

Summary of Question Period for Monday April 23, 2018

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Please see the attached select and full summaries of Question Period.

MPP Fedeli (PC) to Minister Thibeault (Energy) and Minister McMahon (TBS) re: Hydro One and Financial Accountability Officer

>> Vic Fedeli: Good morning again, Speaker. My question is for the acting **Premier**. The financial accountability office was very concerned about the Liberal hydro financing scheme and asked MPPs to make certain the auditor general approved, but not only did the auditor say the scheme does not meet accounting standards. She said that to flow the costs through Ontario power generation, as the scheme called for, will add \$4 billion. She said, quote -- we're talking \$4 billion more than needed just to get an accounting result. Now the "Globe and mail" is taking this scandal national with a damning indictment of this government practices. Mr. Speaker, now that the Liberal scheme has been disclosed, would the government follow the law and save the Ontario taxpayers \$4 billion?

>> Minister Thibeault: Thank you, Mr. Speaker. Pleased to rise and once again talk about the policy choice that we made as a government, Mr. Speaker, to ensure we continue to have a reliable electricity system, a clean electricity system, Mr. Speaker, and an affordable electricity system for the ratepayers of today and for the ratepayers of tomorrow, Mr. Speaker. The fair hydro plan, Mr. Speaker, the plan that we brought forward keeps the cost of borrowing within the ratable, not the tax base, Mr. Speaker, because that's the logical thing to do, Mr. Speaker. The policies and the implementation process for the fair hydro plan were designed and extensively reviewed by senior bureaucrat officials, Mr. Speaker, from the ministry of energy, from the ministry of finance, from the treasury board secretariat, from the office of provincial controller, from Cabinet office. From the Ontario financial authority, from the IESO, Mr. Speaker, from the Ontario power generation and we worked with third party experts with firms such as K.M.F. -- KPMG --

>> Vic Fedeli: Back to the acting **Premier**. The logical thing to do is not spend the extra \$4 billion. The "Globe and mail" clearly illustrates that not only will Ontario families pay tens of billions of dollars for this Liberal hydro scheme, but the secret accounting will cost taxpayers \$4 billion more. The article reads, quote -- Andre Lau the C.D. Howe research director said he'd never before encountered such a convoluted arrangement in the public sphere. To him the use of related party transactions between multiple entities resembles tax avoidance schemes in the private sector. Quote, the same accountants that are advising the government are advising the private sector to build other types of complex accounting structures, he told "The globe". How crazy is this? Really. Mr. Speaker, will the government come clean on the "Globe and mail" has titled, quote, bad books?

>> Minister McMahon: Thank you, Mr. Speaker. I know that the members opposite are anxious to hear the answer. That's why they asked the question. Speaker, our government presents the government's finances fairly and accurately and accordance with Canadian public sector accounting standards. The plan will be transparent in the consolidated financial statements of our province. Speaker the technical issue about whether or not the IESO is a rate-regulated agency and should thus use rate regulated accounting much the auditor general does not believe the IESO should and we respectfully disagree, Speaker. Instead the A.G. is advocating for an accounting practice that conceals \$17 billion in market contributions over which the IESO has oversight and those are now transparent, Speaker, and in the public domain. In closing,

Speaker, I know the member opposite mentioned the public. They are waiting as are we, Speaker, with bated breath to see what the other side is going to do about hydro, Speaker. We've yet to hear. Thank you, Mr. Speaker .

>> Vic Fedeli: Well, back to the Deputy **Premier**. It's transparent all right. We saw right through it. In a statement to "The globe", KPMG emphasized it had no formal role in selecting or approving Ontario's accounting policy nor did deloitte. Ernst and young declined to answer questions about its work according to the "Globe and mail." Yet the energy Minister keeps saying all of them have approved this government's se. All of the firms deny that. Mr. Speaker, do we need another gas plant-style scandal hearing to get to the truth yet again?

>> Minister Thibeault: Thank you, Mr. Speaker. Once again I'm pleased to rise and talk about the work that we have done with our accounting firms, Mr. Speaker, and the policies and the implementation process for the fair hydro plan were designed and extensive reviewed as I said before, Mr. Speaker, by Ian wide, KPMG and deloitte. In conjunction with that, Mr. Speaker, we worked extensively with the senior bureaucratic officials, Mr. Speaker, within my ministry, within the ministry of finance, within the treasury board secretariat, the office of provincial controller, Cabinet office, Mr. Speaker, as well as the Ontario financial authorities and the independent electricity system operator and of course, Mr. Speaker, O.P.G.. Through this work, we cred a range of implementation options and ensured that due diligence, Mr. Speaker, was complete. Once again these are policy choices we made to ensure we continued to have a clean, reliable and affordable electricity system.

