

Media Event: Ministers' Pre-Cabinet Scrums

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MEDIA EVENT: MINISTERS' PRE-CABINET SCRUMS

May 2, 2018

Location:

Outside East Doors, Legislative Chamber

Speakers:

Minister Sousa; MPP Vic Fedeli.

Media Attendance:

Print – 10

TV – 6

Radio – 0

Media Outlets:

Loriggio – CP; Jeffords – CP; Ferguson – Star; Rushowy – Star; Smith Cross – QP Briefing; Hains – QP Briefing; Reeves – QP Today; Crawley - CBC Radio/TV; Brule - Radio Canada/CJBC; Fitzpatrick – CBC Online; Rath - CHCH Television; Tumelty - City TV; Morissette – TFO; Walsh – iPolitics;

Media Questions:

Questions for Minister Sousa:

Q. Rushowy: The FAO says your debt and deficit levels are risky and makes Ontario very vulnerable. What do you say to that?

Well I appreciate the FAO's projections and assessment of our Budget, and he does also state that we have built in a number of initiatives that's good for our society and good for our economy. He also cites – as did the AGO – that our assumptions are cautious and reasonable. And so we've taken those issues and we put forward a plan that (inaudible) meets the needs of the province. The issues that the FAO and the attorney general or the Auditor General has cited are two major issues: one around the pension assets, and one (inaudible) Fair Hydro Plan which they've been in dispute with – or the AG (inaudible) in dispute with other auditors and experts. I'll leave that dispute to them. I'm managing what I can control. I've taken prudence, I've taken steps to be cautious, and we've exceeded our targets every year – even when the FAO estimates that it may not be, we've always overachieved.

Q. Walsh: The FAO says that you will have an even more difficult time returning to balance given your current spending and your current promises, than after the 2008 recession. What do you – what's your response to that?

Well it's appropriate to take a cautious approach, and that is why even whatever the

economists and independent economists have estimated we would do, I've averaged them out and I've tempered down lower. And as I've said, I put in – put in a lot of contingencies and reserves to absorb any possible shocks to the system if they occur. Again, I've done that in previous budgets also, and that's why we're borrowing \$30 billion less than we've anticipated. It's why we've achieved a balance – in fact, I have a surplus. But going forward, I've taken the same prudent measures as we proceed forward in our approach and in our (inaudible).

Q. Walsh: Do you agree though that it will require even more austerity? We've seen hospitals struggling with flat budgets and now essentially they're saying that there will be a return to that after this initial injection of cash.

Well we're making a decision, a very purposeful decision to support further funding for hospitals, health care, education. That's why we introduced OHIP+ for not only those under 25 (inaudible) over 65 as well. It's why we're producing and introducing child care for families. That in fact is built into our plan and again, I've taken the cautious approach to lower expectations for growth just to make certain that what we propose will be achieved, and our track back to balance is there. Now, the assumptions for increased spending is one that the FAO is making. It's not one that I'm making.

Q. Smith Cross: (inaudible) The FAO is pointing out that you're proposing severe funding restraint and it's the same kind of thing that you're attacking the PCs for planning. (Inaudible) the same thing.

Not at all. In fact, we are increasing spending. We are investing in the very programs that matter to the people of Ontario, and including infrastructure spending, highways, roads, bridges, hospitals, schools, water mains. These things matter. And it's a \$230-billion program over 14 years. The opposition are not (inaudible) to do that. They're in fact saying they'll make those cuts and it's what they've done in the past. So we're not going to put people in harm's way. We're not going to leave people behind as we proceed (inaudible) we've never cut programs as we – as we made our track back to balance. And we recognize that that's also (inaudible).

Q. Smith Cross: The number they put in there is \$15 billion.

So the – yeah, well, the estimate by the FAO has been similar estimates in the past. And Public Accounts is what matters, right? Our quarterly report just came out. It again affirmed that we have a balanced budget and that we're in a \$600-million surplus. Those are actual results that have – and they over – we overachieved on them based upon our own projections. So – and that of the FAO. The FAO has projected in the past, and we've always beaten those expectations. We will do so again because I've been taking very cautious measures and I have put in contingencies and reserves to ensure that we track that.

