Fwd: MINISTER SOUSA'S REMARKS AND AVAIL ON 2017 BUDGET

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To:	Steve Orsini <steveorsini@hotmail.com>
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Attachments:	Apr. 27 - PC Leader Brown and MPP Fedeli React to the 2017 Budget.doc (96.77 kB)

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From: ["Sousa-Dias, Sofia (CAB)" <Sofia.Sousa-Dias2@ontario.ca>]
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Subject: [MINISTER SOUSA'S REMARKS AND AVAIL ON 2017 BUDGET]
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MEDIA EVENT: PC LEADER PATRICK BROWN AND MPP FEDELI SPEAK ABOUT THE 2017 BUDGET
April 27, 2017

Location:
MacDonald Block, Ontario Room.

Speakers:
PC Leader Patrick Brown; MPP Fedeli

Media Attendance:
Print – 13 plus
TV – 10 plus
Radio – 4 plus

Media Outlets:
Jones – CP; Smith Cross – CP; Benzie – Star; Ferguson – Star; Rushowy – Star; Cohn – Star; Csanady– Post; Justin (unidentified) – Globe; Jeffords – Sun; Zochodne – QP; Nanji– QP Briefing; Cruickshank – iPolitics; Smith – QP Today; Crawley - CBC Radio/TV; Lamoureux - Radio Canada TV; Brule - Radio Canada/CJBC; Newstalk 1010; 680 News; Carter – Global; Global; Bliss - CTV Ontario; Rath - CHCH Television; Tumelty - City TV; Mulligan – City; Wu – Fairchild TV; Fortin-Gauthier – TFO; Morissette – TFO; Lagogianes – CP24; Wong – CP24; Platt – Citizen; Many other unidentified reporters
Media Questions:

Statement by PC Leader Patrick Brown:

Brown: For 14 years, the Liberal government has made life harder. Today's budget is proof that Ontario families will continue to pay more and get less.

[Speaking French] Today's budget is proof that Ontario families will continue to pay more and get less.

Today the Liberals claim they've fixed our province's economic challenges by presenting a so-called "balanced budget." I've said it before, and I will say it again, the Auditor General and the Financial Accountability Officer warned us the numbers will not add up – and they don't add up. The Wynne Liberals are cooking the books a year before the next election.

[Speaking French] The Wynne Liberals are cooking the books a year before the next election.

Let's be clear, this is not a balanced budget. They are in fact running an operational deficit worth more than five billion dollars. They are using every trick in the book to achieve this. Before I get more on this, let me paint a picture of the degree of fiscal irresponsibility, and the fact that the Liberals are falling on all fiscal requests that our Ontario PC caucus made. The province's debt has more than doubled to $312 billion since the Liberals took office. This is higher than any province in the country, higher than any province or state in the world. Yet the Liberals have no plan in the budget to get the debt under control. For the next four years, we will pay nearly $12 billion each year servicing the debt $1 billion a month. Each year, we are paying $1 billion more in interest payments on the debt than we did three years ago. We are spending more servicing the debt each year than we are spending on all transit and provincial highways. More than we are spending for the Ministry of children and Youth services, which includes autism services for children and youth. More than on care for seniors, more than on investments in our post-secondary education, more than supporting Northern Communities, more than our vulnerable Indigenous populations. This debt does nothing but erode the services Ontario families depend on, and places a burden on future generations that they do not deserve. Now, how can we justify balancing the books – it's a scam, the numbers do not add up. They're getting one time in unusual, an unusual revenue; the government is hiding a more than a $5 billion operational deficit. It's unusual that they're getting more than a $1 billion in one-time sale of government buildings, and the sell-off of Hydro One. That's not there every year. They are raking in $2 billion from their "Cap and Trade" cash-grab, ah, on many cases on what they've already budgeted for. They are getting $1.5 billion in new federal money – in other words, the Trudeau trust that they are using to reduce the deficit. And over $500 million in pension asset funds, that the Auditor General specifically did not authorize. That's $5 billion. Now, let me go into a deep dive about how this government continues to make life unaffordable with this budget. They're making Hydro more affordable, but this expensive new Hydro scheme does nothing to address the roots of the crisis.

[Speaking French]They're making Hydro more affordable, but this expensive new Hydro scheme does nothing to address the roots of the crisis.

