr. John Vanthof):** We will now switch to the government. Ms. Martin.

**Mrs. Robin Martin:** Thank you, Mr. McLarty, for being here. Really it has been interesting to listen to your opening statement and all of your qualifications, which are extensive. I was particularly listening to your talk about governance—I'm also a lawyer by background and have taken some of the directors' courses, so I understand a little bit about how that works—and your experience particularly with regulated entities, which is also very relevant in this particular appointment.

I do think it's an important position and that the qualifications you've indicated that you have in accounting and governance, the fact that the chair was looking for someone from the eastern part of the province—you seem to tick a lot of those boxes. As the members opposite noted, you're a worthy candidate with the right credentials for this kind of a position and I think even an ideal candidate, as the member opposite noted.

I heard you say that this was the only position that you applied to and that you did that strictly on your own initiative. So I'm just wondering what in particular motivated you, at this point in your career, with all of the experiences you have, to say, “This is a board that I would like to be on.”

**Mr. Douglas McLarty:** I think a couple of things: I did want to do something in the province of Ontario, so that was one of the issues. But I have been very interested in the cannabis rollout and the challenges that various governments are having right across the entire province. You see all sorts of different models that are being put in place. There are pros and cons to all of them. There is a changing retail environment. Certainly in my business I'm seeing rapid changes in the way that the retail industry is

having to adapt. It is a commission that's going to have many interesting issues that it has to deal with in the coming years. So that was part of the reason that I thought this might be an interesting commission to be on.

**0940**

**Mrs. Robin Martin:** Yes, and I agree with you that certainly the cannabis rollout does present challenges, I think for all of us, because it's such a change in the day-to-day—and the changes in our retail environment are extensive, so those are two issues that I would also be interested in.

Okay. I think I'll pass it along, then, to a colleague.

**The Chair (Mr. John Vanthof):** Mr. Smith.

**Mr. Dave Smith:** I'm curious about one of your designations, the Fellow CPA. First off, how many Fellows are given out every year, on average, would you say?

**Mr. Douglas McLarty:** Thank you very much for asking that question, Mr. Smith. That is probably the one designation that I am most proud of. Two per cent of all CPAs in the province of Ontario are awarded their fellowship. It is usually a result of meeting four criteria that the Ontario institute has set up, but basically, you have to have done well in your career; you have to be—I was very involved with the Ontario institute in the early stages of my career. I was on the education committee; I was on the discipline committee. If you bring a well-rounded kind of professional background to the table, you're awarded your fellowship. I received my fellowship when I was 47 years old, so I'm very proud of that. Thank you for asking.

**Mr. Dave Smith:** Staying with that line of thought, then, this is something that is done by the governing body and they recognize exceptional integrity as well as a great deal of knowledge and experience. Is that fair to say?

**Mr. Douglas McLarty:** I don't know if I'm that intelligent.

**Mrs. Robin Martin:** We're hoping so.

**Mr. Douglas McLarty:** But it is a well-rounded background that they look for that makes contributions in a number of different areas.

**Mr. Dave Smith:** So having that credential, and you said you were awarded it at 47—could I ask your age now?

**Mr. Douglas McLarty:** No.

**Mr. Dave Smith:** I'm suggesting you're not 47 still—

**Mr. Douglas McLarty:** No. I'm 66.

**Mr. Dave Smith:** So for more than 20 years you have been recognized in the industry as being above reproach and excellent at what you're doing. We're talking about the Alcohol and Gaming Commission of Ontario. I would think it would be important to have someone with your designations and your skill set. Is that a fair statement?

**Mr. Douglas McLarty:** I think when you look at most board matrixes, certainly having someone who understands the accounting world and the audit function and the risk and that sort of thing is generally considered important, and I do believe that the governance designation, the ICD, is becoming more and more respected and boards are looking for that designation.

