

MEDIA EVENT: PC'S RESPOND TO THE AUDITOR GENERAL'S ANNUAL REPORT

December 6, 2017

Time / Location:

1:30 p.m. / Media Studio

Speakers:

MPP Lisa MacLeod; MPP Vic Fedeli; MPP Todd Smith; MPP Jeff Yurek

Media Attendance:

Print – 11 TV - 4 Radio – 2

Media Outlets:

Benzie – Star; Ferguson – Star; Giovanetti – Globe; Artuso – Sun; Smith Cross – QP Briefing; Hains – QP Briefing; Reynolds – QP Briefing; Smith – QP Today; Crawley - CBC Radio/TV; Lamoureux - Radio Canada TV; Carter – Global; Stevens – Global; Rath - CHCH Television; Tumelty - City TV; Fortin-Gauthier – TFO; Morissette – TFO; Boyle -- Star

Statement by MPP MacLeod

Good afternoon. My name's Lisa MacLeod the MPP for Nepean Carleton and the Treasury Board Critic. I'm joined here today with by Vic Fedeli who is our Finance Critic in the Official Opposition. Todd Smith who is our Energy Critic. And of course Jeff Yurek who is our Healthcare Critic. I 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 demeaned 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's 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 handpicked committee to fix gaps in the energy sector was run by the same insiders who gamed the system and fleeced rate payers with the help of the government. While we already know about Goreway, the report names three 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 tax paying 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 carwashes. 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

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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 Liberal friends and insiders get rich, while leaving hardworking 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.

Q: Benzie: The People's Guarantee says that there's going to 2.8 billion dollar deficit next year based on the numbers that the Liberal [inaudible] Liz Sandals said, based on the Liberal's numbers, Auditor General says that the Liberal's numbers are wrong. Presumably you guys agree with the Auditor General, so if the Liberal's numbers are wrong there would be a 7.3 billion dollar deficit under your plan.

Fedeli: Well look we started, we started with the Liberal numbers so that 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, the Auditor General 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 provinces books are properly reported.

Q: Benzie: But just to that point it seems to me that you guys are going to get into office and then you're going to say, you know what, guess what it's actually a 7.3 billion dollar deficit because we're going to suddenly not count those pension assets and we're doing the Fair Hydro Plan a different way and so on.

Fedeli: Well don't forget the Fair Hydro Plan was a secret deal where the Liberal's forced OPG into their scheme we've got the auditor today told us that she's going to, I believe, that she said she's got the legal authority to audit the IESO because of their role in the 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 proper -- the provinces books.

MacLeod: 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'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 its highest in 10 years and it's up to 60 -- 60 million dollars, 20 million of which is in self-congratulatory partisan ads that the auditor would never have authorised. And so we see that it also is happening 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, carwashes, 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 has just walked into a 1 billion dollar ball of waste in her own government in just 14 departments and I think that that is not lost on people.

Q: Crawley: How did you react when you saw the stuff about the raccoon traps and the scuba gear?

Smith: I was surprised, actually, to see parkas and landscaping and carwashes and raccoon traps being included in the audit that was that came out into the into the natural gas facilities. But the government shouldn't have been. And I think that's the whole point is that, 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 IESO. And I think it speaks to what Lisa is 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 customer's bills simply by responding to the alarms that have gone off from, 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 two different Premiers who were in charge while these red flags were being raised by the OEB and nobody did anything about it. So 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 million dollars hanging out there that hasn't been accounted for.
Q: Boyle: Jeff, what concerns you the most about the health care audit?	Yurek: I think it is showing the lack of oversight in management of the health care system over the years and you made mention earlier to the stem cell issue, the fact that this government was warned back in 2009 of impending problems with wait times with regards to stem cell treatment and they didn't act on it. They ignored that until 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 this government look bad that they acted upon making some changes. However, we're still seeing a large number of people having to leave the province in order to seek the stem, stem cell treatments that they need. Auditor Generals looking at over 70 million over the next three years, whereas this government investing thirty five million to try to alleviate the problem I think if they had actually acted upon it seven years ago, we probably won't have a situation would have been 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.
Q: Carter: The teachers themselves carry a responsibility for using sick days because they can't take them enough?	MacLeod: Ultimately, it is the Minister's responsibility. And today the Minister decided she was going to shirk 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 out of a Carlton District School Board. Her teachers are very attentive. They work very hard. But at the end of the day, if there is 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 respond to enact some type of policy to ensure this not being abused.