They're burying the cost of their so-called "Fair Hydro Plan" in the OPG's budget, so they don't have it include it in their books this year. $2 billion in borrowing a year. What they, what they do confirm in this budget is that the scheme is only for four years. After four-year's time, rates will continue to go up again – that their borrowing scheme is only temporary. On the issue of housing, they say they have a plan to help increase the supply of housing, which is a major concern raised by us and stakeholders. In fact, their own budget shows that they are actually reducing supply. The budget shows housing construction starts are projected to almost go down next year by almost 1%0 or 6,500 homes; so less supply – and that's on page 252 of the budget. At the same time, they are cashing in on, in huge with this, with this housing crisis, because higher housing resale prices – they're collecting more. And by more, I mean hundreds of millions in the Land Transfer Tax than ever before. So, no wonder, no wonder they don't mind that they are reducing supply. What this means is that the dream of home ownership is just that, and it's going to continue to be a dream for young people. They say they're adding $1.5 billion to healthcare, but let's not forget this is the same team that cut, cut and cut five years of practical freezes. They say they're committing to funding new schools, but we have 300 schools on the chopping block right now. They're say they're gonna build 94 new schools, but are going to close 300. In a hockey game, if you score one goal and the other team scores three goals, you've lost. And, in, this equation with building of new schools, students are losing. Here's the reality that they don't explain in, in their budget, is, not only have they closed 600 schools, but there's 300 more that are on the chopping block. I'd be remised if I didn't mention that the Liberals are allowing municipalities to bring in a "Hotel Tax" or I, I, now an "Airbnb" tax as well – it would not be a Liberal government, a Liberal budget if it didn't include some form of a new tax. This budget is a patch-work attempt by a desperate government to fix the mess they've created before the next election; it's a "hail-Mary" pass by a government that has run the government into the ground for years. If they lose this next election, this is spending they will never have to be accountable for. Ontario families should not be fooled. Don't forget that the Liberals are forcing us to pay more every year in fees, driver's licenses, hunting, fishing, driving, court applications, liquor license and event permits. And in fact, if you add that up, that's $100 million more just in increases for licenses. That was a nice little gift in last year's budget that they didn't actually have to include in this year's budget – but it's going up. At the end of the day, we have to remember this; a Liberal is a Liberal, a Liberal government always goes back to their old ways; and that's what they will do if they win the next election. They are going to raise taxes even higher, cut even more in healthcare and education services, they're going to prioritize their friends over the hardworking people of Ontario. Ontario will continue to be the most indebted province, or state in the world. The Wynne Liberals continue to have a complete disregard for the people of Ontario. And none of our budget asks, which were laid out to Minister Sousa, have been addressed in this budget. As a result, we cannot support this budget, it's an insult to the hard-working people of Ontario. Llife will continue to be harder under the Liberals.

[Speaking French] Life will continue to be harder under the Liberals.

We believe Ontario needs change. Ontario families deserve to pay less and to get ahead. On that note, I know my Finance Critic Vic Fedeli has a few words to say as well.

Statement by MPP Fedeli:

I just want to take a bit of a deeper-dive into some of the numbers, which illustrate exactly how the government has used these one-time revenues to present a false balance. Traditionally, a government would create an environment that would stimulate natural growth But with a high cost of service fees, amongst the highest hydro rates in North America, life has become unaffordable in Ontario. So as a result, and as the budget illustrates, the province's numbers are all in decline. Economic growth is forecast to fall from 2.7% to 2.3% next year, and down to 1.7% in 2020. Employment growth is falling to 0.9% in 2020. Job creation will fall from 94,000 next to 66,000 in 2020. Again, these are all the government number in the budget. And as you just heard, housing constructions starts are schedules to fall – actually from 75,000 units last year to 68,500 in 2018. So, when you've got these declining numbers, the government resorted to using these one-times revenues to beef up their total revenue number. You've got the one-time sale of properties, like the OPG and the LCBO headquarters, and next year will be the Seaton and the Lakeview lands properties. You've got the revenue from Hydro-One. Now, this went directly into the operating budget, absolutely. Through legislation created in Bill 144, the revenue from the sale of Hydro One went right into the operating budget. The Liberals in Bill 144 gave themselves a legal right to lie. This is what I'm telling you. And now we are seeing the fruits of their designs. And I will read it for you. Bill 144, schedule 22, section 7, paragraph 2: Quote, "To reimburse the Crown, for the expenditures incurred to fund the costs relating to infrastructure". So, you can see what they have done. They took the sale money form Hydro One and put it into the budget; said they used for what they used it, infrastructure, but took the already budgeted infrastructure money out, and are using that to falsely balance the budget. They gave themselves – on the second last page of the bill, one tiny line that gave themselves a legal way to do what I am suggesting they are doing. In other words, this is the true meaning the expression"shell game". And absolutely the "cap and trade" is done exactly the same way. Bill 72, schedule 68, section 2 item 3 "To reimburse the Crown for expenditures for transportation, public transit vehicles and infrastructure". Again, right at the end of the bill, they left themselves one line, which gives them the legal right to lie to the people of Ontario and tell them they are using the money for infrastructure. In effect they are, but they are taking the already budgeted infrastructure money out, and balancing that – falsely balancing the budget. This is a government using their bully-pulpit to purposely deceive the public into believing they have balanced the budget, when indeed they have not, thank you.