**Mr. Dave Smith:** I'll finish up with that I can't thank you enough for putting your name forward. Looking at

your credentials, thank you for wanting to serve Ontario in that way.

**Mr. Douglas McLarty:** Thank you very much.

**The Chair (Mr. John Vanthof):** Mr. Thanigasalam,

**Mr. Vijay Thanigasalam:** Mr. McLarty, thank you so much for being here. I appreciate your presentation highlighting your accomplishments and credentials. My question is: What kinds of skills and experience and what perspective do you bring to the AGCO board?

**Mr. Douglas McLarty:** What kind of experience—

**Mr. Vijay Thanigasalam:** Experience or skill set or perspective do you bring—

**Mr. Douglas McLarty:** Perspective?

**Mr. Vijay Thanigasalam:** Yes.

**Mr. Douglas McLarty:** I've talked a little bit about my professional designations, so you get a sense of those. But the way I talked about being non-partisan—I also believe in balance. The role of the commission is somewhat sensitive and it affects all parts of the community. I've always used the word “balance” as a way to move forward, and I think I will bring that sensitivity to the commission board.

**Mr. Vijay Thanigasalam:** All right. Thank you.

**Mr. Douglas McLarty:** You're welcome.

**The Chair (Mr. John Vanthof):** Mr. Cuzzetto.

**Mr. Rudy Cuzzetto:** Thank you, Mr. McLarty, for being here today. I've noticed you've been very generous with your time and support for volunteering on numerous committees. What have you learned during that time when you were volunteering?

**Mr. Douglas McLarty:** Well, I don't think I'm that different from many individuals who were very fortunate to be born in Ontario and to have had a wonderful life, both in my professional career and my business career. I think I bring a well-rounded set of skills to the table. I've been involved in some boards that have been very sensitive, that have had to make difficult decisions, so I think that experience as a package brings a well-balanced board member to the table.

**Mr. Rudy Cuzzetto:** I agree totally. Thank you very much.

**Mr. Douglas McLarty:** You're welcome.

**The Chair (Mr. John Vanthof):** You have one minute left, if anyone—

**Mr. Lorne Coe:** I'll be quick. Thank you, Chair.

Thank you so much for being here this morning and the demonstrated knowledge, ability and experience that you bring to this position that we're talking about today. I know you understand the industries that the commission oversees. We've talked some about them already: cannabis and alcohol and gaming. I'd like you to talk and just draw on your experience from your area to talk specifically to the effect that the commission has, both in terms of our economy and local communities, and probably relate it back to from where you are, because your experience is really strong there.

**Mr. Douglas McLarty:** Well, I do understand—

**The Chair (Mr. John Vanthof):** You have 10 seconds.  
*Laughter.*

**Mr. Douglas McLarty:** Thank you very much, Mr. Chair.

**The Chair (Mr. John Vanthof):** That concludes the time allotted. Thank you very much for being here this morning. You may step down.

#### MR. RICHARD DICERNI

Review of intended appointment, selected by official opposition party: Richard Dicerni, intended appointee as member and chair, Ontario Energy Board—board of directors.

**The Chair (Mr. John Vanthof):** Next we have Richard Dicerni, nominated as a member and chair of the Ontario Energy Board board of directors. He is appearing via teleconference, a first for this committee.

As you may be aware, you have the opportunity, should you choose to do so, to make an initial statement. Following this, there will be questions from members of the committee. With that questioning, we will start with the government, followed by the official opposition, with 15 minutes allocated to each recognized party. Any time you take in your statement will be deducted from the time allotted to the government.

The floor is yours, and no pressure, but you're number one on the teleconference.

**Mr. Richard Dicerni:** Thank you very much, Mr. Chair. First, my apologies for not being there in body. I had my flight booked and everything but something came up yesterday, a family matter that meant that I had to stay home. I have sent to the committee my remarks, which I hope have been distributed to you.