Q. Walsh: What is the point of starting an FAO if you're actually going to take heed or take the advice that they're putting forward?

But I absolutely do take the advice.

Q. Walsh: No you're not. He says it's three billion deficit for last year.

No, so every year that we have – we go through this exercise. It's important for (inaudible) for us to have that discussion and to be challenged by those expectations,

and it's why I look at the sensitivities that the FAO brings forward so that we can ensure as a living document – which is what this is, right? These are not actuals. These are projections. So we have the ability to maneuver and to change and to do what's necessary to come back to balance without cutting the programs and to continue to support the initiatives. And we've (inaudible) – we've done that year over year.

Q. Walsh: Very clearly he and the AG have said that you actually do not take what they say into account, that you are full steam ahead on your own path.

I do work with the FAO and the AG. The AG has two issues that she's disputing. Those matters are between her and professional accountants and internationally-renowned firms who have stated that her assumptions of the principles are not what they say it is. So I'll leave that to them. I can't control those disputes, I can control the measures that I put in place, the policy that I put in and the programs and those have tangible results and meanings to the people of Ontario. We're investing in them, we're investing in our economy, we're growing the economy, providing full capacity by way of employment. We need to do more because not everybody is feeling it. That's why I'm not going to cut back on any of those measures.

Q. Smith Cross: They're arguing that you [inaudible] targets in the past, it doesn't seem to be – [inaudible] and the FAO is saying the economy isn't going to be as good as it was in the past [inaudible] meet everybody's targets?

I'm not expecting the economy to grow as fast. That's why I'm taking even more cautious measures and the FAO and the Auditor General has affirmed that we are being cautious in our projections. So the FAO's estimates are based on the recalibration of the start, which is the dispute between those two matters with the Auditor General. So we're basing our assumption that, as are the opposition frankly, on their projections, their plans, they're using our foundation of accounting and our principles to move forward. So I will continue to do what I believe is appropriate to ensure that we invest in programs and [inaudible].

Q. Smith Cross: [inaudible] for younger Ontarians? [inaudible]

Well, we are investing a lot more for our young people, the FAO talked about the appropriateness of some of our spending for social programs, as well as economic initiatives. And he cited that's important too. We're doing that. Again in 40 years, there's only been eight balanced budget and the Conservatives have only done three of them, we've done the rest. So I have done one now and we're going continue to take those balanced approach to ensure that the economy grows and that we are cautious about our assumptions and our spending.

Q. Smith Cross: Isn't it easier to meet your cautious assumptions in a time of -- in a boom time, rather than a slower time that we're entering into now?

Well, when times are good you want to be able to build up your economy and build up your ability. We have over \$30 billion in liquid reserves right now in our economy and in our budget. In fact, our ability to borrow has improved. We have actually already met our targets for the year. So we are continuing to attract investment, continue to attract confidence, DBRS and others have affirmed our double A rating and DBRS said it's stable. So we're going to continue doing what's appropriate. I am very sensitive about the degree of growth in our economy. That's why I'm being cautious.

Q. Walsh: Minister, he says that you're transferring costs of services to future

generations, that you're downloading the cost, by not realizing the full cost of raising revenues now, you're essentially having services now that future generations will have to pay for?

So our accumulated deficits since we've been having deficits, which has been pretty much the case for most of those years, our accumulated deficit as a function of the GDP is the same today as it was 25, 30 years ago. Our interest on debt as a function of our revenue is lower today than it was 25 years ago –

Q. Walsh: Your debt to GDP ratio is going up and your debt is going up Minister –

And I've locked in those rates for 30 to 40 years to again ensure that we don't get into those shocks. Our debt to GDP has tapered down since I became Finance Minister. We are cautious about what that means going forward and we're taking those appropriate steps.

Q. Walsh: And did you remove the target of going to 35% GDP ratio by 2024? So is 35%, is that the target for 2020 or 25?

Actually, I'm trying to bring it below 30% over a period of time and it's in the budget. We actually had assessed –

Q. Walsh: You removed the target in the last budget.

I know, but I still want to be able to manage it effectively so that we don't over exceed our debt to GDP. That's an important measure for us.