Questions to Patrick Brown:

Q: Brule: (In French): Thank you for speaking in French. It is much appreciated. I want to hear you in French as well about these additional expenses in the budget. We are talking about an additional $6B in extra spending. You say this will increase the debt. Talk to us about that.

(In French) I think the government is playing with the holes in this budget. It is playing with the numbers I think it is not a balanced budget. It has a $5B deficit. They have used different ways to arrive at this number; Cap and Trade; the sale of Hydro; money for infrastructure; with pension (inaudible); the disagreement with the Auditor General.

Q: Brule: (In French) And during this time, the debt continues to increase

(In French) Yes and with that, it may be an bigger debt for Ontario. $5B more because of this budget.

Q: Carter: Let`s start off with numbers. You use terms like ``cooking the books``. You use strong language. Are you suggesting there is something more than every single government does, including governments that you have served in which move debt off the books (inaudible).

I think what we are seeing is playing with numbers like we have never seen before. $5B is pretty extraordinary. And I think it is pretty unique that we have, remember the words of the FAO and the AG, the government`s numbers do not add up. What I mean by that is look at the Cap and Trade and they are counting that Cap and Trade money for things they have already budgeted. An example I think illustrates that is the Go Train where they have almost $400M for Go Train that they have already budgeted and so it is a shell game they are using to hide a $5B operational deficit.
Q: Carter: The central promise in this budget is pharmacare. Last week the NDP promised a different version of this. In 2018 if the Progressive Conservatives form the next government, will there be any kind of pharmace program for the people of Ontario?

First of all let me say that when the NDP presented this I I said that it was an inadequate, the number the NDP presented $475M for pharmacare of all ages, I said didn't add up, Health care experts were telling us it was vastly, vastly short. And I think the fact the government today put a number just for youth at $465M shows the NDP number was as usual pie in the sky. Of course, everyone wants better drug coverage. The question I would ask I want to make sure that those precious tax care dollars are going to the people who need it. And one of the questions asked of the finance minister was why should the government pay for the kids of millionaires. You've got a millionaire family which has no problem with drug access and you have kids that desperately need drug access but can't get it. What I mean by that is look at the case of Madi Vanstone, Remember how hard Madi Vanstone, that 12-year-old who had to fight for drug access. Right now there is a new available to treat people with Cystic Fibrosis in Ontario that Michael Harris has been raising a lot of attention on. That is not covered. You have got rare disorders. You have got children that desperately need drugs that can't afford it. Under this plan, that precious fund would go to pay for millionaire kids and that doesn't seem right.

Q: Carter: You didn't answer my question. Do you have a plan or you don't have a plan on this one either?

I want to fix their plan. And what I mean by that is…

Q: Carter: Are you saying you are going to bring in a pharmacare plan?

I would have drug access plan that is fair. I have been very clear on this. Thereis seven plans right now and we are adding an eight plan. I am going to make sure that we actually have a drug access plan that actually reaches those that need it. The fact that we keep adding plan after broken plan, and it doesn't reach the people that actually need it, doesn't seem right to me.

Q: Benzie: Just curious, there is $5B operational deficit according to you. In a year and two months, you could be tabling a budget with finance minister Fedeli. Where are you going to find $5B in savings? What are you going to cut to find that $500B hold that you say is there?

And it could be worse. Obviously this government has been secretive. Yes I believe we are in a significant deficit still. And there starting point is that in every government department we have value for money. And frankly a great indicator of where there could be improvements has been the Auditor General reports, how we spend infrastructure funding. Whether it's asphalt be repaved every two years instead of every 15 years. The concerns I have raised about hired 78 new health VPs at exorbitant salaries and executive compensation, it seems on a regular basis, we are seeing examples of waste. And that doesn't even get to the fact that there has been billions waster before when you look at the gas plant, the Smart Meters, the SAMS, I can't get that back. But as a starting point, we need more competency in government.

Q:Benzie: I think everybody in the room agrees we need more competency in government regardless of which party is in power. But I am curious, you are going to have to cut something. What are you going to cut or are you going to run a $5B deficit and just be more honest about it in your view than the Liberals?