In order to save time—I have appeared before a number of committees in a number of jurisdictions; these sessions, I know, are more important for members to ask questions than to listen to the witness make remarks. So, assuming that you have my remarks in front of you, I will skip reading and make myself available to your questions.

**The Chair (Mr. John Vanthof):** Thank you very much, sir. The first round of questioning goes to the government. Mr. Gill?

**Mr. Parm Gill:** Thank you, Mr. Chair, and I also want to thank Mr. Dicerni for appearing before the committee and making himself available. My question is: How do you think your industry experience and your experience leading the Ontario Energy Board modernization panel will help improve the regulator?

**Mr. Richard Dicerni:** I had the opportunity, when I was appointed to chair a modernization panel, to consult widely with the community, with stakeholders, with academics, to get a sense as to where the OEB was at and initiatives that could be undertaken to make it better. This was a very useful consultation period.

I would also add that I'm a customer of Ottawa Hydro, and therefore have monthly consultations with my local LDC.

**Mr. Parm Gill:** Perfect. Thank you, Mr. Chair.

**The Chair (Mr. John Vanthof):** Mr. Coe?

**Mr. Lorne Coe:** Thank you, Chair, and through you: Welcome, Mr. Dicerni. Many stakeholders have expressed concern over efficiencies at the OEB. Can you tell us why it's important that regulators like the Ontario Energy Board make their processes as efficient and effective as possible, please? Thank you.

**Mr. Richard Dicerni:** I would add to your list the word "transparent." Agencies who spend monies, resources, on behalf of the public trust need to be, I would say, doubly diligent in their allocation of expenditures to ensure the highest standards of prudence and probity. Regulatory agencies—and this, I think, is quite appropriate—are not subject to the same degree of scrutiny that departments have in terms of appearing in front of Treasury Board and defending their expenditures.

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I believe, going forward, that one of the key roles of the new board of directors will be to be extremely vigilant in regard to how the OEB spends its dollars, given that these dollars fundamentally come from ratepayers. The board will be there to ensure the utmost degree of efficiency on the part of the board's operations.

**The Chair (Mr. John Vanthof):** Mrs. Martin.

**Mrs. Robin Martin:** Thank you, Mr. Dicerni, for joining us.

When proclaimed into force, the amendments to the OEB's governance structure are going to separate the roles of chair and CEO and create a new board of directors. I'm interested in why you think this type of governance reform is important and in how you think it might help deliver better results for Ontarians.

**Mr. Richard Dicerni:** The structure that has been described in Bill 87 reflects the advice that the three-person panel provided to the government. We put forth this view because we believe it is best practice, in governance terms, to have a differentiation between chair and CEO in order to have a group of individuals, the board, provide direct oversight to the management, to the president and his or her executive team. It is a practice that I initiated when I was Deputy Minister of Industry in regard to the governance of the granting council and a practice that I supported when I was deputy minister to Premiers Prentice and Notley in Alberta. It makes for better [*inaudible*] of accountability to be respected. Lastly, I would say it facilitates holding management accountable for our [*inaudible*].

**Mrs. Robin Martin:** That's certainly a worthwhile objective.

I thank you for putting your name forward. You have a great wealth of experience in all of this, which I'm sure will be helpful.

**The Chair (Mr. John Vanthof):** Mr. Thanigasalam.

**Mr. Vijay Thanigasalam:** The OEB board will need to stay ahead of changes in technologies and consumer behaviours if it is to continue regulating the energy sector in the public interest. How should the OEB approach its policy development work in conjunction with stakeholders?

**Mr. Richard Dicerni:** Those are two very important elements for stakeholders. The consumers as well as the

LDCs must play a role in contributing to the development of broad policies. An example would be the area of new technologies and the impact it will have on distribution and transmission, as people start buying more electric cars, as people start developing their own generation, as technologies in regard to batteries and storage evolve. This will change the business model of the LDCs, and it will be important for the regulator to be cognizant of these forthcoming changes and develop policies accordingly. These policies, I emphasize, however, must be developed perhaps through a process of a generic hearing that will be inclusive of customers—industrial and residential and commercial—as well as stakeholders who actually do the delivering of the electricity.