Q. Walsh: So it's over 40%?

It's not over 40%, it's now at 37% and we –

Q. Walsh: The FAO says it's going to go to 43%.

Again, based on principles of accounting that -- cause the debt doesn't change, right, our degree of debt, you were talking about accounting assumptions. The actual issue of debt remains the same. And I will continue to – and as I said, I have over 30 billion in liquid reserves already established.

Questions for MPP Fedeli:

Q. Rath: So, Vic?

Yes?

Q. Rath: Doug Ford sort of hung you out to dry yesterday, didn't he?

With respect?

Q. Rath: Well, he came up with this, let's - chunk out of the Greenbelt and then when he figured out the public opinion wasn't really with him, he backed out and he left you for 24 hours having to explain that, oh yeah – this is a great idea.

Well actually, I was very impressed with Leader Doug Ford because he listened to the people. He's listened to the people –

Q. Rath: He also hung you out to dry. How many times are you going to allow him to do that?

But he's listened to the people and he, unlike Kathleen Wynne, you know, you got Kathleen Wynne who didn't listen to the people and ended up selling Hydro One. Whereas you got Doug Ford, who listened to the people and said yeah, all right, the Greenbelt stays as it is. I think that's a great response.

Q. Tumelty: It got leaked - that's how this came to life. Otherwise, (inaudible). It got leaked out and it came to life and then people started to ask questions. That's when people found out about it. Otherwise it would have just been a backroom deal.

I have to tell you, I'm very impressed - Doug Ford would listen to the people of Ontario and he's come out and said yeah, I hear you. And we're not doing that.

Q. Walsh: So, why would he do that first? Why would he do that first?

Q. Ferguson: You're the one who stands here all the time talking about the Liberals making backroom deals and it turns out you guys had one of your own. So how do you explain that?

Well, I can tell you that Doug is listening to the people of province of Ontario –

Q. Ferguson: No, but what about the backroom deal? Explain the backroom deal. Don't tell us about that he's listened – tell us about how the backroom deal came up in the first place.

I can tell you that I am very pleased to be part of this team. Doug listened to the people of Ontario and there'll be no changes to the Greenbelt. And I got to tell you, I'm pretty impressed with the fact that we –

Q. Ferguson: How many other backroom deals are there?

Q. Walsh: Does he have any other backroom deals?

I can tell you that I'm pretty impressed with the fact that he listened to the people. This is unlike Kathleen Wynne –

Q. Ferguson: You didn't answer the question.

Kathleen Wynne who went ahead and sold Hydro One when the people – the majority of people of Ontario said don't do that. And she would not listen to the people and ended up selling Hydro One. I got to tell you, I'm very impressed with Doug –

Q. Ferguson: So is there any other backroom deals?

Q. Rushowy: (inaudible) promise to the Greenbelt in the first place?

Well look, I think the fact that Doug Ford has said we're not going to be touching the Greenbelt – I think that's where we need to be.

Q. Hains: Have you asked him whether there are any – Have you asked Ford whether there are any other backroom deals?

I can tell you that I'm very, very happy. I'm very impressed with our leader Doug Ford for being able to listen to the people and respond to them – I think you can tell that's going to be a sign that –

Q. Rath: When did you first find out about this – that he wanted to try to cover up the Greenbelt?

Oh look, Doug Ford has been very clear –

Q. Rath: Well, that's (inaudible) important question –

Doug Ford has been very clear, that unlike Kathleen Wynne who will not listen to the people of Ontario - Doug's going to listen to the people and react. And I got to tell you, I'm pretty impressed with that.

Q. Ferguson: But yesterday you were standing here defending it and now today, you're saying that it's brilliant – the change is brilliant. So like, do you guys even know what you're talking about?

I can tell you, I'm very, very impressed with the fact that Doug has listened to the people of Ontario and come out and talked about the Greenbelt when –

Q. Tumelty: Regurgitating the same line over and over again – is that what the people of Ontario want to hear?

Well I can tell you what the people want to hear is that, relief is on its way. And come June 7th – help is on its way.

Q. Jeffords: Don't you think that if Kathleen Wynne had done this, you would call it a flip flop and if Doug has done this now – it's leadership? I mean, isn't that a double standard.

