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**Official Report
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(Hansard)**

A-24

**Journal
des débats
(Hansard)**

A-24

**Standing Committee on
Government Agencies**

Intended appointments

1st Session
43rd Parliament

Thursday 22 February 2024

**Comité permanent des
organismes gouvernementaux**

Nominations prévues

1^{re} session
43^e législature

Jeudi 22 février 2024

Chair: Will Bouma
Clerk: Isaiah Thorning

Président : Will Bouma
Greffier : Isaiah Thorning

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON GOVERNMENT AGENCIES

COMITÉ PERMANENT DES ORGANISMES GOUVERNEMENTAUX

Thursday 22 February 2024

Jeudi 22 février 2024

The committee met at 0900 in room 151.

The Chair (Mr. Will Bouma): Good morning, everyone. The Standing Committee on Government Agencies will now come to order. We are meeting to conduct a review of an intended appointee. We are joined by staff from legislative research, Hansard and broadcast and recording.

As always, comments by members and witnesses should be made through the Chair.

SUBCOMMITTEE REPORTS

The Chair (Mr. Will Bouma): The first item of business will be the adoption of several subcommittee reports, which were distributed in advance.

Number 1: We have the subcommittee report dated Thursday, November 23, 2023. Could I please have a motion by member Holland? Go ahead.

Mr. Kevin Holland: I move adoption of the subcommittee report on attended appointments dated Thursday, November 23, 2023, on the order-in-council certificate dated November 17, 2023.

The Chair (Mr. Will Bouma): Is there any discussion on that motion? Seeing none, are members ready to vote? All those in favour? Any opposed? Carried.

Number 2: We have the subcommittee report dated Thursday, November 30, 2023. Could I please have the motion? Member Holland.

Mr. Kevin Holland: I move adoption of the subcommittee report on intended appointments dated Thursday, November 30, 2023, on the order-in-council certificate dated November 24, 2023.

The Chair (Mr. Will Bouma): Very good. Any discussion? Seeing none, are members ready to vote? All those in favour? Any opposed? Carried.

Number 3: We have the subcommittee report dated Thursday, December 7, 2023. Could I please have the motion? Member Holland.

Mr. Kevin Holland: I move adoption of the subcommittee report on intended appointments dated Thursday, December 7, 2023, on the order-in-council certificate dated December 1, 2023.

The Chair (Mr. Will Bouma): Any discussion? Member Gates.

Mr. Wayne Gates: Was there a meeting on December 7? There was no meeting on it, so we had no discussion on any of the appointments during that period of time?

The Chair (Mr. Will Bouma): I don't believe that happens while the House is not in session.

Mr. Wayne Gates: But the appointments still went ahead, correct?

The Chair (Mr. Will Bouma): Yes.

Mr. Wayne Gates: All right. I'm just asking a question.

The Chair (Mr. Will Bouma): Okay.

Any further discussion? Seeing none, are members ready to vote? All those in favour? Any opposed? Carried.

Number 4: We have the subcommittee report dated Thursday, December 14, 2023. Could I please have the motion? Member Holland.

Mr. Kevin Holland: I move adoption of the subcommittee report on intended appointments dated Thursday, December 14, 2023, on the order-in-council certificate dated December 8, 2023.

The Chair (Mr. Will Bouma): Any discussion? Member Gates.

Mr. Wayne Gates: We didn't have a meeting to appoint those appointments. Do you have a list of the names that were appointed on that day?

The Chair (Mr. Will Bouma): I don't.

Mr. Wayne Gates: Does somebody have a list?

Interjection.

The Chair (Mr. Will Bouma): Very good. Those names have been circulated to committee members by the Clerk. If you would like that, the Clerk can supply you with those names.

Mr. Wayne Gates: I appreciate that. I just want to show a theme here. That's good. That's fine.

The Chair (Mr. Will Bouma): Any further discussion? All those in favour? Any opposed? Carried.

Number 5: We have the subcommittee report dated Thursday, December 21, 2023. Could I please have a motion? Member Holland.

Mr. Kevin Holland: I move adoption of the subcommittee report on intended appointments dated Thursday, December 21, 2023, on the order-in-council certificate dated December 15, 2023.

The Chair (Mr. Will Bouma): Any discussion? Member Gates.

Mr. Wayne Gates: Was there a meeting for those particular appointments?

The Chair (Mr. Will Bouma): No.

