FW: Summary of Question Period for Monday May 01/17

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Fyi – further to our discussion today, the first question below is related to HOOPP and Home Trust.

From: DiMuzio, Sofie (TBS)
Sent: May-01-17 7:54 PM
To: Veinot, Cindy (TBS)
Subject: Fwd: Summary of Question Period for Monday May 01/17

Hi Cindy - in response to your email re: HOOP, yes there was a q in the house today- both the question and response are noted in the summary below.

Though this is and MOF lead, let me know if we can assist in any way.

Sent from my iPhone

Begin forwarded message:

> **From:** "Flowers, Robert (TBS)" <Robert.Flowers@ontario.ca>
> **Date:** May 1, 2017 at 12:04:16 PM EDT
> **Subject: Summary of Question Period for Monday May 01/17**

MPP Fedeli (PC) to Minister Sousa and the relationship between Home Capital and the Healthcare of Ontario Pension Plan (HOOPP)

>>MPP Fedeli: Thank you. Good morning, Speaker. My question is for the **Premier.** Home capital is one of the largest non-bank mortgage lenders in Ontario. The **Premier** would know them as being under investigation by the Ontario securities commission. They've seen is withdrawal of hundreds of millions of dollars from savings accounts and their shares tumbled 65%. Last week they received a $2 billion bailout from the health care of Ontario pension plan or hoop. Seeing as one of the players is under provincial government regulators investigation and the other player manages the pension fund of Ontario's health workers, we have questions. I ask the **Premier**, was the government aware of this deal? And if so, when?

>>Minister Sousa: Thank you, Mr. Speaker. Our first priority is always consumers and investor pro vex much the Ontario securities commission is reviewing and assessing the circumstances around home capital. We understand that there's a case before it now. Fsco, our financial securities regulator as well, has engaged because of the mortgage component of it and then there's the investor component of it that the Ontario securities commission is involved w.we have actually been doing a review for over a year-and-a-half now referencing to increase consumer protection and ensure that full disclosure is made for those consumer vin es tors to appreciate the risks that are involved in those circumstances, but it is before review and that's where it is, Mr. Speaker.

>>MPP Fideli: Back to the **Premier**. The board chair of home capital is Kevin Smith. He earns $357,000 a year and has some $1.5 million in stock. But that's only his part-time job. The **Premier** would know him better as Kevin Smith, C.E.O. Of St. Joseph's health centre, his other part-time job where he's paid $720,000 a year. And he was also a board member of hoop. Now hoop's C.E.O. Was Jim cohane to also happens to sit on the board of home capital. Speaker, you truly can't tell the players without a program. The apparent conflicts are beyond description. So after the bailout, which helped restore the share value. From the other's board. I ask the **Premier**, is it right for executives of a lender to also be making decisions of a borrower?

>>Minister Sousa: Thank you, Mr. Speaker. So as the member may appreciate and know that home capital group is incorporated federally, is regulated by the federal financial institution fsco, which is the province is confident the office of the superintendent of the financial institutions or osfi is carefully monitoring the situation as well and we're monitoring any impact on mortgage availability in the marketplace. But again the transparency, the oversight consumer protection is paramount. It's why we've taken initiatives that we have to strengthen fsco's regulation. Also moving more of that Ott O.S.C. To ensure our consumers and investors are protected and fully disclosed and is before review, Mr. Speaker, and we're trying to protect the interests of the consumers here.

MPP Brown (PC) to the Premier and Minister Sousa re: recent budget

Patrick Brown: Mr. Speaker, my question is for the **Premier**. The government still claims they balanced the books. Cyclical Liberal mess. Mr. Speaker, something doesn't -- Patrick Brown: All the typical Liberal math, something doesn't add up. What do you get when you add in $1.8 billion from double counted cap and trade money? You get 500 million in pension assets despite the auditor general's advice not to count it. $1.5 billion in double counted federal transfer fund. $450 million in land transfer taxes and lastly $1 billion from the fire sale of Hydro One. What do you get, Mr. Speaker, when you add that all together? It's a $5 billion operational deficit funded through cash grabs – Mr. Speaker, it is a $5 billion operational deficit through cash grabs, pension assets and onetime and unusual revenue. Will the **Premier** come clean and admit to the House. The budget is not balanced?