I think the fact that he's listening to the people is truly important. You know, Kathleen Wynne did not listen to the people when she announced after the election that she was going to sell Hydro One. We learned that after the election and people said no, and she still continued to sell Hydro One. Doug Ford is listening to the people –

Q. Walsh: Who are the people – So, Vic, who are the people? What is the barometer then for changing a policy? Who are the people, how many do there need to be for your government – if you form government – to change whatever policy you put forward in the day?

Well, unlike Kathleen Wynne who would not listen to the people and went ahead with the sale of Hydro One, Doug Ford has listened to the people and he's going to be leaving the Greenbelt where it was.

Q. Global: (inaudible) within 24 hours?

Plain and simple – I'm thrilled with the way Doug Ford is reacting to this. Unlike Kathleen Wynne, Doug Ford has listened to the people. We understood that people didn't want any changes to the Greenbelt. We heard it loud and clearly and Doug Ford has agreed. Nothing will change and I'm very impressed with that.

Q. Walsh: On a different note Vic, will you - what's your overall response to FAO report

today?

Well, I think it's yet another damning report. It's very clear that the Liberals lied to the people of Ontario. There's no hesitation to say that to you. The Financial Accountability Officer has agreed with the Auditor General that there's a \$12-billion deficit, whereas the government said it was six point seven. He also, the Financial Accountability Officer, also said that unlike what the government said – that they balanced – there was actually a three-billion-dollar deficit. So they did not slay the deficit as they said. They did not balance. There was a three-billion-dollar hole. You cannot trust anything that Kathleen Wynne says ever again.

Q. Walsh: If you form government, do you commit to stopping the structural deficit or will you also operate government with a structural deficit?

Doug Ford has said that we won't be able to balance in the first year. There's quite a bit of deficit that we now see, revealed from the FAO and the Auditor General. But through efficiencies, we will get to balance.

Q. Crawley: Are you going to count the five billion bucks of the Fair Hydro Plan and the pension funds stuff in your actual budget? Like you will put that on the negative side of your ledger?

Our leader Doug Ford has been very, very clear that we respect the opinion of the Auditor General. We also respect the opinion of the Financial Accountability Officer. We are going to have a full commission of inquiry to find out what happened and to guide us with ways out of the mess that the Liberals created.

Q. Crawley: But I asked you whether or not you'll count those things on the negative side of the budget?

Well, you're going to see a full accounting from our inquiry, our commission of inquiry, which not only will disclose all of the numbers and how we got there, but also a way out for, for the people of Ontario.

Q. Hains: The Liberals announced this morning, that should they be elected, they will further expand the Greenbelt – will the PCs back that plan?

Well, you can't believe a word that Kathleen Wynne says. We just learned that from the Financial Accountability Officer. She's had 15 years to comment on the Greenbelt and now she chooses, only days before the writ is being dropped – we can't, you can't trust a word that she's saying or believe anything –

Q. Hains: So, you know – are you willing to take the next step and further expand the Greenbelt?

Look, you can't believe that anything that Kathleen Wynne is saying. I'm telling you, 15 years that have created crisis after crisis throughout the province of Ontario. And now that we're within days of a writ being called, all of a sudden they're popping out these policies.

Q: Crawley: (Inaudible) whether you'll expand the Greenbelt without using the words "Kathleen Wynne?"

Q. Ferguson: It's kind of a yes or a no answer, Vic.

Look, you're going to hear more about our plans for the province of Ontario in the coming days, in the coming weeks.

Q. Brule: Will the plan include the Greenbelt or the protection of the environment?

The people of Ontario need relief. You know that we have five priorities and we'll be talking about our five priorities more in the coming days in the coming weeks.

Q: Hains: Why should people trust Doug Ford on the Greenbelt ,who had this backroom deal, more than the Premier?

I can tell you people cannot trust a word that comes out of Kathleen Wynne's mouth.

Q. Hains: Why should we trust Doug Ford more though?

We heard loud and clear from the Auditor General and then the Financial Accountability Officer, both who told us that the government was not truthful with their books. And we learned today not only were they not truthful that there really is a \$12-billion deficit. We also learned that \$3 billion was the existing deficit. They never were in balance.

Q: Hains: If Doug Ford is cutting backroom deals, why should we trust him more?

You're going to see more from our leader Doug Ford in the coming days, in the coming weeks where we talk about how we're going to bring real relief to the families of Ontario. They are desperate for relief.