Mr. Wayne Gates: Could I make a suggestion, maybe through the Clerk, that when we're reading these out,

could we at least name who was appointed at those meetings rather than say you will circulate them around the committee, just so it's in the record who is being appointed?

The Chair (Mr. Will Bouma): Again, that's circulated to the members of the committee.

Mr. Wayne Gates: My suggestion wasn't that it was circulated to the committee. My motion is that they include the names that are being appointed when we're not sitting being read out in this committee.

The Chair (Mr. Will Bouma): At this point, that isn't part of the discussion for the subcommittee report. But if the member would like to make a motion at some point during the meeting afterwards, I think we could entertain that, and then if the member wants to read names into the record at some point, he's also welcome to do so.

Mr. Wayne Gates: Yes, but I'm trying to make it so we know exactly while he's reading it in, because we're voting on something. We don't even know some of the names. They're not being provided at the committee.

The Chair (Mr. Will Bouma): They have been provided to all members in advance. They have been circulated, so you have the names.

Mr. Wayne Gates: They've been circulated; I understand that. I don't need to get into debate with you. I don't believe that's your role. But what I'm trying to establish here is that we have a number of meetings that people are being appointed where we don't get a chance to ask them questions, ask them if they donated to the Conservative Party, if they're Conservatives. We'd just like to know the names. I just think it makes for a little better committee. It's more transparent. Okay. I appreciate it. Thank you.

The Chair (Mr. Will Bouma): Very good. Further discussion?

Mr. John Fraser: Just for my own edification, I'm just wondering: The selection of the reviewed appointees on those dates where there's not a meeting, how is that done?

Interjection.

Mr. John Fraser: Does the subcommittee meet? Do each of the two parties provide a selection?

Interjection: We make a selection, they're required to interview the selection—democracy happens.

Mr. John Fraser: Yes, yes, but the selection is on—

Interjections.

Mr. John Fraser: Through you, Chair: I just would like to let you know that, on a routine basis, we extended these subcommittee reports until an intended appointee was reviewed and interviewed. Sometimes, those extensions went months and months and months. So I just want to put that in for the record, as my colleague—

Mr. Mike Harris: Sometimes.

Mr. John Fraser: No, all the time.

Mr. Mike Harris: Sometimes—

Mr. John Fraser: I was the Chair of the committee. I know.

The Chair (Mr. Will Bouma): Further discussion? Okay. Thank you.

Are members ready to vote? All those in favour? All those opposed? Carried.

Number 6: We have the subcommittee report dated Thursday, January 25, 2024. Could I please have a motion?

Mr. Kevin Holland: I move adoption of the subcommittee report on intended appointments dated Thursday, January 25, 2024, on the order-in-council certificate dated January 19, 2024.

The Chair (Mr. Will Bouma): Is there any discussion?

Mr. Wayne Gates: I'll ask the same question.

The Chair (Mr. Will Bouma): Noted. Any further discussion?

Are members ready to vote? All those in favour? Any opposed? Carried.

And number 7: We have the subcommittee report dated Thursday, February 8, 2024. Could I please have a motion? Member Holland.

Mr. Kevin Holland: I move adoption of the subcommittee report on intended appointments dated Thursday, February 8, 2024, on the order-in-council certificate dated February 2, 2024.

The Chair (Mr. Will Bouma): Any discussion? Member Gates.

Mr. Wayne Gates: Were there any members appointed during that time frame? You know everything.

The Chair (Mr. Will Bouma): Sorry, I'm just seeking clarification on—

Mr. Wayne Gates: Were there any members appointed during the time frame that he's talking about?

The Chair (Mr. Will Bouma): Members of committee or appointments made?

Mr. Wayne Gates: No—appointments. Sorry, I apologize—appointments. Were there any appointments during that time frame to different committees?

Mr. John Fraser: It's pretty much guaranteed.

The Chair (Mr. Will Bouma): I think the subcommittee report just pertains to those appointments. I would say yes, people were appointed.

Mr. Wayne Gates: That was my point. All right. So even though we didn't meet, someone was still appointed, is what I'm just asking. I just want to clarify that. Correct? Okay.

The Chair (Mr. Will Bouma): Any further discussion?

Are members ready to vote? All those in favour? All those opposed? Carried.

Okay, so thank you, everyone—

Mr. Mike Harris: One more.

The Chair (Mr. Will Bouma): Oh, we're on eight. Sorry, we have one more. We have the subcommittee report dated Thursday, February 15, 2024. Could I please have the motion? Member Holland.

