

FW: Summary of Question Period for Tues. Oct. 04, 2016

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From: Flowers, Robert (TBS)
Sent: October-04-16 12:39 PM
Subject: Summary of Question Period for Tues. Oct. 04, 2016

Please see the attached summaries of today's legislative question period.

MPP Brown (PC) to the Premier and Minister Sandals (Treasury Board Secretariat) re: Public Accounts

>> Patrick Brown: Mr. Speaker, my question is for the Premier. According to the auditor general, this is the first time in the history of Ontario that the financial statements have been released without the auditor general's opinion. And I'm -- an unprecedented action in Ontario's history and incredibly disrespectful to the auditor general and the people of Ontario. But why, why would the release without the a.g.'s opinion? That's the big question. Was it because she discovered the government has an \$11 billion hole in their budget? Mr. Speaker, that includes \$1.5 billion deficit this year. That's a lot of money. How will the government fill this hole? Is it going to be through new taxes? Higher hydro rates? New fees or will the Liberals just cut services?

>> Premier Wynne: Thank you very much, Mr. Speaker. Let me begin by saying jays go - blue days -- go, Jays, go. Blue Jays. Mr. Speaker, we were very clear yesterday that we have accepted, we have accepted the auditor general's numbers for this year. We released the documents despite the divergence in accounting opinions specific to two pension funds between treasury board officials and the auditor as part of our commitment to openness and transparency, because it was past the date, Mr. Speaker, when that information was to be in the public. In the meantime, we will be consulting with experts on how our pension assets should be accounted for moving forward. Officials will be engaging. Expert accounting community to support a full understanding of how that --

>> Patrick Brown: Mr. Speaker, back to the Premier. Every time it looks like the Liberals are hiding something, it becomes just a matter of time until they get caught. First they tried to hide the cost of the gas plant scandal. We later found out that it cost over \$1 billion. Then the financial accountability officer caught the Liberals when they were supposed to use the funds from the fire sale of Hydro One for transportation, and then it

goes to the deficit. And now the auditor general caught them trying to hide an \$11 billion hole in the budget. Mr. Speaker, I know our grade 6 students are failing in math but I at least thought the government knew how to count. I expected better from this government. So my question is directly to the Premier, why has the auditor general given your government a failing grade on public accounts? Directly to the Premier.

>> Minister Sandals: Yes. Thank you very much, and I'm very pleased to report that using the numbers that were suggested by the auditor general, what we really showed yesterday was that in fact we have beat our deficit target, Speaker, for the seventh year. I consider that very important because it shows what is happening with the province's books and with the province's fiscal performance is in fact we are managing our economy prudently and we are on target to reach our goal of balancing the budget in '17/18. We in fact showed that we had a projection originally of an 8.5 billion deficit. We now have a 5 billion deficit last year. We beat our projection, Mr. Speaker.

>> Patrick Brown: Mr. Speaker, back to the Premier. Sometimes I wonder what fantasy world this government is living in. When it comes to believing this government or the auditor general, I'm with the auditor general. This is the auditor general saying that there is an \$11 billion hole in the budget and there is now an additional \$1.5 billion away from balancing the budget. Why this government continues to ignore and disrespect the auditor general is beyond me. On the flipside you have the government saying that everything is fine, that their numbers add up. The auditor general is saying fairly clearly that --So, Mr. Speaker, instead of ignoring the auditor general, how is this government going to make up the \$1.5 billion in their current budget? And additionally, Mr. Speaker, how does this government reconcile the fact that they're the first government in Ontario's history to release public accounts without the auditor general's opinion? It's beyond me.

>> Minister Sandals: Thank you. I'll go over this one more time calmly. When we tabled our budget in 2015, we projected that the '15 --16 year would result in a deficit of 8.5 billion. When we tabled our budget, the current-year budget last spring, 2016, we said the interim projection for a deficit would be 5.5 billion, and what did we actually achieve using the auditor general's numbers? We achieved a deficit of 5 billion. In other words, we beat the budget targets using the auditor general's numbers by \$3.5 billion. The member from Kitchener-conestoga, come to order. You do have a wrap-up sentence if you want. Yes, thank you. So, to me, it is good news that "A" we got the financial information. Out to the public and "B" that we've beaten our deficit target.