**Mr. Vijay Thanigasalam:** Thank you, Mr. Dicerni.

**The Chair (Mr. John Vanthof):** Mr. Cuzzetto.

**Mr. Rudy Cuzzetto:** Thank you, Mr. Dicerni. The Ontario Energy Board has some work to do to rebuild trust with the public and the industry. What is the most important step to get there, and what does the gold standard of the OEB look like?

**Mr. Richard Dicerni:** Trust is a key element for all public institutions. The evolution of social media has made that challenge more difficult. This applies to national institutions and it applies to provincial institutions. I submit that all individuals associated with government, with the public good, must dedicate some time every day to building and continuing to build trust, partially because social media contributes to eroding that trust. That's point 1.

Point 2: Transparency would help a great deal in order for all concerned to appreciate why something is being done, how it's being done, and the expected results. I would hope that, going forward, the OEB would enhance its outreach measures to improve its transparency and its efficiency in delivering timely results.

**Mr. Rudy Cuzzetto:** Thank you.

**The Chair (Mr. John Vanthof):** Thank you. Mr. Smith.

**Mr. Dave Smith:** Thank you, Mr. Chair, and through you: Thank you, Mr. Dicerni, for doing this for us. I greatly appreciate the time that you've given to us. I would like to note, though, that you have extensive experience in multiple provinces, as well as dealing with this nationwide. How do you think that that vast amount of experience and expertise will benefit the Ontario ratepayers?

**Mr. Richard Dicerni:** The board will focus on matters of governance, in which I have had, as per my remarks, some experience. The board will focus on ensuring that management does its job.

Again, I've led a number of organizations and developed approaches to hold executives accountable, and I've had number of positions, which have tasked me in a position where I had to appear in public settings. While I was in the job of Deputy Minister of Industry, on average, I would appear once every three months in front of a parliamentary committee. I did the industry one, the defence one, and official languages. So I've had some personal experience at delivering on some of the key responsibilities of the board, and I think I would be able to

draw upon these different experiences in different jurisdictions and apply them to the Ontario Energy Board.

**Mr. Dave Smith:** Thank you very much for that. I appreciate it.

**The Chair (Mr. John Vanthof):** Any further questions? Ms. Martin?

**Mrs. Robin Martin:** Thank you, Mr. Dicerni. You do have a great background in this area, and we've had a lot of change in our energy sector, I guess, over the last 20 years—or 15 years, anyway.

I'm interested in what your perspectives are on what are the most important things. I see in your submission that you talked about reliability being the sector's core mission. That makes sense, of course, because everybody wants to make sure there is power when they turn their light switch on or their washing machine to work. But I wondered if you had any other comments about what you think is really the most important parts of the sector.

**Mr. Richard Dicerni:** I guess it goes to the heart of producing electricity, and this is not the OEB's unit per se but the overall sector, including the power generators, including the IESO, including the LDC—Hydro One, who does the transmission—to ensure that Ontarians have the most reliable and cost-efficient power as possible.

The cost-efficient issue is one that will be focused—because, given technological development, there is a risk of some stranded assets. People have built up assets over the years with some assumptions about local and some assumptions about distribution volumes.

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As I say, as technology evolves, as the economy changes—from the time I was at OPG, for example, load was, generally speaking, one-third commercial, one-third residential and one-third industrial. It has now evolved more to 40-40-20, with manufacturing losing, relatively speaking, its market share. That changes the dynamic of when load is consumed, as companies evolve towards having their own generating capacity. So there's a need to understand what the DNA of the electricity regime will look like five or 10 years out and ensure the rate decisions that are made between now and then bear in mind the changing and developing nature of the market.