Mr. Kevin Holland: I move adoption of the subcommittee report on intended appointments dated Thursday, February 15, 2024, on the order-in-council certificate dated February 9, 2024.

The Chair (Mr. Will Bouma): Any discussion? Member Gates.

Mr. Wayne Gates: Once again, during that time frame, was there anybody put on a committee? And the second part of that is, why does the committee not meet? I see that

I was here a number of times between January and February in different committees. Why does this committee not meet? Just maybe some clarification, because it sounds like we didn't meet since—it probably would have been December 2, December 1, in that time frame. So we've gone now three months with no committee hearings. We're appointing people to very, very important committees within the province of Ontario, and we don't meet. So I'm just wondering—maybe a clarification—why this committee doesn't meet, yet other committees do.

The Chair (Mr. Will Bouma): I believe that's in the standing orders.

Mr. Wayne Gates: And to change those standing orders, we'd have to go through the Conservative government to get them changed?

The Chair (Mr. Will Bouma): Further debate?

Mr. John Fraser: Chair, or they could just extend it every once in a while—to my colleague.

Mr. Wayne Gates: Exactly.

The Chair (Mr. Will Bouma): I believe that the subcommittee report from Thursday, February 15, is still active, so the certificate that it pertains to is still referred to the committee, so they are available.

0910

Mr. John Fraser: But all these ones are not available, right?

The Chair (Mr. Will Bouma): The ones that are passed would start—no. They're all—

Mr. John Fraser: No—hence my point.

The Chair (Mr. Will Bouma): Further debate? Seeing none, are members ready to vote? All those in favour? Any opposed? Carried.

INTENDED APPOINTMENTS

MR. STEPHEN GEIST

Review of intended appointment, selected by official opposition party: Stephen Geist, intended appointee as vice-chair, Ontario Financing Authority.

The Chair (Mr. Will Bouma): Our intended appointee today is Stephen Geist, nominated as vice-chair of the Ontario Financing Authority. When I first saw that, I was sure it was the Ontario Federation of Agriculture, but no. We have a lot of acronyms.

Mr. Geist, you may make an initial statement at your discretion. 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.

Go ahead, and, again, thank you very much for joining us and taking time out of your day.

Mr. Stephen Geist: Good morning, everyone. I would like to provide some context for the committee regarding my tenure with the OFA—the Ontario Financing Authority, not the agricultural one—as well as my professional background and experience. I was originally appointed to

the OFA in July 2020 and was reappointed for another three-year term in July 2023. I have also been serving as the chair of the audit and risk management committee of the OFA since 2021 as well as a member of the investment committee.

During my time on the board, I have been very impressed with the OFA and the great work it does in many different areas to support the debt financing, cash management and investment needs of the province and other related entities. The OFA has a very strong, dedicated and talented leadership and management team. They're supported by a strong board of directors with diverse backgrounds and skill sets that provide sound advice, oversight and constructive challenge to management. It has been a pleasure for me to serve on this board with wonderful colleagues.

As for my professional background, I am a chartered professional accountant and also hold the ICD.D designation from the Institute of Corporate Directors. My career of 30 years in financial services, primarily in asset management, covered many roles and organizations. I've worked with Price Waterhouse, TD Bank, Fidelity Investments, CIBC Asset Management and CIBC wealth management. A large portion of my career was as the CEO of one of the country's largest asset managers, with over \$100 billion of client assets.

This background has provided me with deep knowledge and experience in all areas of capital markets, risk management, legal and regulatory matters and managing a very large business. As such, I believe I have the knowledge, experience and skills necessary to support the OFA and the fulfillment of its mandate in an increasingly complex environment.

I retired from the corporate world in 2017 and have assumed several board and committee roles for various organizations, including charities, non-profit, as well as public sector bodies. This has been very rewarding for me, and it has been a true opportunity to serve the public good and give back to my community.

I'd be happy to elaborate further and answer any questions you may have on my background and qualifications for the proposed appointment as vice-chair. Thank you.

The Chair (Mr. Will Bouma): Thank you very much for your presentation, and again, thank you for being here.

We'll now turn to the government with 12 minutes and 20 seconds on the clock. Member Holland.

Mr. Kevin Holland: Welcome. Thank you for joining us today. I appreciate the opportunity to meet you and have a conversation with you. I notice you've been on the board since July 2020, so I'll start off by thanking you for your service to the residents of the province of Ontario and for serving in this capacity.

