Summary of Question Period for Wed. May 2, 2018

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Please see the attached summaries of today's Question Period.

MPP Sattler (NDP) to Minister McMahon (TBS) re: University executive salaries

MPP Smith (PC) to Minister Thibeault (Energy) (Hydro Executive Salaries)

MPP Fedeli (PC) to Premier and Minister Sousa re: the recent FAO report on government finances

MPP Fedeli (PC) to the Premier and Minister Sousa re: FAO report mentioned above

MPP Tabuns (NDP) to Minister Thibeault (Energy) re: Fair Hydro Plan

MPP Sattler (NDP) to Minister McMahon (TBS) re: University executive salaries

>>MPP Sattler: Thank you, Speaker. My question is to the **Premier.** Speaker, for 15 years, this Liberal government has known about excessive executive salaries in the broader public sector but has done almost nothing to rein in executive compensation. This week Londoners learned about proposed salary increases for western university senior administrators. The Liberals have allowed boards of governors the freedom to select their own comparators to determine salaries, without any oversight to ensure that the comparators are valid. This can lead to significant salary increases far beyond what is reasonable or appropriate. Similar concerns have already been raised about Nipissing university, and we expect to hear more as university compensation, Speaker, why has this Liberal government refused to put meaningful controls in place to rein in executive compensation in the university sector? frame works are posted across the province.

>>Minister McMahon: Thank you, Mr. Speaker. I want to the member opposite for her question. It gives me an opportunity, Speaker, to not only address this issue but to put some facts around it that are extraordinarily important. So, you know, Speaker, our government froze salaries across the broader public sector in 2012. And when we renegotiated them more recently, we put some really important pieces in place. So, for example, our framework enforces strict rules that prohibit executives from receiving unnecessary perks such as prerequisite signing bonuses, retention bonuses, unrestricted severance. Because we remain committed to ensuring that fairness and accountability, in the way that these broader public sector executive frame works and pay are structured, Speaker. We did away with task housing allowances. Required and so on. I'll speak more

in the supplementary about what we're doing in terms of our framework for our broader public sector salaries, Speaker .

>>MPP Sattler: Speaker, what is even more troubling is that decisions about executive salary increases are being made after a decade of Liberal underfunding of the postsecondary sector. For years Ontario has had the highest university tuition and the lowest per-student funding of any province in Canada. This has undermined the quality of postsecondary education for students and led to an explosion of contract faculty. It has contributed to deep divisions between administration and academic workers at York university and jeopardized the career plans of thousands of young people at York, with the strike now in its ninth week. Speaker, does this Liberal government believe that increasing the salaries of senior university administrators is more important than the quality of education that Ontario postsecondary students receive?

>>Minister McMahon" Thank you, Speaker. The member opposite, Speaker, in her question talked about what's more important. Ant juxtaposition. I want to say, Speaker, that as a government it's important to strike a balance between attracting really great talent, which is what we've done, and setting fair and reasonable compensation packages for the broader public sector. We remain committed to ensuring fairness and accountability in terms of how that compensation is managed, but overall, Speaker, we believe the people of Ontario have the right to know how their dollars are being spent and they deserve a clear rationale for why executives are paid what they are. That's why we implemented the broader public sector executive framework in 2016. This framework requires enhanced transparency through the public posting of executive compensation and framework so that the public can understand and appreciate and it's an important exercise in democracy and accountability, Speaker. Now have the opportunity to provide feedback as well, Speaker. We're proud of our public servants in this province. We have taken these important accountability measures --

MPP Smith (PC) to Minister Thibeault (Energy) (Hydro Executive Salaries)

>>MPP Smith: Good morning, Speaker. My question's to the **Premier**. Speaker, first the **Premier** gave mayo Schmidt millions of dollars when she made him the C.E.O. At Hydro One and now we know that he's become the $6 million man. Then Hydro One board gave themselves millions of dollars in raises and tried to make it impossible to hold them to account. We don't know how big the millionaires' club is, but it's $412 million large. Finally yesterday your government, **Premier**, voted against reviewing compensation at Hydro One. So, Speaker, to the **Premier** what we really want to know is when is the **Premier** going to start to stand up for electricity customers in the province of Ontario and not the millionaires' club at Hydro One?

