

Summary of Question Period for Thursday April 26, 2018

From: "Flowers, Robert (TBS)" <robert.flowers@ontario.ca>
Date: Thu, 26 Apr 2018 11:48:45 -0400
Attachments: Q.P.SummaryAPR26-18v2.docx (15.89 kB); 20180426 - Provincial Legislature Question Period Transcript.doc (114.69 kB)

Please see the attached select and full summaries of Question Period for today.

MPP Fedeli (PC) to the Premier and Minister McMahon (TBS) re: Pre-Election Report

MPP Fedeli (PC) to Minister McMahon and Minister Sousa re: Pre-Election Report

MPP MacLeod (PC) to Minister Sousa (Finance) – re: Pre-Election Report

MPP Jones (PC) to Minister Naqvi (Attorney General) re: Justice of the Peace Appointments

MPP Gates (NDP) to Minister Naqvi (Attorney General) re: Hydro One Exec. Salary

MPP Fedeli (PC) to the Premier and Minister McMahon (TBS) re: Pre-Election Report

>> Vic Fedeli: Thank you and good morning, Mr. Speaker. My question is for the Premier. The response to yesterday's shocking revelations from the auditor general that this government has deliberately understated Ontario's deficit by \$5 billion this year has been swift. The Ontario chamber of commerce issued a statement yesterday after the auditor affirmed Ontario actually has an \$11.7 billion deficit. They wrote, quote -- the province of Ontario were a publicly held company, we as shareholders derive and demand clarity and accountability from our board and our auditors. This is similarly our right as Ontarians. Speaker, business confidence in this government is shaken. Is the Premier's reelection bid worth destabilizing investment confidence in Ontario?

>> Premier Wynne: Well, you know, Mr. Speaker, I know that the Minister responsible for treasury board, president of the treasury board is going to want to comment on this. Mr. Speaker, in fact the only reason that we are having this conversation is that this government, Mr. Speaker, introduced the fiscal transparency and accountability act and, therefore, there is a pre-election report, Mr. Speaker. That's why we are having this conversation. So, you know, I think that, through the pre-election report, the office of the auditor general's analysis, Ontarians are given the information that they need to make an informed decision, Mr. Speaker. The fact is there is an ongoing dispute between professional accountants. That is a reality. It's been going on for a couple of years, Mr. Speaker. It is absolutely true that there is a disagreement between -- Just to say, Mr. Speaker, it is an ongoing dispute between professional accountants. We recognize that. Accept the perspectives of the auditor general but that dispute has been going on for a couple of years, Mr. Speaker.

>> Vic Fedeli: Back to the Premier. No, Speaker. We're having this conversation because the government continues to present an incorrect picture of the province's finances. The Ontario chamber had even more to say. They wrote, quote -- it is deep concerning that

the government of Ontario would be accused of not following Canadian public sector accounting standards. Speaker, when the auditor general summed it up, she said, quote - when expenses are understated, the perception is created that the government has more money available than it actually does. Just in time for a pre-election budget. How convenient. Spe, the **Premier** needs to know the jig is up. Will she admit the government's numbers are wrong?

>> Minister McMahon: Thank you. Thank you, Mr. Speaker. I thank the member opposite for his question, because it provides me with the opportunity to provide some much-needed context to this discussion, Speaker. First of all I again want to thank the auditor general for her response to the pre-election report. We appreciate her work to ensure that the public received an independent assessment of our province's assessment. Let me remind the House of something critically important. We passed legislation to do this, Speaker. So the notion that we aren't being transparent is not only factually incorrect, it risks sending a negative and inappropriate message to the people of Ontario. And that is exactly what they're doing, Speaker. They're not -- The member's offices, Speaker, want to continue to undermine confidence in our province and our provincial institutions, that's up to them. But here's precisely what the auditor said. In case the member opposite missed it. The pre-election report provides a reasonable and St cautious uandi the medium-term fiscal forecast. He said we were reasonable and cautious and we stand by that.

>> Vic Fedeli: Back to the **Premier**. Actually, Speaker, we on this side of the House and the people of Ontario, they understand that it's the government hot puts the government at risk. Nobody else, Speaker. The auditor general's job is to state the true picture of Ontario's finances. Now based on the auditor's shocking revelation, here's more from the Ontario Cher of commerce. Quote -- the government of Ontario and through them the people of Ontario either respect our legislative officers or we do not. That is exactly why Ontario P.C. Leader Doug Ford has committed a full audit of the government's books to restore responsibility, accountability and trust in government. Speaker, can the **Premier** tell us today what is the government of Ontario -- Can the **Premier** tell ustoday exactly what is the government of Ontario's deficit for 2018/19?