I guess the only question I have for you is—you're now being promoted to vice-chair of the OFA. How did this nomination come to be?

Mr. Stephen Geist: The OFA has a vice-chair role. It was previously held by a long-standing board member, Connie Sugiyama, who had a distinguished career in the legal field. Connie completed her maximum term of nine

years in December so had to depart. I was asked if I would be open to serving in the vice-chair capacity, and I said I would be willing to do so. I think a few names were considered. Of those on the board, I think they probably would have preferred to have somebody with some time on the OFA, to have some reasonable grounding as to how it works, and also not someone who is about to term out in 12 months and then have to go through the process again—and I'm kind of year four, so I might have been the last person standing, but I'm happy to serve.

The vice-chair role is a normal director, but it does have some additional responsibilities: to act as liaison between our chair and the independent directors, and also to support the board evaluation process.

Unlike some other bodies, the vice-chair is not eligible to become chair. In other organizations, sometimes it's sort of a training ground for a chair role. That's not the case here. The Deputy Minister of Finance, Greg Orencsak, is the chair, and that role is the one who will always fulfill that chair

So that's a little background on the vice-chair role.

Mr. Kevin Holland: Thank you.

The Chair (Mr. Will Bouma): Further questions from the government? Member Dowie with 10 minutes and 15 seconds.

Mr. Andrew Dowie: Thank you, Mr. Geist, for being here. I actually did a little bit of a Google search and found a lot of great articles from your past career—

Mr. Stephen Geist: Uh-oh.

Mr. Andrew Dowie: No, all good. I wanted to just give you the opportunity to see if you could share some of your private sector experience with us that is contributing to your work at the OFA, and, really, why you chose serving with the OFA today.

Mr. Stephen Geist: Great question. Given that the OFA functions in the capital markets and plays a crucial role in ultimately funding the government of Ontario, it really was very closely aligned with the career that I had, spending many, many years in asset management. Many of the bonds that are issued by the province are purchased by, for instance, some of the mutual funds that we created in that industry. So I think it is particularly valuable when you understand how the fixed-income market works, how the capital markets work, how the buyers of Ontario bonds think and what's important to them. It helps you understand the role of the OFA better.

I think things such as talent management—the OFA is competing for talent with knowledge in those areas. Unfortunately—and it is part of the challenge of the OFA—they're competing against many other providers in the corporate world, and so I think understanding that talent landscape is also a positive.

There's one thing in the capital markets: You always think things can never happen and, lo and behold, sometimes they happen. So that is one of the things that is often a point of discussion and consideration at the OFA: "What if this happens? Can we still fund the government?" So I think that, again, my training in capital markets is useful for that. Everybody is always watching out for the black

swans. Nobody thought oil would have a negative price to it, nobody thought interest rates would go negative, but strange things happen.

I think it was good training to be able to support the OFA in this role, and there are several others of my board colleagues who have similar backgrounds and I think are particularly strong. I think it's very valuable for the OFA and the province.

Mr. Andrew Dowie: Thank you.

The Chair (Mr. Will Bouma): Further questions from the government? Member Sandhu.

Mr. Amarjot Sandhu: Good morning, Mr. Geist.

Mr. Stephen Geist: Good morning.

Mr. Amarjot Sandhu: Thank you so much for appearing before the committee. I must say that you have a very impressive résumé and profile.

My question to you is: You also serve as the chair of the Capital Sector Audit Committee of the Ontario Internal Audit Committee. Has this ever proven to be a conflict? And will you have time to continue both appointments if you take on the additional vice-chair responsibility?

Mr. Stephen Geist: First, the Ontario Internal Audit Committee: That, too, is a role I've held for probably around the same amount of time, maybe four-ish years. No conflicts have ever surfaced that have needed to be addressed or required any recusing. The particular sector audit committee that I'm responsible for—I chair that committee—covers the Ministry of Transportation, Ministry of Energy and Ministry of Infrastructure, so not the Ministry of Finance. In the course of those activities, I've had discussions many times with respect to other members if there is a possible conflict.

Also, anytime anything has occurred with respect to the OFA, they've also considered whether any conflicts have occurred. These assessments and reviews have happened in both bodies as to whether there has been or could be a conflict. It's thought to be very unlikely. But certainly there's one thing in accountant training that is pounded into you early: the sensitivity around conflicts. You don't just try to avoid a conflict; you try to avoid the possible appearance or question of a conflict, which is even a tougher standard. It's something that I'm very sensitive to when I chair a group, for any of the individuals there.