>>Minister Thibeault: Thank you, Mr. Speaker. It was this government and this **Premier** that actually stood for families last year when we brought forward the fair hydro plan and that party stood and voted against it, Mr. Speaker. It was this government and this **Premier** that actually brought forward the Ontario electricity support program to help low-income individuals, to help seniors, Mr. Speaker, and it's that party that voted against it, Mr. Speaker. We made sure that we brought forward our concerns to the board, and over the last weekend, Mr. Speaker, our government urged Hydro One's board to revisit its executive compensation model and it's exactly what they're doing as the largest shareholder we welcome the board's decision to re-examine the compensation model, Mr. Speaker, which will include independent advice as well. The board's decision to increase executive compensation was done without our involvement, so changes to compensation, Mr. Speaker, and severance. That were adopted by the board were released to us March 29. We acted and we are now making sure we can have that review through the board, Mr. Speaker. Thank you very much.

>>MPP Smith: Speaker, it was this **Premier** and this government that handed out the multimillion-dollar

salary to the C.E.O. Of Hydro One and then it sat idly by and watched it ever increase. Only we can't see all of it, Mr. Speaker. You know, yesterday in the legislature, members on the government side were trying to justify the salary of the $6 million man. They're trying to defend the indefensible. This government's legacy on electricity is the same as its legacy on everything. Mountains of new debt. A select few based readers that are getting rich and everyone else in Ontario is getting stuck with the bill. On Monday the **Premier** will send out the energy Minister to say that the compensation is being Rd. Then on Tuesday every Liberal votes against reviewing it. That's what happened yesterday and they're trying to justify the $6 million, Speaker. Speaker, when will the **Premier**. Show some leadership and finally deal with the millionaires' club at Hydro One?

>>Minister Thibeault: Thank you, Mr. Speaker. We brought forward over the weekend our role as largest shareholder asking the board to revisit their executive compensation model. They're doing just that, Mr. Speaker. Because we found out about this in March, at the end of March through the management information circular. The board now acknowledges that, as their largest shareholder which is this government, unshould be engaged on such material issues and that changes needed. So while Doug Ford and the P.C.S, Mr. Speaker, would take that erratic and reckless approach and fire the board and do absolutely nothing to reduce rates, Mr. Speaker, we believe in a stable solution that exercises our authority as the largest shareholder. So with this in mind, Mr. Ser, our government will abstain from voting on the say on pay shareholder resolution at the Hydro One annual general meeting which is may 15, Mr. Speaker. To give the board the necessary time to re-examine the matter. Our government continues to focus on fairness for all people in this province, Mr. Speaker .

MPP Fedeli (PC) to Premier and Minister Sousa re: the recent FAO report on government finances

>> Vic Fedeli: Thank you and good morning, Speaker. My question is for the **Premier**. Well, another week, another damning report is out on the government's faulty fiscal record. This time we hear the truth from the financial accountability office. The F.A.O. Agrees with the auditor general. They, too, forecast a $12 billion deficit for 2018-19, Speaker, twice what the government has said the deficit will be. The government did not slay the deficit as they claimed. Speaker, in fact the only thing they slayed is any credibility of trust or credibility. The government told us one thing when both legislative officers told us the truth, which happens to be a completely --Picture. Speaker, why does this government think it can get away with presenting inaccurate numbers to the people of Ontario?

>> **Premier** Wynne: Thank you very much, Mr. Speaker. I not Minister of finance is going to want to speak to this issue in the supplementary. What I want to say, Mr. Speaker, is that we thank the financial accountability office for their annual economic and budget outlook and we're pleased Mr. Speaker, Mr. Speaker, and I’m going to quote from the report that he notes that this year and I quote -- the Ontario economy recorded the strongest pace of growth since the early 2000s and that, and I quote, job growth surged last year with 128,400 net new jobs, Mr. Speaker. So the reality is our economic growth has outpaced that of mostountries in Europe, Mr. Speaker, and in North America. Our unemployment rate is at a 17-year low, Mr. Speaker. Now we know that everyone has not benefitted from that, and we have made a deliberate decision to invest in the people of this province, Mr. Speaker. To invest in their care. And I thank the financial accountability office.