I thing a starting point in the government should be honest. And absolutely if there is $5B deficit, or worse, the government should not try to hide that, it should not play games, and we have government that is offside with the numbers as assessed by the Auditor General and the FAO. That is a big problem. I think the starting point is to have consistent numbers with the legislature oversight officers and I would do value for money audit on the entire government and make sure where there is waste and mismanagement that it is routed out.

Q: Csanady: Everything you are saying sounds like you kind of wanted them to spend even more. You are saying they are not enough to keep schools open, they are not investing enough in hospitals, I can't believe I am sitting here listening to a Tory leader saying you want to keep school open in underserved areas and spend even more. Are you going to raise revenues to do?

So first of all, it is not underserved areas, that is a spin the government has presented. They are closing schools in my home town of Barrie.

So, first of all its not underserviced areas, that's the spin that the government has presented. They're closing schools in my hometown of Barrie, Barrie Central, Barrie's had a 6% growth rate and they closed Barrie Central. They're closing a school in Vaughan, they're closing Burlington. This isn't just small towns. As I mentioned in the Legislature this week, Kathleen Wynne who got in politics against school closures, I shared her quote in the Legislature, has now closed 100 more schools than Ernie Eaves and Mike Harris combined and its ripping the heart out of the community and so when they get up here in the budget and say they're opening 94 new schools, yes I'm going to call them out on it, when they've got 300 schools on the chopping block and they're here bragging in their budget they're going to open 94 new schools I'm going to call them out on it.

Q: Unidentified: So you're saying you want to spend more money on education, which is okay great, laudable, but how would you pay for that?

So my focus on education as I've illustrated before, my four pillars of economic development for Ontario is the educational journey has to arrive at a job. And so everything I'm looking at at education, whether its good schools or the programming, you know having enhanced computer literacy, having shop class back at a broader level, everything that I'm looking at in education is to lead to a job. And I think frankly, a value for money audit of government, making sure that we're not wasting, making sure that there's not waste, will leave funds available for what's important and frankly, ripping a…it is important to keep a school in a small town, it is important to not rip the heart out of a community.

Q: unidentified: Even if that community doesn't have the demographics to support that school though?

But I disagree with that assessment. I think there are some cases, there are some cases where there may not be the population base for, or a city has changed, but you know in the assessments of the independent legislative oversight, this was about cutting costs, it wasn't about better efficiency in educational dollars. This is, when I mention the Vaughans, the Burlingtons and the Barries, those schools are closed because there wasn't population there, to pay for their waste, to pay for their mismanagement, to pay their gas plants and their [inaudible], and their smart metres, schools are being closed. Unfortunately children are paying for this government's mistakes.

Q: Braddock, Toronto Sun: …Toronto unhappy with this budget. What would you offer Mayor John Tory?

Well, there's a few questions that were Toronto specific in this, I know there's a question about Toronto Community Housing and the Finance Minister's response was they find it from existing community housing funds, you know we'll see if that actually happens. You know hearing about that being diminished is unfortunate for Toronto, it's something that I think Mayor Tory is legitimate in raising. In terms of infrastructure, there was a question before about the fact there's no new infrastructure money and frankly, I think the Auditor General's assessment on the value for money in infrastructure is one of the most, the greatest indictments, of the government when you look at possible cost overruns in the range of 35%, Toronto is short-changed in that, Toronto being the largest city in Ontario is desperately short-changed on that infrastructure. And the fact there's no new funds, no new help for infrastructure. Actually, you know, they're changing it from $160 billion over 12 years to $190 billion over 13 years. So in the 13th year, in 2030, Toronto might get help. You know, you talk about the government making promises they'll never be around to be accountable for, when it comes to helping Toronto infrastructure, this a great example.

Unidentified: One more thing, you blasted the hotel tax just now, you also come out against the road tolls. What revenue tools should the city get?

I don't support road tolls, I don't support hotel taxes, I don't support, no surprise, I don't support new taxes, I wanna make sure we have proper value for government money, I wanna make sure we deliver government services competently. When you talk about new revenue sources, if we spent our infrastructure dollars properly, if we didn't have cost overruns, in some cases in the range of 35%, municipalities would get a much larger investment of infrastructure.

Q: Unidentified: There's a few areas in this budget where the provincial government seems to be stepping back, but the federal government has stepped forward. Is that a problem?

A little bit of each actually, you know I look at seniors, the one thing that I actually complement the Finance Minister on was the Senior's Transit tax credit that was removed federally is now coming forward provincially, so you know I welcome that. In some cases, they're simply using federal funds to make their own numbers look better.