0920

We've not encountered one. If something were ever to occur, I would step aside, recuse myself. There is a vice-chair; he'd be happy to step in.

The Chair (Mr. Will Bouma): Further questions from the government? Member Gallagher Murphy, with five minutes and 50 seconds.

M^{me} Dawn Gallagher Murphy: Thank you, Chair. Through you to Mr. Geist, thank you very much for coming in today. I agree; your background is pretty amazing. I also want to comment on your participation with Covenant House. Thank you very much for that. Supporting our vulnerable youth is really admirable, so thank you for doing that as well.

My question to you pertains to the committee itself and what some of the high-level considerations would be for

the OFA when looking at long-term financial needs, anything to do with debt term strategy in the future, our long-term borrowing. What do you believe the long-term financial needs of the province would be on the OFA?

Mr. Stephen Geist: Wow. We have a limited amount of time to answer that one.

The Chair (Mr. Will Bouma): You've got four minutes and 45 seconds.

Mr. Stephen Geist: I don't think it can be done, but we'll give it a whirl. The OFA deals in a very complex environment. Certainly one advantage it has in issuing bonds for the province is the credit rating and reputation of the province. Sometimes the OFA's job is a little bit easier when the environment is good, the economy is good, the world is relatively calm. But there are times when other provinces—if I think back the last five years, for instance, when things were just starting to seize up during COVID, there are some provinces that didn't find a market for their bonds—not an issue that Ontario has had to worry about, but never say never to anything.

So the OFA is always trying to be very conscious of all possible risks and manage the issuance of bonds accordingly. When they can issue bonds that have a longer time horizon to maturity, then obviously there will be a longer time before they have to worry about what interest rates will be in 30 years. Not only do they have to issue funding for each annual deficit, but there are previous bond issuances that are coming due. If the province has more than \$400 billion of debt outstanding, not only do they have to issue for any future current deficits, but that will have to be renewed as well. So they're constantly looking at the maturity horizons: Is it a good time to issue now? Is the market good? They're very in touch with the market. Yesterday they issued a billion dollars for 30 years. They probably were in tune and having frequent discussions with the marketplace. Was there a market? Were they talking to a bond manager at TD or Fidelity who was willing to take? They seize the opportunity, depending on what the market environment is like, and I think they do a wonderful job at that.

They're always working on maintaining the province's credit rating with rating agencies, which is also crucial. If the province were to see some downgrades, it means more interest will be paid. It means that there are possibly some purchasers of our bonds that may no longer be able to purchase if the ratings go down.

There are a lot of issues that they have to think about, and I think they do a great job of that. One huge advantage they have, as I've mentioned, is that it's Ontario. There are other bodies that, in tough times, when things are seizing up, they will not be able to issue. I don't know what they do.

They also at the OFA manage the short-term reserve fund to make sure that all obligations of the province will always be met. We do press them on, "Is it done as efficiently as it can be?" I am an accountant, so we do encourage that. I think they do a great job.

M^{me} Dawn Gallagher Murphy: Wonderful. Thank you.

The Chair (Mr. Will Bouma): Just under two minutes left. Any further questions from the government? Member Pang.

Mr. Billy Pang: The OFA announced a new framework earlier this month for green bonds that Ontario offers when it borrows money to finance capital projects that advance environmental goals. The previous program included nuclear power. The new framework now includes a provision for "the deployment of nuclear energy to generate electricity and/or heat." Why did the OFA make this change?

Mr. Stephen Geist: I'm certainly not the expert on the new framework, but I have enough base knowledge to comment on that. Ontario and the OFA have always been leaders in issuing green bonds in Canada and certainly—probably—would rank quite well around the world. There is a demand for green bonds to support projects that have a positive impact.

The landscape has been changing, so some possible projects that may not have been embraced years ago now are considered very green and positive, such as nuclear. Many years ago, there was less enthusiasm for nuclear energy projects, but now it's really seen as one of the few tools that are available for the world to get to net-zero carbon. I don't believe it can be done without nuclear power.

The OFA has supported the creation or the evolution of the new Sustainable Bond Framework that allows more projects, and it aligns with some frameworks that exist globally. They're really staying ahead of the curve and staying in tune with the market. It was a good move because they will now be able to have more issuance, support more projects amongst more possible investors around the world. They were really staying at the head of the market.

