

MOF Media Summary - April 25, 2018

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Date: Wed, 25 Apr 2018 17:02:08 -0400

1. Complete

Reporter: Justin Giovannetti
Outlet: Globe and Mail
Status: Complete
Subject: NRST

Question:

Does the minister have comment on the new NRST numbers?

Response:

Our data continues to indicate that our Fair Housing Plan measures have helped to calm the housing market. People are finding more affordable alternatives as housing supply has increased, and rent control measures are helping to ensure rental prices remain predictable for tenants. We will continue to work to ensure Ontario remains one of the best places to live, work and invest.

1. Complete

Reporter: Tess Kalinowski
Outlet: Toronto Star
Status: Complete
Subject: NRST

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Minister Sousa Scrum – April 25, 2018

(Mulligan CityNews) Minister are you fudging the numbers?

- Ontario has been noted for having the most transparent numbers. The conference board of Canada, everything that is happening in Ontario is fully disclosed, transparent. The agencies and the other organizations have clean audits by their accounting firms. Nothing is hidden.

(Walsh Ipolitics) Who is wrong, you or the AG? The AG says it's fundamentally wrong.

- The AG has stated that our pre-election report is actually very cautious and very prudent in expectations and she further states that the organizations – I spoke with her at length

yesterday – OPG, the centre of this issue around the Fair Hydro Plan – she has said, E&Y’s clean audit of that organization includes the disclosure of debt and the access that are being associated, and she says it’s alright it is good.

(Walsh Ipolitics) So does she not get the numbers, or do you not get the numbers?

- I’m telling you the things which I can control, which we are doing, is providing for full disclosure of the activities of the province, the President of the Treasury Board and myself recognize how important it is for us to get those numbers out quickly and we have taken the appropriate steps to balance the budget, we even have a surplus, but when it comes to the degree of pension acknowledgement, that’s between the auditor and professional accountants that includes KPMG, Deloitte, E&Y, when it comes to the Fair Hydro Plan, all of which are expressed and we have no dispute with the auditor in that regard we’ll leave that to the professional accountants.

(Mulligan CityNews) Her point is that you are not being transparent about what the true cost of the Fair Hydro Plan will be. Why don’t you just have it out there in one number instead of just hiding it behind hydro?

- Nothing is being hidden. In fact, we’ve been very clear. The President of the Treasury Board today reaffirmed that the \$1.5 billion is actually coming off the tax base to support a reduction of hydro rates through the 8 per cent on HST plus the additional reductions that we’re doing to support rural communities which can be up to 40 per cent reductions. The other part is on the rate base where it should be. We’re refinancing or amortizing the asset, and it’s going through the system that had been prepared by KPMG and E&Y.

(Walsh Ipolitics) Do you think voters want to see this, that the government is ignoring the advice of the Financial Accountability Officer and the Auditor General? Do you think voters want to see that from their government?

- We are not ignoring anything. In fact, we’re taking all that into consideration. The dispute is between professional accountants and the auditor, and not us. The President of the Treasury Board will want to add to this.

McMahon -

(Mulligan CityNews) Why should voters trust you?

- Trust KPMG, trust Deloitte, trust E&Y. Trust the professional accountants and the professional civil service that have provided for these numbers. They are accountants and they are world renowned firms. That’s who we are dealing with.

McMahon -

(Crawley CBC) If you guys are leaving Ontario with a deeper deficit than what you’re actually saying, and we go into an election and another party gets elected. Doesn’t that basically give them cart blanche to start slashing and burning and blaming you guys, saying you left us with a bigger deficit than you said you would.

- So let’s be clear, we have balanced the budget and we actually have a surplus right now. The accounting principles that have been disputed by the AG and other accounting firms and other professional accountants, I can’t control their dispute. I can control what we can deliver upon and what we’ve delivered upon is transformation of our practices, improvements to our economy, supports for the things that matter to the people of Ontario. Furthermore, the opposition themselves have taken the very accounting principles we’re talking about and adopted them in their plan, of course they threw that plan out, but they used those very same accounting principles in their platform so they have agreed with us with respect to both pensions and the Fair Hydro Plan and they have acted on top of that in their projections.

(Walsh Ipolitics) But you pay KPMG and you pay EY so there are no independents when you’re paying this company as your back-up. The independent auditor general is the gold standard is she not?

- You are now implying that world renowned firms would compromise their positions? I doubt that very much. These are firms that have a reputation and a duty and a responsibility to their craft. I take no question with their service.

(Jamie CityNews) So who is acting unprofessional?

- I am not going to get into that. All I can do is provide for the plan and the projections that we put forward, the auditor as affirmed that they are very cautious, the auditor has stated that we've taken the appropriate steps. They auditor has agreed with OPG's accounting and the clean audit that was provided.

McMahon -

- The matter is no different than what it was two years ago. This is an ongoing dispute between professional accountants. That hasn't changed. But what I am confirming today, what the auditor general has confirmed, is that the plan we've put forward is prudent, it's cautious, it's appropriate. She disputes these two issues. And she's been disputing these two issues with accountants for the past couple of years.

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