>> Minister McMahon: Thank you, Mr. Speaker. You know, Speaker, listening to the rhetoric from the opposite side, let me just respond to something very important that the member opposite just said. Implicitly, the leader of the P.C. Party Doug Ford, is now questioning the auditor general's competency and I'll tell you why. He says that he's going to provide independent audits. Guess what that discounts, Speaker ? Our professional and highly competent public servants. Our professional Deputy Minister of the treasury board and the Deputy Minister of finance that not only sign off on our fiscal plan, give us precisely the kind of advice and confidence in our books, Speaker, that we need. And by the way, when it comes to some of the -- the auditor general outlined in her report we also had independent advice, Mr. Speaker, by some of the most credible accounting firms in the world. We stand by that, Mr. Speaker. We respectfully remind the member opposite that we have a respectful disagreement with the auditor general and once again, we thank her for her work. Thank you, Mr. Speaker .
N.B.: Transcripts are captured by a closed captioning system and may contain errors.

MPP Fedeli (PC) to Minister McMahon and Minister Sousa re: Pre-Election Report

>> Vic Fedeli: Thank you, Speaker. My question's for the **Premier**. The auditor general was clear. The government's deficit numbers are off by \$5 billion this year, \$5.5 billion

next year and \$6 billion off, almost 100% off the following year. Those revealed deficits are projected to grow to a total of \$16.6 billion over the next three years. We now know that in their desperation the **Premier** and this government have betrayed the public's trust. That's why our leader Doug Ford has today promised that, when elected, we will launch an independent commission of inquiry. This new commin will get to the bottom of the Liberals' deficit scandal and propose timely solutions to solving the deficit problem. Speaker, why does it always take the OPP, the auditor general or an investigative commission to get to the truth with this **Premier**?

>> Minister McMahon: Speaker, you know, it's ubling inhe -- to say the least the member opposite would conflathe respected opinion of an independent of this legislature with motive or intent. As he felt of the former OPP Officer, I can tell you clear LIV, Speaker, that this is not about that. What this is about and we said it yesterday is a couple of things. Number one reminding the public of the confidence that's necessary in our public institutions and not undermining those, which is precisely what the member opposite doing. Second we thank the auditor general for her service and remind this House and Ontario public that we have a difference of opinion, and that is a respectful difference of opinion, Speaker, and it will remain so, because we are committed to seeking professional advice from professional accountants. We did that, but we also have a highly respected public service. The member opposite diminishes that when he talks about the credibility of our work, Speaker, and our work as a provincial government. Thank you, Mr. Speaker .

>> Vic Fedeli: Well,hank you. Back to the **Premier**. This is not about a difference of opinion, Speaker. This is about desperation. We cannot trust anything in Liberal government ever estimates or projects again. Their budget is no longer worth the paper it was printed on. The people of this province are angry and they want answers. Doug Ford and the Ontario P.C.S are going to get those answers. It took 15ears for the Liberals to create this mess and it will not be resolved overnight. But we will restore Ontario to fiscal health in a responsible manner. Speaker, I'll ask the **Premier** one more time, why does it always take the OPP, the auditor general or an investigative commission. To get to the truth with this **Premier** and this government?

>> Minister Sousa: So, Mr. Speaker, the member opposite now wants to do an audit of the auditor. The Minister -- the member opposite -- I'm not sure what independent auditing team they intend to use. Is it KPMG? Deloitte? E&yor dougy Ford that's going to go outre and look at the books, Mr. Speaker. Let me be clear -- Mr. Speaker, the auditor general does make car that the pre-election report does provide a reasonable and cautious underpinning of those fiscal forecasts that we made. The auditor general only reflects on two issues and they've been the same two issues for the past number of years. It's the reflection of pension assets which the auditor general feels we should actually discount, but every other auditor, including herself in the past, has agreed with. And the second one is a fair hydro plan, which these independent. World renowned accounting firms have prepared. She says it's not wrong to actually do this kind of rate regulation. She doesn't lt and that's not --