The Chair (Mr. Will Bouma): We'll stop there—out of time. Thank you very much. I'm sure you'll be able to continue that discussion as we turn to the opposition with 15 minutes. Member Pasma.

Ms. Chandra Pasma: Thank you very much, Mr. Geist, for being here this morning. I know it's not always the most comfortable process, but it's a very important part of our democracy that we have the opportunity to review appointments and ensure that the most qualified people are being given these appointments, not people who are simply patronage appointments for the government. As you could tell from our earlier discussion this morning, there's some frustration on the part of the opposition that the government all too often prevents us from actually playing this important role in democracy, but we appreciate that you've taken the time to be here to speak more about your qualifications.

I want to start by talking about the Auditor General's value-for-money audit of the OFA. They conducted a first audit in 2019 that identified some pretty serious concerns. You weren't there at that point, I recognize, but you have been on the board since 2020. In 2021, when the Auditor General conducted a follow-up, they noted that only about half of the recommendations were either fully imple-

mented—it was 10% fully implemented, 45% in some state of progress. The other half, there was no progress or the OFA had refused the recommendation. So I'm wondering, do you have any sense of what progress has been made on the other half of the recommendations from the Auditor General?

Mr. Stephen Geist: No, I unfortunately do not recall the exact details. This is something that does come up from time to time. Part of my role as chair of the audit and risk committee—often there are representatives from the Auditor General that attend; they do the annual audit. I know that the OFA certainly has worked to make progress on several of those recommendations—some completed, some not completed.

Usually if there are any that are not completed, there is some discussion as to why that's the case. I know in my audit committee role, we always do that. There may be a rational decision, or something has changed from when the original recommendation was made, why something won't be completed, but it is a question that we ask. Sometimes it's a very reasonable position of management to not pursue something because it may not be worth it.

But I don't recall the particular recommendations in this case, so I really can't comment on what remains outstanding.

Ms. Chandra Pasma: One of the recommendations that was refused concerned borrowing by public bodies, so hospitals, school boards, colleges. We are in a situation now where the government's underfunding has led many of these public bodies to be incurring debt. We've seen hospitals having to turn to very-high-interest loans just to keep the doors open and the lights on and medical care still happening. School boards, because of the significant decline in per-student funding, are having to borrow money. And colleges now, with the cap on international students, the complete freeze on revenues from the government, the fact that we have the lowest per-student funding from the government—and now the cap on international students is putting many of our colleges in a very precarious financial state.

But what the Auditor General found was that these public agencies or entities had incurred more than \$204 million more in debt than they needed to, either because they weren't aware they could borrow through the OFA or because the OFA wouldn't give them favourable terms. The Auditor General had a recommendation that these public bodies should be encouraged or required to borrow through the OFA if it would result in savings, and that recommendation was refused.

0930

Do you think, in light of the precarious financial situation of our hospitals, colleges and school boards due to underfunding, that there actually should be a requirement that we're reducing their total debt load by encouraging or requiring them to borrow through the OFA?

Mr. Stephen Geist: I don't know why that particular recommendation—what the feedback was on that. From my experience, the OFA is always encouraging all eligible bodies to borrow through them and not publicly or directly

through banks. I've participated in many conversations where there are some large hospital organizations that were about to go to a syndicate of banks and the OFA said, "We can borrow better and you will pay less," and that ultimately came to fruition.

Some of those external bodies, to my knowledge, previously did not wish to borrow through the OFA because they thought there would be more paperwork. I would quite think that going through the corporate world, from my familiarity, there would be no shortage of paperwork. Quite simply, if they can borrow effectively on the base credit rating of the province, I don't know why on earth they wouldn't do that.

There have been a few occasions where they have done that, and we see new requests and directives from the minister coming in all the time to support various bodies. The OFA does strive to provide whatever funding they can for eligible bodies, always.

Ms. Chandra Pasma: Speaking of paperwork, one of the other recommendations concerned unnecessary bureaucracy, and it's a little bit confusing for a member of the public. The OFA is charging administrative fees for public bodies to do work that is already funded by the Ministry of Finance. The Auditor General flagged that this is increasing the cost to government bodies because they're incurring debt to pay the administrative fees. The OFA was accumulating a surplus, which, following the Auditor General's report, they agreed to give the surplus back to the government.