>> Vic Fedeli: Back to the **Premier**. Actually the financial accountability office was quite revealing. Their report provided evidence, Speaker, that the tale the **Premier** has told this House about why they're running a deficit is not accurate. The **Premier** said she chose to run a $6.7 billion deficit this year, saying it was for infrastructure. But the F.A.O. revealed, for the first time, that that is not true. The F.A.O. Revealed that the government already

had a $3 billion deficit for 2018. This government thought it could get away with that again and got caught. Speaker, now that the F.A.O. Has exposed this, isn't the **Premier** the least bit red-faced for being caught red-handed?

>>Minister Sousa: Mr. Speaker, we do thank the financial accountability officer for their report. He does highlight the fact that Ontario's economy is of course the strongest pace of growth since the early 2000s. He does cite the fact that our job growth surged last year with 128,400 net new jobs. Indeed, Mr. Speaker, we are leading North America, United States and Europe in terms of our G.D.P. Growth and the F.A.O. Acknowledges that some of the investments that we're making are tremendously significant to our economy and to our society, Mr. Speaker, including the benefits of supports for pharmacare and supports for skills and training. Furthermore, he has adopted the position of the auditor general, which is in dispute with independent world-renowned accounting firms, Mr. Speaker, including members of the Canadian accounting standards board. Who provided evidence and indication that the principles of accounting that are being adopted are accurate. We're proceeding as such, Mr. Speaker .

>>Vic Fedeli: Well, Speaker, the report also confirmed our job numbers to go down to 60,000 a year in the coming five years as well. That's something that was also presented in the budget. So the long-term outlook is quite different. But, Speaker, on page 15, on page 15 of the economic and budget outlook, this is where the truth is exposed, Speaker. The government told us that $6.7 billion in deficits was for infrastructure. That is simply not true. In the F.A.O. Report they show that 3.7 billion is what the promises develop into a deficit and that $3 billion was a hidden deficit for the year 2018-19. Speaker, 3 plus 3.7 is 6.7. They had a $3 billion deficit. Why did they try to hide the $3 billion deficit from the people of Ontario?

>>Minister Sousa: Be very clear, we have built lots of prudence. We have reserves. We have contingencies. The auditor general himself and th F.A.O. Has noted that we are very cautious in our assumptions that and that they're reasonable. They stated that. We are talking about two issues at dispute. One around pension assets and another around the degree of rate regulated accounting. Both of which are associated with independent auditors and experts who are saying it is absolutely fine to proceed as such. Those are policy decisions that werade, and in the case of pension assets, that is an issue that's ongoing for 20 years, even when the Conservatives were in power, Mr. Speaker. They assumed exactly the same accounting principles. We have not done anything other than provide full disclosure. They've had clean audits with the O.P.G.. The auditor general has agreed that it was accurate. We're going to proceed as such, Mr. Speaker. We have full disclosure. Full access. And we have a surplus, Mr. Speaker .

MPP Fedeli (PC) to the Premier and Minister Sousa re: FAO report mentioned above

>> Vic Fedeli: Thank you. Back to the **Premier**. Well, look. They have not disclosed the books. They have not been in balance. They have told the people of Ontario one thing when both legislative officers have told us the complete opposite, Speaker. So I will review again, whydid they have a $3 billion hidden deficit? That's not full disclosure. That's here. It took the financial accountability officer on page 15 to show us a $3 billion hidden deficit. They were not in balance, Speaker. They have told the House one thing when the truth is completely opposite. Speaker, I want to know the truth from this finance

Minister and from this **Premier**. Why is there a $3 billion hole in the budget? Why?