>> Vic Fedeli: Back to the **Premier**. The auditor general told us yesterday in her news conference that when you get push-back from the government, like she's getting, that's the time for Ontario to worry, Speaker. And now it's obvious to everyone in ont how this election document the Liberals tabled was a 100% sham. None of the care promises were include the budget legislation. Only the tax increases made it in. Speaker, this **Premier** can never be trusted again. But I tell the people of Ontario that help is on the way. Doug Ford and the Ontario P.C.S, we will deliver our commitments, clean up the

scandals and the waste and protect the services that people of Ontario deserve. And we will not quit until we have restored responsibility, accountability -- and trust --

>> Minister Sousa: Mr. Speaker, the member opposite is claiming that they are not going to help the people of Ontario. They're going to cut programs for the people of Ontario. They're going to cut the services, cut the investment and cut the ability for Ontario to be strong and continue to grow. So, Mr. Speaker, dated April 24th, a couple of days ago, by a rating agency. And this is what they said. DBRS Limited said this -- the province of Ontario has and respectfully has confirmed Ontario's electricity, financial, corporation and long-term obligations as well as the province's rating as double-A. The trend on all ratings are stable including O.P.G., IESO and the province of Ontario. They're going on and they're supporting Ontario all the way, Mr. Speaker.

MPP MacLeod (PC) to Minister Sousa (Finance) – re: Pre-Election Report

>> MPP MacLeod: Good morning, Speaker. My question is to the Minister of finance. The Liberals were caught yesterday with a secret hidden ledger of the government finances that proved that they have doubled their deficit overnight from \$6.7 billion to \$11.7 billion. The auditor was very clear that their sneaky way of budgeting is costing Ontario families over \$100,000 if it's a family of four. That's \$23,000 in debt now and over \$26,000 per person in 2021. And a reminder, Speaker, that this is up from the \$11,000 when they took office. Ontarians are telling us that they can't afford this Liberal government any more their waste and mismanagement and the massive distrust of this government because they do not feel there is value for their tax dollar. Will the Minister of finance finally admit that the emperor has no clothes and that that government has run out of people's money?

>> Minister Sousa: Mr. Speaker, again we thank the auditor general for the report and we recognize the auditor general made very clear that all the assumptions the government put forward was cautious and were reasonable. Two items are in dispute. Between professional accountants. Not with the government of Ontario but with other accounting firms and professional accounting systems. She's arguing and has for some time that the pension act should be amended notwithstanding the fact that those very same principles have been adhered to for the past 20 years, Mr. Speaker. And now on the second point, we are taking \$1.5 billion off the tax base to support reductions in our reductions of electricity costs, especially for the rural communities. Then another proportionate amount. Coming off the rate base to amortize that asset. The auditor general feels that shouldn't be done that way. Yet every other rate regulated system allows for it, Mr. Speaker.

>> MPP MacLeod: The fact is there's only one auditor and she said that your projections are not reasonable. She also said the presumption is created that the government has more money than it actually does. There's only one auditor and this is the government, let me remind you, that brought in the single largest sales tax increase in Ontario's history with the H.S.T. Brought in the single largest income tax history in the Ontario history with the health tax. They brought in the single largest environmental tax in the province with the eco tax only to be eclipsed with their cap-and-trade program. All along these revenues have gone into general revenues, not to specific programs, and yet they still have an \$11.7 billion dollar deficit using other people's money. Speaker, Ontarians cannot afford the Liberals any more and they simply cannot trust them either. So will the finance Minister

stand in his place and tell us what else he is hiding in the books or does Doug Ford have to come in and do it for him?

>> Minister Sousa: Mr. Speaker, now the member is questioning the auditor once again. The fact of the matter, the auditor has reaffirmed all the principles are operating appropriately, and all the accounting is in fact accurate. What she's saying is she would prefer that the fair hydro plan come off the tax base not the rate base. We made a policy decision, by government, to support the ratepayers, reduce the cost of electricity and amortize it over a longer period of time, which is allowed, Mr. Speaker. And is provided by deloitte, provided by KPMG and e&y. And the auditor goes further -- the books of O.P.G., which is carrying this debt, she acknowledges that it's transparent, that it's there to be seen. She acknowledges that the clean audit by e&y is accurate and she affirms it, Mr. Speaker. What's being hidden are the cuts that that member and her party are about to do to the people of Ontario. We're going to grow our economy and we're going to continue on our fiscal track to balance and make sure --

MPP Jones (PC) to Minister Naqvi (Attorney General) re: Justice of the Peace Appointments

>> MPP Jones: My question is to the **Premier**. Last night the government posted a news release announcing 17 new justice of the peace appointments. Moments later the news release was deleted and removed from the archives. Why the secrecy?