Q: Carter: The Minister didn't seem to think there was any problem with people shirking responsibility.	MacLeod: She shirked her responsibility.
Q: Carter: Let me rephrase that. The Ministry didn't seem to find any problems with teachers taking sick days when they're not sick.	MacLeod: Well when you're looking at the fact that it's got such a big lie 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's 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 or in another few months and get to the problem, and fix it.
Q: Crawley: So what do you propose they do actually? Should they be asking teachers for doctor's notes? How to you monitor these sick days?	MacLeod: Well I mean, I can't comment on individual cases. It would be irresponsible of me to do that, but I think that obviously 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. I think that is a commitment that everybody here should make to the people of the province, but in particular to our students who deserve a good solid education. And for the most part, they're getting it. But then you look at some of the other areas in the, in the Auditor's report where it comes to math scores. I have a child in grade seven myself, and throughout the report we see countless examples of waste but when it comes to the success of our students we see that the Wynne Liberal Government incompetence shining right through. A mass 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 on the quality of learning and what this means - 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 education system here in Ontario, whether that's Toronto, Ottawa, or elsewhere.
Q: Benzie: Was it a mistake, did the Liberals screw up when they ended the practice of taking sick days? I mean, that seems that that's exactly tied to that. There's a spike after they do that, and then teachers aren't toughing it out and they're sick and they stay home.	MacLeod: I'm not sure. I mean, it will be an interesting question to ask the Auditor General and perhaps a follow up report 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 a little bit more depth. And that just brings me to another - and I hate to pivot, but I do want to point out that she had two volumes in this report. So this was, I think, probably the biggest report I've seen since I've been elected here 12 years ago. In addition to that, it contained two 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 were proper follow ups being done by the Ministries after she identified things over a period of two years, whether it was palliative care or elsewhere. So I think, I think what you're seeing here is a government that really, whether it's in education, health care, energy, anywhere, taking responsibility for its failings. I

	think it's very loud and clear you see that in Chapter 2 when they again demean the work of the Auditor General and disagree with her findings.
Q: Giovanetti: You're saying that is up to a billion dollars of savings that the AG here has highlighted. 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 annual report that could be done within the next year or two? Within the short term?	MacLeod: Let me just follow up with a question I just answered. 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 colleagues speak to various parts of their portfolios or perhaps Jeff and Todd want to mention it. But Todd just mentioned the fact that there are executives that are expensing things that are not eligible to be expended and or reimbursed, and so therefore that's going on people's energy bills. So, that's one area. The palliative care is another area and the follow up that I urge you all to look at the follow up the reports, because they contain I think more examples of waste mismanagement and as Todd said, alarm bells. Do you guys have any areas you want to. Fedeli: Well I mean, simply 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 it's costing five times more money to send someone to the States rather than treating them in home in Ontario. Let's get to work on transferring that over, so that over the four year term, we have more of our treatments occurring in Ontario at a lower rate. Utilizing the lab-sector that we have in Ontario. The Auditor General said we can do genetic testing in our province but we're sending it 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 that we can take in the healthcare sector immediately to see some cost savings.
Q: Lamoureux:[Speaking in French] Are you comfortable to tell us in French your reactions on the electricity companies who have asked for refunds on things like raccoon traps, or landscaping? Can you respond to that in French?	Smith: [Speaking in French] It's hard, but there is a lot of trash in this report from the Auditor. And there are \$260, 000,000 in this report and this is a huge blunder by the Wynne government to have not recognized this problem in the report. There is a lot of waste, and the government needs to recognize this waste and eliminate it. But for ten years, they have done nothing. Smith [Speaking in English]: What I was trying to say was, thank you...we're saving money already, we don't need a translator. Clearly, things like coats and scuba gear should not be eligible expenses and they're clearly defined as being ineligible expenses. The government knew this. They were warned about this for years and did nothing about it. Now they've finally acknowledged that they have to do something about it. But it took an Auditor General's report and some fine journalism to actually 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 were 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 is this the result of a "cash for access" soiree? And I think it's important that the Auditor General has shined the light on this. However the OEB was exposing this for years and years and years and the government did nothing about it. So, if we want to reduce the cost of electricity, and keep in mind we have the fastest rising cost of electricity in North America, 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 that the government has been unwilling to do in spite of the fact that it's been right under their nose the whole time
Q: Smith-Cross: On the industrial conservation initiative, you guys are talking about lowering electricity rates for manufacturers and it seems like the province has tried to do to this, they have expanded this program three times. But now we're seeing that that's being offset by residential builders and some businesses. Do you have a response to that?	Smith: 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.
<i>N.B.: Comments captured are not verbatim quotes</i>	

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