

[TRANSCRIPT] PC Response to Auditor General's Report - MPPs Fedeli, MacLeod, Smith and Yurek in the Media Studio - December 6, 2017

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TRANSCRIPT – PC Response to Auditor General’s Annual Report – MPPs Fedeli, MacLeod, Smith and Yurek in the Media Studio – December 6, 2017

MPPs: Vic Fedeli, Lisa MacLeod, Todd Smith, Jeff Yurek

Media: Giovannetti, Morissette, City TV, Reynolds, Smith Cross, Hains, Carter, Smith, Artuso, Benzie, Ferguson, McGrath, Lamoureux, Crawley, 2 unidentified

[START TRANSCRIPT]

MacLeod:

- --who is our healthcare critic
- I just wanted to start by thanking the Auditor General Bonnie Lysyk for her great work in today’s Auditor General report
- The Auditor plays a critical role in holding the government accountable
- Her work would be—should be—valued and commended, not dismissed and dis-meaned [sic], like we’ve seen this government do at every opportunity, including in today’s annual report
- I’m also pleased that the Auditor has endorsed a number of ideas included in the People’s Guarantee
- Recently, Kathleen Wynne had the nerve to say there is no waste to be cut
- But today’s Auditor General’s report is a disgusting display of Liberal entitlement and waste that knows no limits
- The Auditor General identified over 1 billion dollars in potential savings in this report alone
- A culture of waste at Queen’s Park has festered under the Kathleen Wynne administration
- Life is good for well-connected insiders and friends of the government, while life has gotten harder and more unaffordable for Ontario families
- They’ve gotten rich while many Ontarians are struggling to keep their heads above water
- While families struggle to access the services they and their loved ones depend on
- I don’t even know where to begin
- In this report, we see Liberals dishing out 50 million dollars to hand-picked Liberal insiders and friends for infrastructure contracts
- One of the companies responsible for managing a 900-million-dollar capital project had previously performed poorly under another government contract
- How does this make sense?
- When it comes to emergencies, our province doesn’t even have an up-to-date plan to deal with nuclear disaster, climate-related incidents, or terrorism
- We’re relying on plans from 2009—they are clearly asleep at the switch
- In the energy sector, we again see the politically-corrupt Kathleen Wynne Liberals helping well-connected energy companies profit, driving up hydro bills for families, seniors and mom-and-pop shops across the province
- And as we saw yesterday with Goreway, the Liberals’ hand-picked committee to fix gaps in the energy sector was run by the same insiders who gamed the system and fleeced ratepayers with the help of the government
- While we already know about Goreway, the report names 3 other organizations

that are being investigated by the IESO and are members of the working group responsible for cleaning up this mess

- Kathleen Wynne must immediately release the names of these individuals and tell us whether they remain on the working group or not
- There's no doubt we need to clean up our electricity system
- The report describes a repulsive display of waste that would make any honest, hard-working taxpaying Ontarian cringe
- While seniors saw their power disconnected in the dead of winter, wealthy power executives were expensing thousands of dollars on scuba gear and car washes
- But politically-corrupt members of the working group shouldn't be responsible any more for ensuring ratepayers don't get fleeced again
- What I've touched on is only the tip of the iceberg when it comes to the monstrosity of Liberal waste in this Auditor General's report
- But the lesson remains the same: Kathleen Wynne and the Liberals remain untrustworthy
- They'll say anything, they'll do anything, and they will promise anything just to cling to power
- Some of you may think this waste is due to incompetence
- Some of it is
- But in reality, they're helping Liberals friend and insiders get rich while leaving hard-working families out to dry
- After 14 years, they will never change
- The Ontario PCs will put an end to wasteful Liberal spending—that's our guarantee
- It's time for change that works for you—the people, not the insiders
- My colleagues and I are happy to take any questions you may have