We have this circular process happening where the public body is incurring debt as we are robbing Peter to pay Paul, and money is just flowing from the Ministry of Finance to the OFA and then back to the Ministry of Finance—

Mr. Mike Harris: Chair, point of order.

The Chair (Mr. Will Bouma): Point of order, member Harris.

Mr. Mike Harris: I am not sure what this line of questioning has to do with the member's qualifications to be appointed as vice-chair of this particular agency.

The Chair (Mr. Will Bouma): I believe that is a valid point of order, and I would encourage the member to come back to the member's qualifications.

Ms. Chandra Pasma: Well, I think it's a matter of the member's qualifications if the member has an opinion on this particular recommendation of the Auditor General. I think the public would like to know that.

My question is, what do you think of that practice of charging administrative fees to cover work that is actually covered by the Ministry of Finance?

Mr. Stephen Geist: There are a few fees that are charged by the OFA to the recipients or beneficiaries of their services. Generally speaking, those fees are set to cover certain operating costs that the OFA does incur, and the net cost to them would still be less, we certainly believe, than if they went directly to borrow.

There are some costs to manage the loans that are outstanding and the ongoing work of somebody who takes out a loan for 20 years or whatever it may be. The costs are

pretty small in terms of the fee they're charging. If there is thought to be some additional credit risk with the body, the OFA may charge a slightly higher interest rate, but again, that will definitely be less than what they would be charged if they went directly to an outside lender.

Ms. Chandra Pasma: I'm going to turn it over to MPP Glover.

The Chair (Mr. Will Bouma): Member Glover, you have just under seven and a half minutes.

Mr. Chris Glover: Okay, thank you very much.

Thank you so much for being here and for taking our questions today. Can you provide an example of how you think the government has mismanaged its finances in the past five years and what would you do differently? Is there something, in retrospect, that you would change?

Mr. Stephen Geist: I can't think of a particular example I would share for that question. I'm sorry.

Mr. Chris Glover: Given the state of things—you were talking about how things change all the time and that situations change, so, in retrospect, is there a situation that has changed that you think the government, if it had had different information at the time, would have made a different investment or a different choice?

Mr. Stephen Geist: Of the investments that it makes?

Mr. Chris Glover: Investment or a choice.

Mr. Stephen Geist: I mean, hindsight is 20/20 in the investing world. If we just think of that, I would have sold every bond before interest rates went up. That would have been worth a few billion.

But again, hindsight is 20/20. We all have a different view with that, especially when the market landscape changes. One of the things, certainly, in all decisions is that if a decision was made five years ago, it may have been a very different world, and when we judge it by today's standards or today's knowledge, it's pretty tough to assess that.

Mr. Chris Glover: I'm going to ask some quick and possibly uncomfortable but necessary questions. Have you ever been a member of the Progressive Conservative Party provincially?

Mr. Stephen Geist: Probably.

Mr. Chris Glover: Okay. But you're not sure?

Mr. Stephen Geist: Um—

Mr. Chris Glover: Have you been a member of the Conservative Party at either the federal or provincial level?

Mr. Stephen Geist: I'm saying I probably would have, because I made some donations. I supported, or was attempting to support, a local candidate, so that might have required me to be a member, or maybe a member of the riding committee. Sorry; I'm not up on all the details. That may partly answer your question.

Mr. Chris Glover: Okay. Have you ever worked on a Conservative election campaign?

Mr. Stephen Geist: No.

Mr. Chris Glover: Did anyone ask you to apply for this position?

Mr. Stephen Geist: For the vice-chair role, I was asked if I would be open to serving. That must come from one of the existing directors. For the original appointment to the

OFA, no. When I left the corporate world, I was interested in taking on some board roles. I put my information on the public secretariat website and looked at what they had, and I saw a couple that were capital markets-related, so I ticked the box and eventually got a call.

Mr. Chris Glover: Have you ever sat at the Premier's table at a family wedding?

Mr. Stephen Geist: No.

Mr. Chris Glover: Okay. Thank you.

I'll pass it over to MPP Gates.

The Chair (Mr. Will Bouma): Member Gates, with four and a half minutes.

Mr. Wayne Gates: That's a very interesting line of questioning. But as a chartered accountant and somebody that really watches his money, I'm sure that you know that you donated to the Conservative Party of Ontario and Canada. I'm just being fair. I'm just helping your memory. I know you're probably nervous being in front of all these elected MPPs.