MPP Tabuns (NDP) to Minister Thibeault (Energy) – re: Hydro One and the FAO

>> MPP Tabuns: Thank you, Speaker. My question's to the acting **Premier**. Over the queend weekend an nvestigation by the "Globe and mail" confirms what the NDP Has been saying for the past year. The **Premier** is wasting \$4 billion on a complicated private financing scheme whose sole purpose is to conceal the fact that she's using debt to artificially lower hydro bills prior to the election. After the election, hydro bills will skyrocket yet again. Rising by more than 70% over he next ten years. Ontario families and businesses will be forced to pay back the billions in hydro debt plus another \$21 billion in interest. Why is the **Premier** spending billions of dollars to mislead Ontarians into believing she's lowering -- Withdraw, Speaker. Why is the **Premier** spending billions every dollars -- When, over the long run, she's actually driving hydro bills up even higher?

>> Minister Thibeault: Thank you, Mr. Speaker. Once again, we reiterate the fact that we made a policy choice, Mr. Speaker. This government made a policy choice T ensure that we continue to have clean, reliable and affordable electricity, Mr. Speaker, for ratepayers of today and for ratepayers of tomorrow, Mr. Speaker. And the fair hydro plan K T cost of borrowing, Mr. Speaker, within the rate base, Mr. Speaker, not the tax base. And we did that, Mr. Speaker, because that's the logical thing to do, Mr. Speaker ,. That's how it's been done for decades, Mr. Speaker. Electricity financing should remain within the electricity system, Mr. Speaker. And so we worked with the -- you know, within my ministry with officials within the ministry of finance, within the treasury board secretariat, the office of the provincial controller, Cabinet office, Mr. Speak and of course three outside audit experts, Mr. Speaker. To make sure that the range every implementation were available and our due diligence was completed, Mr. Speaker, and I'll answer more in the supplementary.

>> MPP Tabuns: Thank you, Speaker. Again to the acting **Premier**. The **Premier's** \$40 billion hydro borrowing scheme will not only drive up hydro bills over the long run. It actually violates public sector accounting standards. Emas obtained by the tor gene prove that government officials knew this from the start when they were designing this

scheme. The **Premier** knew that her private financing scheme would break the rules. But she chose to go ahead anyway, and needlessly waste an extra \$4 billion. Why is the **Premier** breaking the rules, wasting billions of dollars and destroying public trust in government just so she can win an election?

>> Minister Thibeault: Thank you, Mr. Speaker. So let me be clear and let's talk about what two world-class accounting firms had to say in statements about rate regulating accounting within the public sector accounting standards, Mr. Speaker. KPMG said -- on the basis of our extensive research, deliberations and the opinion from another major accounting firm, we believe that the accounting policies adopted by the independent electricity system operator are in accordance with the Canadian public sector accounting standards, Mr. Speaker. Deloitte conclude that any regulatory assets and liabilities recognized through the appropriate application of these policies would meet the criteria for recognition under the Canadian public sector accounting standards, Mr. Speaker, and additionally Ernst & Young is our financial auditor and is reviewed on an ongoing basis, Mr. Speaker. When talking about wasting billions of dollars -- Their plan, Mr. Speaker, is to buy back millions of shares in Hydro One and it will not take one cent off electricity rates for Ontario families. They voted against the fair hydro plan. We reduced rates by 25%, Mr. SP

MPP Smith (PC) to Minister Thibeault (Energy) re: Hydro One Exec. Salary

>> MPP Smith: Speaker, my question this morning is for the Minister of energy. If the \$4 billion wasted on the Liberals' unfair hydro plan isn't outrageous enough, Ontarians were shocked last week to learn that the Hydro One board secretly inserted a poisoned pill into the contract of the Hydro One C.E.O., that would allow him to cash in \$10 million in severance on the way out the door should he be fired. Mr. Speaker, was the Minister of energy aware of this \$10 million --

>> Minister Thibeault: Thank you, Mr. Speaker. We recognize that executive salaries are high compared to the vast majority of Ontario salaries and remain committed to Hydro One's regulation accountability, Mr. Speaker, and transparency -- Thank you, Mr. Speaker. Accountability and transparency through our government's involvement as a majority shareholder. That said, Mr. Speaker, Doug Ford knows very well that Hydro One is now a publicly traded company, not a government entity, and his rhetoric won't take one cent, not one cent off electricity bills. Thank you, Mr. Speaker. Hydro One's governance agreement is publicly available and we urge the Conservatives and Doug Ford to read it. Its purpose is to ensure that the structure of Hydro One benefits ratepayers and has allowed them to find \$114 million in savings, translating to lower electricity rates and winter disconnections, enhanced customer service, Speaker, and I'll get more in supplementary.