*Benzie: so you guys brought up—Lisa, you brought up the People's Guarantee. The People's Guarantee says there's going to be a 2.8-billion-dollar deficit next year, based on the numbers that the Liberal *inaudible* Liz Sandals said, based on the Liberals' numbers. The Auditor General says that the Liberals' numbers are wrong—presumably you guys agree with the Auditor General. So if the Liberal, if the Audit-, if the Liberals' numbers are, are wrong, there'd be a 7.3-billion-dollar deficit under your plan.*

MacLeod:

- I know my colleague—

Fedeli:

- *inaudible*

Benzie: *laughter*

Fedeli:

- *laughter*
- Well, we started, we started with the Liberal numbers, so that the people of Ontario can easily compare all of the plans
- Kevin Page, the former Parliamentary Budget Officer said that was a reasonable assumption to do
- And we heard Bonnie Lysyk today said using the Liberal numbers in our plan offers a comparison of apples to apples
- So we all started at the right point
- So so from our perspective we will work to ensure that the province's books are properly reported

Benzie: But so just to that point Vic it seems to me that you guys are going to get in to office and then you're going to say you know guess what it's actually a \$7.3 billion deficit, because we're going to

suddenly not count those pension assets and we're doing the fair hydro plan in a different way and so on.

Fedeli:

- Well don't forget the fair hydro plan was a secret deal where the Liberals forced OPG in to their scheme
- We've got the auditor today told us that she's going to uh I believe she said she's got the legal authority to audit the IESO because of their role in the uh so-called fair hydro plan
- So there's a lot that the Liberals kept secret
- There's a lot about that that we don't know
- So our party will work to ensure that we fairly report the province's books

MacLeod:

- And I think just uh the other point that we wanted to highlight today we were talking about having a value for money audit plan in place
- And we believe that it's easily going to be achievable to find waste in the system
- Bonnie Lysyk today indicated that there's almost a billion dollars in savings that we can find in just 14 departments
- So we would implement that
- And the other area that we want to talk about a lot obviously is government advertising
- It's grown
- It's, it's highest it's been in 10 years
- And it's up to 60 60 um million dollars
- \$20 million of which is self-congratulatory partisan ds that the auditor would never have uh have uh authorized
- And so we see that it also is happening is that the government has made a decision that they want to go in to target opposition ridings
- So I think Ontario taxpayers deserve to know that their hard earned money is going to be paying for Liberal partisan advertising as well as parkas pizza parties car washes the whole nine yards
- And that's what this report is really about
- But for Kathleen Wynne to say that there's nowhere to cut
- And that there's no savings in the system
- The reality is she is just walked in to a \$1 billion ball of waste in her own government in just fourteen departments
- And I think that that that is not lost on people

Crawley: Todd how did you react when you saw the stuff about the racoon traps and scuba gear?

Smith:

- I was surprised actually to see parkas and landscaping and car washes and uh racoon traps being include in in uh the uh audit that was that came out in to the natural gas facilities
- But the government shouldn't have been
- And I think that's the whole point is that uh you know the alarm bells should have been going off for the last number of years because the OEB had been warning them that these type of ineligible expenses were being included in their filings with, with IESO
- And I think it speaks to what Lisa's saying too
- I mean for years we've been we've been talking about the fact that the government isn't removing any costs from the system when it comes to electricity

customers

- Here we have a perfect example of how we could remove millions, tens, hundreds, of millions of dollars from electricity customers bills simply by responding to the alarms that have gone off uh from IESO
- From the OEB
- I mean the warning signs were out there for years
- And the government did nothing about it
- We had four different energy Ministers who were in charge
- They all ignored it
- We had uh two different Premiers who were in charge while these red flags were being raised by the OEB
- And nobody did anything about it
- So um you know we are going to do something about it
- That's our promise to the people of Ontario
- That we're going to end this wasteful spending
- And still there's \$92 billion hanging out there that hasn't been accounted for

Media: Jeff what concerns you the most about the healthcare audit?