Before I get into a question, you said a couple things I found very interesting. You said the Ontario government is \$400 billion in debt. Is that accurate?

Mr. Stephen Geist: That would be the rough net debt position, I believe.

Mr. Wayne Gates: Four hundred billion. That's with a B, right?

Mr. Stephen Geist: It is, yes.

Mr. Wayne Gates: Is that the biggest debt in the history of the Ontario province? Do you know?

Mr. Stephen Geist: I would suspect it is. Generally, the annual issuance is increasing and that is increasing.

Mr. Billy Pang: John knows.

Mr. Mike Harris: John, how big was the deficit?

Mr. John Fraser: Chair, I just want to let the member across know that they will outpace us over the space of 15 years.

The Chair (Mr. Will Bouma): Member Gates has the floor. Thank you.

Mr. Wayne Gates: Can I get my time back that he just wasted, please?

It's interesting to me, because you said that and that really jumped out at me. Do you know what the interest charge on the debt is and how much debt they would pay over the period of a year?

Mr. Stephen Geist: It would be notable, no question. That's why lower interest rates are preferential and beneficial to all governments that have accumulated debt. I believe in the latest update, thankfully, the expected interest on debt is coming in below what was anticipated in the budget, so that is encouraging.

Mr. Wayne Gates: But the overall debt is still \$400 billion, which they're paying a substantial amount of money on.

To my colleague's question, which I thought was very fair and something that we should seriously take a look at: My hospital is \$12 million in debt, mostly because of agency nurses. They should be allowed to borrow at the same rate as the province is borrowing, because it's a lot less than the banks do, to help make sure our hospitals and

our schools are functional. You're going to get on the committee, because they have more votes than we do anyway, so you're good to go probably, but I think that's something that you should raise going forward.

I'll give you a quick example. The Niagara Parks—

Mr. Mike Harris: Point of order, Chair.

Mr. Wayne Gates: This is all a part of it.

The Chair (Mr. Will Bouma): Member Harris has raised a point of order.

Mr. Mike Harris: On the same point of order as before, I believe the line of questioning has nothing to do with the member's qualifications to be appointed as vice-chair of this agency. I would ask that the questions pertain to his qualifications and not to MPP Gates's hospitals in Niagara Falls that, for whatever reason, can't seem to get their act together.

The Chair (Mr. Will Bouma): That is a valid point of order, and I would ask the member to return to the matter at hand.

Mr. Wayne Gates: I'm just very surprised that that is how you feel, because the reality is, I'm talking about money.

And that's what you're going to be in charge of, is the money of this province, by sitting on this board. So, I'm talking about money and I'm talking about money that can be used wisely by the province of Ontario and by your organization.

I totally disagree with the ruling of the Chair. These questions, I think, are very important for the province. I think they're very important for you, when you get on the committee, to raise these issues—because they are important. They are to make sure that our hospitals are functional, our schools are functional, Niagara Parks is functional.

The reason why I use this line of questioning is because I want to give you an example, because you might not be

aware of it: When Niagara Parks—which is a crown corporation, by the way—looked at expanding for a tourist attraction, they actually went and borrowed from the province at 1.5%. At that time, interest rates were approximately 4.5% to 5%. They were able to use that leverage to put up a tourist attraction that is attracting millions of people, that is helping our tourism, because they could afford to do it, because the interest rates were lower. I think it's something that we should be looking at, quite frankly. When you get on this committee, I think it's a fair question to ask.

I'll ask this question. I know my colleague—what's his name, there? Harris, yes, MPP Harris. The government has numerous decisions to privatize our public services. They've begun the privatization of our health care services, and they recently moved ServiceOntario from a small business model—

The Chair (Mr. Will Bouma): That concludes the time available. Thank you very much.

Thank you very much for your presentation and for the questions from both sides. We will now move on to the concurrence. We will now consider the intended appointment of Stephen Geist, nominated as vice-chair of the Ontario Financing Authority. Do we have a motion from member Holland?

Mr. Kevin Holland: I move concurrence in the intended appointment of Stephen Geist, nominated as vice-chair of the Ontario Financing Authority.

The Chair (Mr. Will Bouma): Is there any discussion on the motion? Seeing none, are members ready to vote? All those in favour? Any opposed? Carried.

Committee members, that concludes our business for today. This committee now stands adjourned.

The committee adjourned at 0943.

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