Q. Crawley: One of the things that people are complaining about that they want relief from is high gas prices. Other than ending cap and trade, do you guys have any plans to rein in gas prices?

We're going to help families with a long list of our five priorities. In the coming days and in the coming weeks, you're going to see more and more how we're going to bring real relief, whether it's lowering hydro rates by 12 per cent, which has already been announced, where we've got other issues that will be coming up as the days and weeks unfold.

Q. Jeffords: You're talking about how we are going to see all these things in the coming weeks. "More to come, more to come." But when Doug is making policy announcements, they have next to no detail in them whatsoever. How can Ontarians be assured that there is a plan that is substantive, that the Tories are going to offer up in the coming weeks?

Every single day, our leader Doug Ford is out making announcements, including where I'll be in North Bay tomorrow. And I look forward to joining with him side by side, as further announcements are being made. He is in the north making announcements. He talked about resource revenue sharing, something that I can tell you in 2003, as a mayor of the city of North Bay, all of the mayors joined and we started asking the province for relief for municipalities back in 2003, and none of it happened. Here we are 15 years later we're now finally going to see revenue-sharing for municipalities. These things will all be costed and you'll be seeing more in the coming days on our costing.

Q:Hains: Shouldn't we get the costing up front?

You will see it. We are going to be revealing the full plan.

Q. Reeves: Vic, why is Toby Barrett telling the Waterloo Record that Michael Harris was fired under Doug Ford's plan and not what the provincial nominations committee recommended?

I can't speak for Toby and to be quite frank I wasn't involved in that. I'm not aware of any of the issue – I'm not aware of the details of that (inaudible).

Q. Hains: You're quite proud of rooting out the rot. Doesn't that seem like the kind of rot that that deserves further questions?

I can tell you I wasn't involved in that issue.

Q. Reeves: Again the provincial nominations committee is saying they've looked at the offence from 2013. The person who made the complaint had no recommendation that he should be let go. She wasn't seeking that in any way. And yet the PNC is making that claim.

I can't speak for Toby and I don't sit on the PNC.

Q. Reeves: So you're completely OK with the possibility as it's being alleged by a caucus member of yours, that the new party leader is dismissing MPP's when that's not what the party recommended?

I'm not familiar with the actual details of what transpired and I don't sit on the PNC.

Q. Reeves: So, who should we speak to about this?

I don't sit on the PNC.

Q. Haines: Do you have any concerns, as a-

I don't know. I don't know the real issue and I don't see on the PNC.

Q. Ferguson: So when we do ask the party to speak to the PNC we don't really get a response. So can you help us get a response from the PNC and –

I don't sit on the PNC.

Q. Ferguson: No but you're here as – you're interim leader. Can't you help get us a response from the PNC on this?

I would suggest you take it up with the party.

Q. Ferguson: We have and we get nowhere.

I would suggest you take it up with the party.

Q. Ferguson: But you are all about transparency when it's the Liberals. What about when it's PC transparency?

I don't sit on the PNC. And I can tell you that if you need further details you can take it up with the party.

Q. Hains: Do you that the PNC should give us answers?

I don't sit on the PNC and I don't –

Q. Ferguson: Come on, Vic, come on Vic, just cut through all of that crap.

I don't sit on the PNC.

Q. Ferguson: Come on. Come on. You're really going to – you think you can get away with that answer?

I don't sit on the PNC. You should take it up with the party.

Q. Jeffords: What about the broader issue though, Vic? I mean, it looks like a political hit job. Shouldn't that worry every single member of the Tory caucus?

I can't speak for what Toby said and I don't sit on the PNC, so I'm not familiar with the details.

Q. Jeffords: If you had ever made a mistake in the past, no matter how big or how small, someone might pull it out of a red file and use it against you within your own party.

I can't speak for what Toby offered and I don't sit on the PNC. So I don't know the details.

Q. Hains: Have you heard about these red files?

I don't know what you are referring to.

Q. Ferguson: So as interim leader then, where does your authority like go? Does it not go that far?

We have one leader of this party and that's Doug Ford, the party leader as interim leader of Her Majesty's Loyal Opposition. I serve in the legislature.

N.B.: Comments captured are not verbatim quotes

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