>> Minister Naqvi: Thank you very much, Speaker. I appreciate the question. I will look into why the news release was removed. We have appointed 17 new justices of the peace. As the member opposite knows that we have a very strong, independent process to appoint justices of the peace through our justice of the peace advisory committee, O known as Jack, which does all the posting and interviews and recommendations, independent of the government. It may be that maybe that one or two people were not informed who had been -- who had been appointed as justice of the peace and that's why the release was removed. But I undertake to get back to the member and get the reason behind this.

>> MPP Jones: Or maybe that some of the people who were appointed have too close ties to the Liberal government. We know -- Will the **Premier** -- today, table those 17 justice of the peace appointees and let the people decide whether there is a connection that needs to be further explored?

>> Minister Naqvi: Speaker, I'm not surprised that the member opposite will go in that direction. I'm really assuming there is a human error that's involved. I can assure the member, as the Attorney General, I take my responsibility very, very seriously in appointing the most highest of the highest calibre of individuals to serve as our judges and justice of peace. These people are -- I've been actually at events with the judiciary, with our lawyers in our great province, and one of the compliments I continue to hear is the quality and the calibre of individuals who serve as our judges and justice of peace. We have an extremely strong independent process by which judges and justices of the peace are appointed. I can assure you I am absolutely confident that when you will see those 17 names, you will realize. How competent they are. I don't know what the technical reasons why the news release is down. I will make sure that news release is up as soon as possible.

MPP Gates (NDP) to Minister Naqvi (Attorney General) re: Hydro One Exec. Salary

>> MPP Gates: Thank you, Mr. Speaker. My question is to the **Premier**. Speaker, we both know outrageous hydro bills are the norm here in Ontario. To make matters worse, since the Liberals privatized hydro, the Hydro One C.E.O. Mayo Schmidt is making over \$6 million a year while people in this province struggle to pay their hydro bills, buy groceries, get prescription medicine and go to the dentist. This Liberal government continues to stand behind Hydro One C.E.O. Mayo Schmidt. They think that his salary is reasonable. I think that it disgraces and so do the people of Ontario. Speaker, when will the **Premier** make the right decision and bring Hydro One back into public hands, where it belongs, and put a stop, put a stop to those ridiculous executive salaries?

>> Minister Naqvi: Thank you very much, Speaker. I'm glad to stand up and speak on behalf of the Minister of energy on this important issue. I think member opposite, Speaker, knows that we are taking every step possible to ensure that the hydro rates, the electricity rates are coming down. Our fair hydro plan has resulted in a 25% decrease on average for all -- for all residents across -- and businesses and farms across the province. And in fact, Speaker, in rural and remote areas, that discount, that reduction is in some instances around 50%. These reductions are taking place because of the concerted effort that our government has made in making sure that we have an electricity system that is affordable, but also, Speaker, a system that is clean, that is a system that does not burn -- burns coal like the way it used to under the government -- under the previous Conservative and the NDP Governments. But ensures that we have got clean air, a clean emission-free system which is -- Available to Ontarians at an affordable price.

>> MPP Gates: Thank you, Mr. Speaker. Back to the **Premier**. No C.E.O. Of Hydro One should be paid \$6 million when people are struggling to pay their hydro bill. The NDP is trying to put a cap on public sector C.E.O. salaries in the past many times through legislation. Unfortunately this government, along with the P.C.S, voted against several pieces of legislation to cap public sector C.E.O. Salaries. Speaker, we know P.C.S are more interested in helping millionaires instead of the people that have continued to pay their hydro bill or eating. When will the **Premier** start caring about the people struggling to pay their bills in this province instead of supporting millionaires, millionaires on Bay Street?

>> Minister Naqvi: Speaker, the **Premier** is the only leader in this province that has actually taken concrete steps to reduce electricity bills by 25% for Ontarians, small businesses and farmers. NDP's, Speaker, hydro pamphlet is short on details but long on promises. Many of their promises rely on a way yet to be determined expert panel, to be convened sometime in the future. That is not going to save Ontarians a single penny on their bills, Speaker. And they're basing their calculations on pie in the sky negotiations with the federal government. Speaker, the reality is that these proposals don't make sense. Their biggest idea, buy more than \$4 billion worth of Hydro One shares will not take one cent off electricity bills. It will take zero cents off electricity bills, Speaker. All it does. Stock market money that should be used for health care, education and infrastructure. We don't agree with their plan.