>> **Premier** Wynne: Thank you very much, Mr. Speaker. You know, I just want to say to the member opposite that, when I came into this office and when we brought our first budget forward, we made it clear that we were going to increase the deficit in order to invest in infrastructure. We did that, Mr. Speaker. We stayed on track to eliminate Nate the deficit. We did that this year, Mr. Speaker. We have a $600 million surplus, Mr. Speaker. And we have made a deliberate decision and openly, transparently we have made a decision to invest in people in child care, Mr. Speaker, in home care, investment in hospitals, investment in tuition, free tuition for students, Mr. Speaker, and in prescription medication for children and for seniors. We've been very clear, Mr. Speaker, about our intention -- And, Mr. Speaker, the reason that we can have this discussion about our finances is that we put in place a requirement to have a pre-election report. And that is what we are discussing openly and transparently, Mr. Speaker .

>> Vic Fedeli: Well, thank heavens we had a pre-election report from the auditor general, who exposed a $12 billion deficit instead of the nonsense the government told us. And thank goodness that the financial accountability officer came out today and explained that yes, indeed, we do have a $12 billion deficit, not the nonsense the government told us. And he further drilled down and showed us, in that deficit is a $3 billion existing hole in the budget. The **Premier** just doubled down, saying THA she made a deliberate choice to go into $6.7 billion deficit. That is absolutely not true. It's a $3.7 billion that she's saying she's investing there. 3 billion of it was a hidden, secret hidden hole in the budget. I want to know. We all want to know. The people want to know why did it take the financial accountability officer this morning to come out and tell us? You did not slay the deficit. You have.

>> **Premier** Wynne: You know, Mr. Speaker, I do understand why the member opposite would be so frantic as he holds the books, that the information he's saying is secret is printed in black and white, Mr. Speaker. He is reading the numbers because we are being transparent, Mr. Speaker. And what we are not Mr. Speaker, he has the information because we have made it available and made it transparent. Mr. Speaker, I also understand that heould be additionally frantic because healing with a leader who is behind closed doors making deals with big developers, Mr. Speaker. And all the way -- On preserving the greenbelt when he's caught in the light of day, Mr. Speaker. We have consistently been open about our finances. We have consistently supported the greenbelt, Mr. Speaker. We believe that our environment is precious and once that land is gone, it's gone forever. Mr. Speaker, I understand why he –

>> Vic Fedeli: Well thank you, Speaker. The only people hiding anything in this legislature is this government, Speaker. And thank heavens the F.A.O. Showed us the $3 billion hidden deficit that this government had. And he explained why, Speaker. He actually told us how this $3 billion hole came, and quite frankly it's no surprise to anyone on this side of the House. He has told us it's because they ran out of things to sell. He said the government will see weaker revenue gain due to a loss of time-limited and onetime revenue. That money was onetime sale of assets. They sold Hydro One. They sold buildings. They sold shares. They ran out of things to sell, and now they have a hidden deficit. They told us that it was a $6.7 billion deficit when 3 billion of that deficit was actually a structural deficit. Built in, Speaker .

>>Minister Sousa: Speaker, very quickly, it was this government that actually passed the fiscal transparency and accountability act precisely because that party -- That party did in fact hide the deficit. Furthermore, Mr. Speaker, we brought in the F.A.O. as well,

recognizing the need to look at projections going forward and this is what we're talking about is projections, Mr. Speaker. 40 years has passed. They've only balanced budget three times. We've dewon more than that, Mr. Speaker, almost twice as more. Furthermore there are public accounts. There's the actual results that are achieved. Third-quarter results have shown that we have balanced the books and we have a surplus. Dbrs just again made the connection and said that we are double-a raise and stable, Mr. Speaker, because of the fact that we have done so. Furthermore we are putting forward 230 billion over 14 years for those capital improvements and we've exceeded our targets year over year, Mr. Speaker.

MPP Tabuns (NDP) to Minister Thibeault (Energy) re: Fair Hydro Plan

>>MPP Tabuns: Thank you, Speaker. Speaker, to the **Premier**. On April 19th, the Ontario energy board announced what at least seems to be good news. Hydro rates were not going up. But it turns out that this was just government propaganda, because if you dig just a little bit further, you find that actual hydro costs have jumped by roughly 10% from last year. The government is using borrowed cash to he these true costs from the public before the election. Why won't the **Premier** just tell the truth, that her $40 billion hydro borrowing scheme will send bills skyrocketing by 70% after the election?