>> MPP Smith: Mr. Speaker, it was the Liberal government who sold Hydro One, more than 80% of taxpayers said that it was the wrong thing to do for the future of the province of Ontario. Mr. Speaker, it was the **Premier** who said time and time again -- Mr. Speaker, it was the **Premier** who said time and time again in this House that the government retained the right to fire the board and the C.E.O. at Hydro One. Yes, this occurred behind closed doors, a \$10 million severance package for the \$6 million man should he be fired. My question to the Minister of energy. Did he even know about this secret arrangement at the board?

>> Minister Thibeault: Thank you, Mr. Speaker. What we do know about is the 25% savings that we brought to all -- Thank you, Mr. Speaker. The 25% savings that we brought to all residents and families right across this province, Mr. Speaker. Again we recognize that executive salaries are high compared to the vast majority of Ontario sales, Mr. Speaker, and we're going to remain committed to Hydro One's regulation and accountability and transparency through our government's involvement as that majority shareholder, Mr. Speaker. But, you know, Mr. Speaker, we continue to be perplexed by Doug Ford's out-of-control and erratic scheme to fire the leadership of company because he hasn't said what his goal is, Mr. Speaker, and how he will leave tis -- how this will leave the people of Ontario better off, Mr. Speaker. We know that the rates are set independently by the rio energy board, not the C.E.O. Of Hydro One, Mr. Speaker. We'll continue to work in the best interests of the people of Ontario.

>> MPP Smith: Mr. Speaker, I don't know how the Minister of energy does it. Every day during question period, he goes 'round and 'round and 'round and 'round like a broken record. But where was he when the people of Ontario were getting hit with \$4 million more than they should have on the Liberals' unfair hydro plan and here was he when this secret deal was being cooked up by the board at Hydro One to hand out a \$10 million severance package to the \$6 million man, the C.E.O. And president of Hydro One. Where was he? He can spin like a broken record in the House, but does he believe it was the right thing to do to put a secret deal together for \$10 million --

>> Minister Thibeault: Thank you very much, Mr. Speaker. We've been standing here right in this House, helping the people of Ontario as they vote against every single thing that we do to bring forward an affordable electricity system, Mr. Speaker. Making sure that we eliminate coal. They vote against that, Mr. Speaker. Bringing in a 25% reduction for families, they vote against it, Mr. Speaker. Thank you very much, Mr. Speaker. Again when we brought forward minimum wage to help families and help individuals across this province, Mr. Speaker, they actually voted against it. We know where we stand when it comes to the people of Ontario. We stand shoulder to shoulder with them, Mr. Speaker. They vote against everything they can to make sure that it makes life more difficult for the people of this province. We will continue to work, Mr. Speaker, for the people of Ontario. You know what, Mr. Speaker? When it comes to making sure that the electricity system is clean, reliable and affordable, Mr. Speaker, it is this government that brought forward the fair hydro plan that has actually helped the people of people of Ontario. We'll continue to do what's right for the people of this province, Mr. Speaker.

MPP Wilson (PC) to Minister Thibeault (Energy) re: Hydro One executive and new severance package

>> MPP Wilson: Thank you, Speaker. My question's to Minister of energy. Yesterday Hydro One's chair released a statement on their egregious \$10 million severance package for their \$6 million man. Did the Premier or Minister instruct Hydro One to release that statement? And did they coordinate the statement with Hydro One? Yes or no, Minister.

>> Minister Thibeault: Thank you, Mr. Speaker. Again the board is an entity that works on its own, Mr. Speaker. And so, you know, they -- I was aware that they were releasing that statement. But when it comes to, you know, Hydro One's governance agreement,

Mr. Speaker, as I said that's also publicly available and we urge the Conservatives to read that, Mr. Speaker .

>> MPP Wilson: Well, Mr. Speaker, that's the fourth question today that the Minister 's been asked what he knew about the \$10 million severance package for the \$6 million man, when he knew it, whether this was a coordinated effort between Hydro One and the government. I can't believe as a former energy Minister that your hydro company wouldn't inform you back in November about such a significant change in the rules of the game over there at hyd one. Minister, last week the Premier walked out, and you ran away from a scrum. So I want to know what you're hiding, why you would walk away from a scrum and why you're not being forthright with the people of Ontario. Withdraw. Withdraw.

>> Minister Thibeault: Thank you, Mr. Speaker. I once again was very happy to answer questions to the media and stay there for about 10 minutes, Mr. Speaker. The only person that I know that is doing the Douq and dash, as it's starting to get known within the media circles is the leader of the Conservatives, Mr. Speaker, who makes sure that when he answers one question and then disappears in the bus, Mr. Speaker, or actually makes the announcement that he's going to fire the C.E.O. And then leaves it to the member of Prince Edward- Hastings to answer those questions, Mr. Speaker. So I don't have a problem actually talking Abo government's record of making sure that we brought forward the fair hydro plan that reduced rates by 25%, Mr. Speaker. And I know that they sneakily snuck that into their. Sneakily snuck, Mr. Speaker. It's a new word. Mr. Speaker, you know they snuck it into the people's guarantee, Mr. Speaker. And then tossed it asi You know what, Mr. Speaker ?