Yurek:

- I think it it's showing the, the lack of oversight management of the healthcare system
inaudible
- The uh, the stem cell issue, the fact that uh this government was warned back in 2009 of uh impending problems with wait times with regards to stem cell treatment
- And they didn't act on it
- They ignored that until uh, unfortunately there was some high profile cases of people dying while waiting to get the services they need
- And because of that situation was going to make the government look bad, they acted upon making some changes
- However, uh, we're still seeing a large number of people having to leave the province in order to seek the stem cell treatments that they need
- The auditor general is looking at over \$70-million over the next three years whereas this government investing \$35-million to try to alleviate the problem
- I think if they had actually acted upon it, seven years ago, um, we probably *inaudible* situation would have been in
- And we wouldn't have seen people dying in this province because of their lack of action waiting to get the treatment they need for cancer

Carter: On teachers, do teachers themselves bear any responsibility for using sick days because they can't bank them, perhaps they are not sick?

MacLeod:

- Ultimately it is the Minister's responsibility
- And today the Minister decided she was going to shook her responsibility by offloading her responsibility to school boards

- At the end of the day, I'm fortunate, my daughter is going to a wonderful school, Ottawa-Carleton district school board, I heard her teachers are very attentive, they work very hard
- But at the end of the day, if there is being an abuse, and it's been identified by the Auditor General, it is the responsibility of the Minister
- Not the school board if it's happening throughout a variety of different school boards
- To take responsibility – to uh, act, some type of policy to ensure it is not being abused

Carter: The Minister didn't seem to think that there was any kind of problem with people shirking their responsibility at all

MacLeod:

- She – shirked her responsibility

Carter: Uh, let me rephrase that. Uh the Minister didn't seem to find any problem with teachers taking sick days when they are not sick

MacLeod:

- Uh well when you are looking at uh, the fact that it's got such a big line now in the budget
- And that money is being redeployed from helping kids in the classroom to paying for substitute teachers and the Auditor General has identified that as an issue
- I think it's something that the Minister has to work on
- If it's in the Auditor General's report, it is generally a problem
- And so if the Minister wants to pretend it doesn't exist, she can continue to do that
- And we'll just have to replace her in another few months and get to the problem
- And fix it

Crawley: So what do you propose they do actually? Should they be asking teachers for doctors notes, or how do you actually monitor that these sick days are actually legit?

MacLeod:

- Well I can't comment on individual cases
- And it would be irresponsible of me to do that
- But I think that obviously uh, the Minister has a responsibility to work with the school boards as well as the unions to ensure that sick days are being used when people are sick
- And uh, I think that is a commitment that everybody should make to the people of the province
- But in particular to our students who deserve a good and solid education
- In the most parts they are getting it
- But then you look at some of the other areas in the – in the auditor's report when it comes to math scores, I have a child that is in grade 7 myself

- And throughout the report we see countless examples of waste
- But when it comes to the success of students, we see that the Wynne – Liberal government incompetence shinning right through
- Math scores have fallen below the provincial standards since 2008
- But the government sat on their hands and did nothing until 2016
- So I think there's a critical question there of the quality of learning
- And what this Minister – this is a government that prides itself on education
- The Premier was a former trustee
- She was a former Minister of Education
- Yet we consistently see failings in our – in our education system here in Ontario
- Whether that's Toronto, Ottawa or elsewhere

*Benzie: Was it a mistake, did the Liberals screw up when they ended the practice of banking sick days? It seems that's exactly tied to that, there's a spike after they do that, *inaudible* teachers aren't toughing it out *inaudible* sick days? If they're sick, they stay home.*

MacLeod:

- I'm not sure
- I mean, it would be an interesting question to ask the Auditor General
- And perhaps in a follow-up report she may, she may look at that
- As a member of the committee on the public accounts, we'll be reviewing a lot of these chapters in, in a little bit more depth
- And that just brings me to another—and I, and I hate to pivot but I do want to point out that she had 2 volumes in this report
- So it, this was one, I think probably the biggest report I've seen since I've been elected here 12 years ago
- In addition to that, it, it contained 2 volumes
- One was the 14 programs that she reviewed, the public accounts and the government agencies and reporting and that sort of thing
- The second was about follow-ups
- And in many cases, there weren't proper follow-ups being done by the ministries after she identified things over a period of 2 years, whether it was palliative care or elsewhere
- So I think, I think what you, what you're seeing here is a government that really—whether it's in education, healthcare, energy, anywhere—taking responsibility for its failings
- And I think it's very loud and clear you see that in chapter 2 when they, again, demean the, the work of the Auditor General and disagree with her findings