**Mrs. Robin Martin:** Yes. Thank you. It is an extremely complicated sector. I know that you've mentioned that in your statement, and you just mentioned it now again. You mentioned a number of the entities involved. I'm wondering if you have any comments on how you foresee the relationship, and the importance of the relationship, between the OEB and the other energy sector entities like the IESO.

**Mr. Richard Dicerni:** The OEB is the regulator. The OEB is the one that must maintain the utmost standards of trust and credibility, which is why, in the panel recommendation, they emphasize the importance of independence for the adjudicator by recommending the establishment of the position of chief adjudicator, by recommending that there be a committee of the board focused on adjudication—all of the above designed to enhance the quality and

the independence of adjudication. It is one of the key roles that the OEB can play. I believe it has all of the attributes in terms of knowledge and the skill set to perform this role. It is a question of reinforcing them and facilitating decision-making that is more time-sensitive.

**The Chair (Mr. John Vanthof):** Mr. Dicerni, this is the Chair. I'm going to cut in. We're going to switch now to the questioning from the official opposition.

**Mr. Richard Dicerni:** Okay.

**The Chair (Mr. John Vanthof):** Mr. Natyshak.

**Mr. Taras Natyshak:** Thank you very much, Mr. Dicerni. Welcome to the committee via the modern mode of technology; namely, the telephone. Congratulations, sir. Thanks for joining us.

**Mr. Richard Dicerni:** Thanks.

**Mr. Taras Natyshak:** You have the distinction, sir, of being the first intended appointee to deliver remarks to this committee via telephone in the 153-year history of the province. I wanted to let you know that you've made history here today.

**Mr. Richard Dicerni:** Gosh! Thanks.

**Mr. Taras Natyshak:** Welcome to the 21st century, I guess; right?

Mr. Dicerni, we've read your biography. It is vast. Your public administration experience is quite deep, and your experience within the energy sector is obviously evident here.

Just a few basic questions: Sir, you're aware that this current government had promised Ontarians a cut to hydro rates by 12%. We're now two years into their mandate. Not only have we not seen a 12% decrease in hydro rates; we've seen, in fact, a 1.2% increase as of late. What role do you see the OEB playing in aiding or assisting the government in achieving their stated 12% reduction?

**Mr. Richard Dicerni:** Well, a few points: One—I'm going to clarify—I haven't really started my job and haven't had many substantive briefings with the OEB. My term as chair of the new OEB will start when I am appointed, which is when the legislation is proclaimed.

Secondly, specifically to your question, the OEB will continue to administer the Ontario Energy Board Act. It will review rate submissions by proponents. It will shape policies that are in the interests of consumers, both commercial/manufacturing and residential consumers, and recognize the expenditure requirements that LDCs and transmission companies have to deliver the energy.

**Mr. Taras Natyshak:** Mr. Dicerni, at the outset of your call here today, you hit on some key words that we were looking for as members of this committee. You talked about transparency, accountability and oversight. Those are words that I know you value; they're words that we value here. By virtue of you making every attempt—not only booking a flight to get here, and that being cancelled but also jumping on the phone—to take advantage of this new opportunity that we have within this committee to provide testimony by phone, we want to thank you so much for embedding that transparency and accountability, and we have no question that you would do so in your new

role at the OEB. I want to thank you very much for your call, sir, and wish you all the best in your new role.

**Mr. Richard Dicerni:** Thank you, sir.

**The Chair (Mr. John Vanthof):** Ms. Stiles?

**Ms. Marit Stiles:** Mr. Chair, I don't have any questions on that, but I do want to move a motion.

**The Chair (Mr. John Vanthof):** No questions?

*Interjections.*

**The Chair (Mr. John Vanthof):** Thank you, Mr. Dicerni. It was a good run for the teleconference. Thank you very much for making the utmost attempt to appear here.