>>Minister Thibeault: Thank you, Mr. Speaker. The fair hydro plan, as the member is well aware, is bringing forward and has brought forward, Mr. Speaker, a 25% reduction for all families across the province, and then that, Mr. Speaker, is being held to the rate of inflation for the next four years, Mr. Speaker. And then the long-term energy plan, Mr. Speaker, also shows costs are being pulled out of the system to keep our system reliable, clean and affordable for all people right across the province, Mr. Speaker. It is good news, Mr. Speaker, that the O.E.B. Brought forward no rate increases this year. And we'll continue, Mr. Speaker, to work with all our partners to ensure that we kp having a system that is reliable, a system that is clean and affordable, Mr. Speaker. For us on this side of the House, we made sure that we acted on it for the opposition party, Mr. Speaker. They voted against that.

>>MPP Tabuns: Thank you, Speaker. Again to the **Premier**. The **Premier** is using borrowed cash to hide the true cost of hydro before the election. But background documents buried in the Ontario energy board's website show the truth. Actualydro costs have jumped about 10% from last year. Those are the costs that Ontario families will still have to pay after the **Premier**'s payday loan comes due. Leaked government documents show that hydro bills will rise 70% over ten years, starting after the election. Will the **Premier** tell Ontarians the truth that her hydro borrowing scheme drives bills up even further over the long term, not down?

>>Minister Thibeault: Thank you, Mr. Speaker. Once again there's a document called the long-term energy plan. I encourage the member to read it, where he will see that the actual rates are actually lower, Mr. Speaker, moving forward than they would have been even four years ago, Mr. Speaker, and where that projection would be. We invested, Mr. Speaker, in the fair hydro plan to make sure that we could reduce rates by 25% for everyone across the province, Mr. Speaker. They voted against that, Mr. Speaker. And you know what, Mr. Speaker ? They have no plan when it comes to actually reducing rates. What they want to do is eliminate the fair hydro plan. They want to raise rates by 25%, Mr. Speaker. On this side of the House, we brought forward a plan. We helped all families right across the province and 500,000 small businesses and farms, Mr. Speaker,

and those that live in rural and northern parts of our province, they continue to see rates anywhere that have been reduced between 35. And 50% on average, Mr. Speaker. We will continue to act on behalf of the people of Ontario and helping them, Mr. Speaker, keeping a clean reliable and affordable system.

>>MPP Tabuns: Speaker, again to the **Premier.** Speaker, and again to the **Premier.** Minister of energy was positively gleeful last week after the Conservatives release add hydro plan that kept all of the worst Liberal hydro policies. The Conservative plan will keep the Liberal government's $40 billion hydro borrowing scheme, which will drive bills up by more than 70% after the election. Conservative plan will keep private profits on our hydro bills and will keep Hydro One privatized. And the Minister of energy couldn't be happier. Why on Earth is this government celebrating the fact that the **Premier**'s hydro policies have been endorsed by Doug Ford?

>>Minister Thibeault: Thank you, Mr. Speaker. So the NDP Platform when it comes to electricity has them buying back billions of dollars in shares of Hydro One that will not take one cent off of electricity bills for Ontario families and businesses, Mr. Speaker. I don't know why they think that's a good idea. On this side of the House we brought forward a plan, Mr. Speaker, that reduced rates by 25% and theyoted against it, Mr. Speaker. When it comes to first nations, when it comes to individuals living on first nations, Mr. Speaker, we eliminated the delivery credit, Mr. Speaker. They voted against that. When it comes to low-income individuals, Mr. Speaker, and their plan wasn't even mentioned until the last page, Mr. Speaker. We make --So, Mr. Ser, let's think about this. They're going to spend billions buying back shares of Hydro One that actually will not do anything to lower anyone's electricity bills but those billions of dollars that they spend will mean that they will have to close schools, close hospitals. What are they going to cut, Mr. Speaker ? Make sure that they can buy back a plan and a company that won't save anybody anything, Mr. Speaker .