>> **Premier** Wynne: Mr. Speaker, I'm very pleased to say that this is the first balanced budget in Ontario for nearly a decade, Mr. Speaker. And we worked very hard to eliminate the deficit, Mr. Speaker. We knew that that was critical, and our economy

is in a very strong position in Ontario. We are leading the country, Mr. Speaker, in economic growth. But the reality is that people are still anxious, and so the foundation of a balanced budget actually gives us the opportunity to make investments that are needed in the province. So, Mr. Speaker, a prime example of that is ohip plus, which allows us to invest in the people of this province and allows children and youth in this province as of January 2018 to have free medication, Mr. Speaker, because we know -- we know that if we can make that investment and kids -- answer. And young people can get access to the medication they need, will be healthier in the long term, Mr. Speaker.

>> Patrick Brown: Mr. Speaker, back to the Premier. You know what else doesn't add up? The fact that the Wynne Liberals are adding another $10 billion of debt. They say they have a balanced budget. But another reason the Liberals claim they have a balanced budget because they're simply hiding debt elsewhere. If this budget was -- Truly balanced, we wouldn't be adding debt left, right and centre. But the Wynne Liberals are adding $10 billion worth of debt to the most indebted province in the world. We owe more than any province or state and it's about to get worse. So, Mr. Speaker, can the Premier explain why we're adding so much debt this year, $10 billion, if it's actually a balanced budget?

>> Premier Wynne: Mr. Speaker, well, I absolutely understand that the leader of the opposition has no interest and no plan to make capital investment in this province, Mr. Speaker. No interest in it and no apparent understanding that, without investment in capital, without investment in transit, Mr. Speaker, in roads and bridges across the province, you know, he was at the city of Toronto today, Mr. Speaker, talking about the city of Toronto. One commitment to invest one cent in transit in the city of Toronto, Mr. Speaker. We have billions of dollars that's being invested in Toronto, in Ottawa, in Kitchener- Waterloo, Mr. Speaker, in Hamilton around the province, because we know, we know that those investments are critical to the economic viability and growth of those communities and the province overall. We are proud of our balanced budget, Mr. Speaker. First one in a decade in Ontario, and it allows us. To have a foundation upon which to invest –

>> Patrick Brown: Mr. Speaker, back to the Premier. You know, this myth of a balanced budget didn't trick everyone, didn't confuse everyone. Just look what Kelly income Mcfarland had to say nat "National post." I quote, in this article the budget claims to be balanced even though debt will rise another $26.4 billion this fiscal year. Debt servicing costs will again eat up 1 billion a month. He added, I quote -- billions of dollars for capital projects are kept off book. Billions more in borrowing shoved into the future. Onetime asset sales like Hydro One sell-offs are used to make the numbers look better than they are. That's from the "National post.", Mr. Speaker, clearly this budget is not balanced. And my question, Mr. Speaker, to the Premier is playing with the numbers, is fudging the numbers really worth hurting the –

>>Minister Sousa: Thank you, Mr. Speaker. To be clear, we balanced the budget this year, next year and the year after that. This is coming from a party who increased debt by 53% when they were in power as a province during the good times, and this member himself, he voted in the largest deficit in our country's history, $55 billion, Mr. Speaker. And he doubled that during the time that he was there. Mr. Speaker, I'll read a quote from an independent source, a rating agency that says the following -- the government has, to its credit, outperformed its targets each year. Efforts to con train wages and limit spending growth in key program areas kept the plan on track

initially while the province was benefitting from strong economic growth and more recently one-off measures. That's the dbrs. It goes on to say the next debt-to-g.d.p. Ratio is seen falling for the third straight at 37.5% in --