MPP MacLeod (PC) and MPP Fedeli (PC) to Minister Sandals (TBS) re: Public Accounts

>> Lisa MacLeod: My question is to the Premier, Speaker. Halloween came early it appears yesterday when the government was so spooked by my question about the public accounts that they treated us to a hastily held technical briefing, a press conference and unaudited financial statements. This is unprecedented. It's never happened in Ontario before. It showed an \$11 billion hole in their budget, and they tried to hide it by admonishing and undermining the auditor general. Despite the auditor's warning this past June of accounting changes in her -- and then again in the 2015

auditor's report in chapter 2 which I'll have one of the pages deliver. The government has been aware of this, Speaker, for quite some time. And they want to know, as Ontarians, how this government is going to pay for it. Are they going to cut services to kids with autism? Are they going to be even higher hydro bills, new taxes, or are they going to trick us with all of the above?

>> Minister Sandals: Yes, thank you. I think, Speaker, we should maybe go back to the beginning of the story, which is that while there certainly has been an ongoing discussion between the public servants who do the accounts and the auditor general, not I would say the politicians for the record. While there's been an ongoing discussion, the first notification we got that the auditor general would not treat -- was rejecting the pension treatment which had currently been used for the last 14 years. Thank you very much. For the past 14 years, since 2001/2 year, the auditors of Ontario have approved a particular accounting practice -- We were faced with the situation -- That the auditor presented us on September the 13th with written information that she was rejecting the treatment. Used for the.

>> Victor Fideli: Good morning, Speaker. My question is for the Premier. Yesterday the auditor general confirmed there's an \$11 billion hole in the government's budget. Rather than co-operate with the auditor general, the government went into full panic mode with a desperate news conference. Rather than address the financial waste and mismanagement, the government continued to break their legal obligation. They stonewalled the province's independent officers. Speaker, there's a pattern here, and now they have released unaudited financial statements. No verification from the auditor general. Speaker, people in Ontario want to know what this government is hiding and how it affects them. I asked the Premier, if the auditor general refuses to verify their numbers, how can we ever trust anything they tell us?

>> Minister Sandals: Yes. We had advice from our public servants, who we certainly hold in high regard, that the books should be treated one way. We had advice from the auditor general that the books should be treated another way. The way Cabinet resolved it was to actually pass a regulation that the auditor general's treatment would be used in 2015. So I would point out that using the treatments that the auditor general asked us to use, that in fact what we have is a \$5 billion deficit, which is \$3.5 billion lower than what we originally projected in the budget, Speaker. We do not have some sort of panic as the person over there seems to think. What we have is the desire to get this information to the public so the public can figure out what is going on.

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

MPP Fife (NDP) to Minister Sandals re: Public Accounts

>> Fife: Thank you, Speaker. My question is to the Premier. Speaker, this government has received to give information to the financial accountability officers. They have attacked and they have undermined the auditor general for this province repeated lil over the years and now they have tabled the public accounts without the auditor general's opinion for the first time ever. There is a pattern here, Speaker. This government is making the kind of history that these people -- that leaves people deeply disappointed. Will the Premier admit that this was a mistake and work with the auditor to retable audited

public accounts for the province of Ontario?

>>Minister Sandals I will be absolutely delighted to table the public accounts but I cannot do that until we have an audit opinion from the auditor. That is why yesterday we released the five consolidated financial statements in our annual report, which is the same financial information. It is because we are awaiting an opinion from the auditor, and I would point out that we in fact passed the deadline for the tabling of the public accounts last -- on the 27th, and I am not able to table the public accounts until we have an opinion from the auditor. So when we get the opinion, when we get the opinion from the auditor, I will indeed table the public accounts. Thank you.

>> Fife: Mr. Speaker, they have an opinion. They just don't like that opinion. Speaker, this Premier promise today have the most transparent and open government in Canada, but that's not what people are seeing. The government is trying to avoid accountability very clearly. By tabling financials without an audit the Liberal government is releasing numbers that suit them, not the people of this province. We believe that the government should be about serving the people, not the interests of the Liberal party. Will the Premier commit to retabling the public accounts with the agreement of Ontario's nonpartisan auditor general?

>>Minister Sandals: So just let me restate, I do not have a written opinion from the auditor general. What we have -- once we have a written opinion from the auditor general, I will be very happy to retable the accounts, and they will say what the consolidated financial statement said, which we released yesterday, which is that the province has beaten its deficit target for the seventh year in a row. We have projected an 8.5 billion-dollar deficit. In fact we achieved a \$5 billion deficit, and that that is -- We achieved a \$5 billion deficit which is 3.5 billion dollars better. Than what we had projected in last year's get.

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