Q: Unidentified: Only a few years ago this province was making more money from Hydro One than OPG than the energy department was spending, that's completely flipped around now, so they're only making about $600 million from those two agencies, what's left of them, and they're spending over $2 billion dollars. What would you do to fix this province's energy sector?

Well there's probably no greater mess in the province of Ontario than hydro, the borrowing plan that the government is...is not a plan. We point out on this when it comes to hydro, there's a number of starting points. One starting point is we have too much generation. We generate far more than we need and we give it away at a loss. I want to look at the existing contracts. In the Samsung deal there was an exit clause, we could have got out of a lot, the government chose not to. I want to look at the other 29 big contracts that the government will not share with the general public, will not share with the Legislature, I wanna look at those. And new agreements, you know, the day after their Fair Hydro Plan, their boring plan, they proceeded with 1,100 more agreements. LRP2 still going ahead even though the notice to proceed hasn't necessarily gone out, where there's opportunity to diminish that generation. And the reason that's generations important is that's on everyone's Global Adjustment. I'd also like to reign in exorbitant executive salaries. I wanna look at the fact we spill water power every day. We've got generating stations –Manitou, Merrickville, Niagara Falls – who are spilling water. We're paying people to spill water in the province of Ontario. So there is a number of areas that need to be worked on, on the hydro mismanagement, but that is certainly one of the greatest ongoing crisis in Ontario and a four year borrowing plan doesn't help.

Q: Mr. Saras: Thank you. Mr. Brown, I have two questions. One is, in this budget, I found that, by the time we are spending a lot of money around – to the people; persons with disabilities, we are giving only 2%. On the (inaudible) receiving from the government a, a, (inaudible), which means $15 per month. Which makes $765 each person with disabilities has to live. Would you please tell me your opinion about this?

So, I, I, I'll have to get back to you Mr. Saras. I, I haven't – ah, 2% - you're saying increase?

Q: Saras: 2% increase on the allowance they are receiving. Only they are giving two percent. Now, the cost of living, it's over three percent. But, the people with disabilities in this province – the richest province of Canada, we see only 2%. And, just, I want to have your opinion.

So, we'll certainly do a comparative analysis and see if Ontario lags compared to other provinces on that, and, hum, see if a, see if that increase was inadequate. But, ah, so we'll, ah, we'll examine that.

Q: Saras: Thank you. The second one is the price of the housing has been reached a million dollars. And I found it here, that government, in order to help the first buyers is going to give them $4,000. In fact, the way it has been set it here, it looks like $8,000. But, my question is: A million dollars someone has to buy a house. And the government is going to create an initiative by giving $4,000 dollars? How that can be? What is your opinion? What different you're going to do for the young generation?

Well, ah, ah, what I try to stress all along on this file is, the issue of supply. And, and in this budget, the government actually projects supply is going to go down – 6,500 less homes. Almost by 10%. And, you need to create more supply. You worry that young person can't afford a home? You need to have demand that is consistent with supply. That's not the case. Ah, and I think the government's policies have almost been targeted towards this. They benefit. They make – they rake in hundreds of millions of dollars in the land transfer tax. And, and obviously, they have no interest in, in, in addressing the supply issue.

Q: Saras: Mr. Brown, we know that when supply goes down, the demand moves up. And the prices are moving up. If the supply goes down next year, the prices are going to be even more. And, I don't think that they are taking any – I mean, I don't want to make any comments on that. But there is no way under the, the principle of supply and demand; that the prices are going down. So, say that you are the government, what you are planning to do for this very serious problem?

Well, we would create more supply. We would diminish red tape. We would make it easier to get product, ah, new housing product on the market. There are a number of mechanisms within government that you can increase supply. The government's – right now, for the last decade – has done the opposite. And they put in policies that made it more difficult to supply on. So, we would immediately address that and encourage more supply.

Q: Crawley: So, the government's gonna fund – through OHIP – the new abortion pill. How do you feel about that? And, what will you tell your caucus to feel about that?

So, I, ah, ah, you know, ah, I believe Ontario has no interest in revisiting these issues. My position of is, if it's Health Canada approved; it's Health Canada approved. Let scientists decide, not politicians. And, it is Health Canada approved.

Q: unidentified: Just following-up on Mike's question. Do you think that the government is trying to bait your caucus into a divisive debate on this?

N – No, it's Health Canada approved, so, I, I'm not surprised.

N.B.: Comments captured are not verbatim quotes

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