*Media: *inaudible* saying that there's up to a billion dollars of savings that the AG here has, has highlighted. A, a lot of those savings on things like generic drugs aren't things that a government could just do overnight. Those things require extensive, long negotiation. Realistically, how much, how much savings are there in this, in this annual report that could be done within the next year or two? Within the short term?*

MacLeod:

- You know what, let me, let me just follow-up on the question I just answered
- In one, in one area—I believe in palliative care—in a follow-up review that hasn't been initiated in two years, there are a number of low-hanging fruit that could be done immediately
- I can have my colleague speak to various parts of, in their portfolios—
- Perhaps Jeff and, and, and Todd want to, want to mention it
- But, you know, Todd just mentioned the fact that the government—they, they, sorry, there, there are executives that are expensing things that are ineligible to be, you know, expended, and, or, reimbursed
- And so therefore, that's going on to people's, you know, energy bills
- So that's one
- The palliative care is another area and the follow-up—and I, I, I urge you all to look at the follow-up reports, because they, they contain, I think, more examples of waste and mismanagement
- And as Todd said, alarm bells
- So, do you guys have any?
- Anything [that] you want to add?

Yurek:

- Well, I mean, simply, you know, acting on the community labs and ensuring that the new pricing model is put in-place sooner than later
- That will achieve some savings
- Working towards expediting the stem cell treatment centre so that we're—it's costing 5 times more money to send someone to the States, other than treating them in-home in Ontario
- Let's, let's get to work on transferring that over so over the 4-year term we have more of our treatments occurring in Ontario at a lower rate
- utilizing the lab sector we have in Ontario
- The Auditor General said we could do genetic testing in our province but we're sending it to, to, to other countries and other provinces at a higher cost
- Moving some of that stuff back home to Ontario to achieve those savings
- Those are issues we can take in the health care sector immediately to see some cost savings

Lamoureux: **French**

Smith:

- **French**
- What I was trying to say was um, you know **crosstalk**
- Thank you, thank you very much
- We're saving money already—we don't need a translator!
- Um, clearly I mean you know, things like coats and, and scuba gear should not be eligible expenses
- And they're clearly defined as being ineligible dispenses

- The government knew this; they were warned about this for years and did nothing about it
- You know, now, they finally acknowledged they had to do something about it
- But it took an Auditor General's report and, and some fine journalism to actually you know, shine a light on this issue
- This is one issue; this is the natural gas sector
- And you know it makes me wonder, and we've been talking about it for a long time
- The impact that these ministerial fundraising soirees we're going to have on the cost of electricity in Ontario
- We know about all the costs from the renewable sector
- Now we're starting to hear things about the natural gas sector
- And I have to wonder you know is this the result of a cash for access soiree
- And I, and I think it's, it's important that the Auditor General has shone a light on this
- However, the OEB was exposing this for years and years and years and the government did nothing about it
- So um, if we want to reduce the cost of electricity, and keep in mind we have the fastest rising cost of electricity in North America
- You know, there are ways to do it
- The auditor general points it out
- You have to actually roll up your sleeves and do some heavy lifting
- And that's something the government has been unwilling to do
- In spite of that fact that it's been right under their nose the whole time

Smith (QP Today): You guys have been talking about lowering electricity rates for manufacturers and it seems like the province has tried to do this. They've expanded the program three times but now we're seeing that that's being offset by residential billers and small businesses. Do you have a response to that?

Smith:

- Well, according to the report, it's unfairly hurting residential consumers
- What I would say is that in the People's Guarantee we're moving the conservation programs off of the electricity bill and moving them onto the tax base
- We'll also be reviewing all of the conservation programs that are out there to see which ones are working, which ones are effective, which ones are efficient
- And making decisions after that

Press Secretary: Thanks everyone

[END TRANSCRIPT]