**Mr. Richard Dicerni:** Okay. Thanks very much, sir. Bye.

**The Chair (Mr. John Vanthof):** We will vote on concurrence first, then we'll entertain the motion.

Now we'd like to do concurrences. We will now consider the intended appointment of Douglas McLarty, member for the Alcohol and Gaming Commission of Ontario board of directors. Could I have a member move concurrence? Mr. Coe.

**Mr. Lorne Coe:** I move concurrence in the intended appointment of Douglas McLarty, nominated as member for the Alcohol and Gaming Commission of Ontario board of directors.

**The Chair (Mr. John Vanthof):** Concurrence in the appointment has been moved by Mr. Coe. Any further discussion? Seeing none, I would like to call a vote. All those in favour? Opposed? The motion carries.

We will now consider the intended appointment of Richard Dicerni, member and chair for the Ontario Energy Board board of directors. Mr. Coe.

**Mr. Lorne Coe:** I move concurrence in the intended appointment of Richard Dicerni, nominated as member and chair for the Ontario Energy Board board of directors.

**The Chair (Mr. John Vanthof):** Concurrence in the appointment has been moved by Mr. Coe. Any further discussion? Seeing none, I'd like to call for a vote. All those in favour? Opposed? That motion carries.

Now, Ms. Stiles.

**Ms. Marit Stiles:** Thank you, Mr. Chair. I'd like to move a motion, as follows: I move that the Standing Committee on Government Agencies conduct a full review of the management and operation of the Liquor Control Board of Ontario.

**The Chair (Mr. John Vanthof):** Ms. Stiles has moved a motion. We enter debate. Any debate regarding the motion? Mr. Natyshak.

**Mr. Taras Natyshak:** Look, this is our job, quite frankly, in its most basic function. As members of this committee, our job is to provide oversight—unbiased, unpartisan oversight—of agencies, boards and commissions under the purview of this government. It is our job to review their operations, it is our job to understand how they work, and it is our job to understand who is within the government structure of those entities. Any government that is concerned about the smooth operation and the

quality of service that our government agencies are providing our constituents and our province would be not only willing but active participants in this review.

Specifically, New Democrats are calling for the review of the LCBO because we've learned as of late that one of the more recent appointees to the LCBO, as the vice-chair, Mr. Quinto Annibale—an appointment that the Premier made, hand-selected—is someone who is closely linked to the PC Party of Ontario, someone who recently—who is involved in a law firm—went on a trip with the Minister of Economic Development to India, someone that is responsible, as we now know, for a group called the Vaughan Working Families group, which took it upon themselves to place advertisements that mirror—mimic—the government's talking points on the current labour dispute with the teachers.

We're wondering if there's not any conflict of interest inherent in this appointment. We're wondering if the actions of Mr. Annibale as a member of the LCBO, as a public servant, as it were, are in conflict with his responsibilities to the LCBO and to the people of this province. It's an appointment that this government made. They hand-selected this person. They should want to hear what his motivations are, and if it's something that they might want to think about doing.

We've seen appointments that this government has made turn into disasters down the road—where they weren't merited, where the actual function of those appointments was questionable—and the government subsequently removed those people from those appointments. We think this might be another one of those cases. I would hope that the members of this committee take the allegations that surround Mr. Annibale as seriously as we do in the NDP, because ultimately it's a disservice and an affront to the good work that so many appointees do around the province.

**The Chair (Mr. John Vanthof):** Further debate? We'd like to call a vote.

**Mr. Taras Natyshak:** Recorded vote, Chair.

**Ayes**

Natyshak, Stiles.

**Nays**

Coe, Cuzzetto, Gill, Martin, Dave Smith, Thanigasalam.

**The Chair (Mr. John Vanthof):** That motion is lost.

One more piece of business: Pursuant to standing order 108(f)(11), by the unanimous agreement of the committee, the deadline for consideration of intended appointments selected from the January 17, 2020, certificate was extended to March 16, 2020.

We are now adjourned.

*The committee adjourned at 1012.*



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