N.B.: Transcripts are captured by a closed captioning system and may contain errors.

MPP Coe (PC) to Minister Hunter (Advanced Education) re: York U. strike

>> MPP Coe: Thank you, Speaker. My question is for the Minister of advanced education and skills development. The York university strike has now gone on for nearly two months, impacting more than 51,000 students, Speaker. A letter from the vice-president academic posted recently to the university's website said this -- if the strike does not end in time for winter term classes to resume by April 30th at the latest, there will not be sufficient time to offer all of our summer terms. Speaker, will the Minister finally take action to GE the 51,000 students back into their classrooms?

>> Minister Hunter: Well, Mr. Speaker, I want to thank the member opposfor the question. This is obviously a very serious situation as it affects and impacts students. I would like to remind the member opposite that York is still open and students are still attending classes, as they have been through the duration. That being said, Mr. Speaker, this government has taken action. The Minister of labour has appointed an exp Erienced mediator to bring the sides together to talk to each party and to find a path to resolution, Mr. Speaker. So we aorking on this issue and supporting both parties, because the best deal is a deal that is made at the table. We have been urging both sides to come to the table to resolve their issues. And to find the compromise that is necessary in the best interests of the students of York university, Mr. Speaker. We've been taking this as a very serious issue and have been working towards supporting both parties to come to a resolution. And we will continue to do so, Mr. Speaker .

>> MPP Coe: Back to the Minister, Speaker. Speaker, this could be the last opportunity the Liberal government has to act. To save the semester of tens every

thousands of students and allow them to graduate in June. Classes are on the verge every be cancelled, Speaker. Many students' summer job placements are at risk. Aker, why does the Minister contio put thousands of students' lives on hold?

>> Minister Hunter: Mr. Speaker, I'd like to inform the House, because the member opposite is not providing specific and correct information, Mr. Speaker. York university has in fact put plans in place. They have been doing so for quite some time, starting first and foremost with keeping the university open so that students can attend classes,. Speaker. Just last week the announced additional supports so students can either have an assessment on their term or that, if they have experienced hardship, that they can come to the university and receive the necessary support. Mr. Speaker, our concern first and foremost is for the students at York university. We are urging both sides that are involved in this to come back to the table, to get a deal that recognizes. That both sides will have to compromise, in order to reach a deal and put the needs of the students first andost, Mr. Speaker .

MPP Clark (PC) to Minister Naqvi (House Leader) – re: government announcements as campaign events

>> MPP Clark: My question's to the acting Premier. The Liberals have held a total of 39 campaign style announcements. An estimated cost of \$7,500 each event. That brings the total amount spent campaigning on the taxpayers' dime by the Liberals to \$292,500. The Liberals are now under investigation by elections Ontario. These events have to stop. Mr. Speaker, would the Liberal party pay back the taxpayer?

>> Minister Naqvi: Thank you very much, Speaker. I appreciate that question from the member opposite. I think the member opposite has been exaggerating what elections Ontario have said in terms of their St O Response they gave when they receive complaints like the one they have received from the Conservatives. Speaker, and, Speaker, our focus is to make sure that we are talking about this very important budget, this budget that actually provides for a plan to care and opportunity for the people of Ontario, a budget that ensures that T people of Ontario get an increase in the minimum wage to \$15 an hour by January 1st, 2019, that ensures that pharmacare is expand toward seniors 65 and more. Noention, Speaker, investment in building new hospitals, making wait times down. The reason because the member opposite and the Conservatives don't want to talk about that is because they're going to cut all those important services that are so deserving for the people of Ontario.

>> MPP Clark: Back to the acting Premier. Speaker, this government is so desperate to cling to power, they'll stoop to never-before-seen lows. There's no amount oftaxpayers' dollars that they won't use for their own self-serving needs. Speaker, how much more taxpayer dollars will this government spend campaigning?

>> Minister Naqvi: Speaker, clearly the Conservatives, you know, had a busy weekend and they're trying to do everything in their power to deflect from the scandals that continue to emerge from their own parties. Speaker, it's questions that people are asking about them, like is the certa nomination of 11 Conservatives candidates entirely by passing the democratic nomination process? Is it, Speaker, they're ashamed about commitment to removing all safe injection sites if elected? Sites that have saved lives of those suffering from mental health and addiction issues? Is it, Speaker, commitment to undo police oversight in our province that was recently passed in this House, oversights -- Or is it, Speaker, the nomination of somebody like Tanya Granic Allen. Part of their party, who is known to take anti-

muslim stand, who's known to take antiwoman stand, Mr. Speaker. That's what --

MPP Coe (PC) to Minister Hunter (Advanced Education) re: York U. strike

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