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**Subject:** MEDIA EVENT: PC PARTY REACTION TO AUDITOR GENERAL'S PRE-ELECTION REPORT ON ONTARIO'S FINANCES

**Attachments:** Apr. 25- PC Party Reaction to Auditor General's Pre-Election Report on Ontario's Finances.doc

*Energy related items highlighted.*

## **MEDIA EVENT: PC PARTY REACTION TO AUDITOR GENERAL'S PRE-ELECTION REPORT ON ONTARIO'S FINANCES**

April 25, 2018

### **Time / Location:**

12:30 p.m./Queen's Park Media Studio

### **Speakers:**

MPPs Fedeli and MacLeod

### **Media Attendance:**

Print – 9      TV -    7      Radio – 2

### **Media Outlets:**

Jeffords – CP; Benzie – Star; Blackwell – Post; Artuso – Sun; Smith Cross – QP Briefing; Reeves – QP Today; Crawley - CBC Radio/TV; Brule - Radio Canada/CJBC; Morris – Newstalk 1010; Rath - CHCH Television; Tumelty - City TV; Mulligan – City; Morissette – TFO; Walsh – iPolitics; McGrath -- TVO

### **Statement by MPPs Fedeli and MacLeod**

Fedeli:

We just want to start off by talking about the fact that this is all about trust. I want to read to you some of the words that the Auditor General and the Financial Accountability Officer have used to describe this government's books just in the last few months alone. Again this is a trust issue.

So here are words from their commentary and their reports. Secrecy, deterioration, dangerous precedent, unlikely assumptions, significantly understated, inappropriate, hide, unreliable, conceal, distort, false, deceptive, obstructive behavior and bogus. Those are words from the two independent legislative officers describing those or their quotes. Those are their exact words describing this government's books.

That in itself shows you that this, that they are deliberately misleading the people of Ontario and the legislators. We, the MPPs, have been deliberately misled and so have the people of Ontario. They have purposely deceived the people.

MacLeod:

Thanks very much Vic. Let me be very clear. A year ago the Liberals promised us that they would have a balanced budget. They lied. They said that they had a \$6.7 billion deficit. They lied. Today we find out that Ontario families are going to be stuck with an \$11.7 billion deficit, a \$12.2 billion deficit next year and a \$12.5 billion deficit the year after that.

Well what does that mean? When this Liberal government took office the debt per person in this province was at \$11,000. Today it's at over \$23,000. Meaning that a child that is born today in the province of Ontario has to deal with a \$23,000 debt placed on their lap by Charles Sousa and Kathleen Wynne.

The reality is you cannot trust this Liberal government any more. And we listen to the independent Auditor General, the independent Financial Accountability Officer and have learned again today, that there is a secret hidden ledger that the Liberals are using in order to pretend that they're in it for you. And it's very clear they're not. Happy to take any questions.

Q: Benzie: So we know you haven't put the platform out yet but presumably there will be one. Is it going to have a bigger deficit than the one in November had, because you're going to use her accounting instead of the Liberal government's accounting?

Fedeli: Well first of all, unlike the Liberals we accept the Auditor General's numbers. Let's be very clear about that. They say

Q: Benzie: (inaudible)

MacLeod: Well let's be very clear. A lot has changed. And so anybody that wants to go down the rabbit hole of a past platform can do that. We're here today to talk about the future.

Fedeli: Because these numbers are so new we are going to spend some time to review precisely what the Auditor General has revealed today. And you will be seeing our plan. Know that this is a situation that is created by Kathleen Wynne and Kathleen Wynne's government and that only Doug Ford and the PCs will be able to clean this mess up.

Q: Rath: (inaudible) that a Doug Ford government would have to cut even deeper?

MacLeod: No. What it means is... we've been very clear the first priority, the first priority that we have and Vic will talk a little bit more about this as well... Is the first thing we've said we were going to do is bring in an outside audit to assist the Auditor General who has done amazing work today, whose work we appreciate and numbers we accept. But I think it speaks very clearly that this government has not been telling the full truth to the people of Ontario, which is why one of our priorities is to bring in that outside auditor and make sure that we know exactly what we're talking about. And this isn't... You know, this isn't something that we haven't talked about. It was a priority laid off by our leader Doug Ford last week. I mean Vic, would you like to elaborate?

Fedeli: Well this, again, this is a mess that Kathleen Wynne got us into. She has this further deficit that the Auditor General has exposed today. This is Kathleen Wynn's mess.

Q: Benzie: You could be forming a government six weeks from today. Or six weeks from tomorrow. You could win an election and come into office promising one thing and then finding a reality that will be quite different.

Fedeli: Well I hope we are in government in six weeks from now and that Doug Ford is our Premier. Secondly, you will hear from us between now and plenty of time for the electorate to make their decision, once we review the data that we received today. It's quite a startling set of data.

Q: Crawley: Is that a commitment to an actual costed platform?

Fedeli: I'm saying that we require time today and you'll be hearing from us. More from us in the upcoming days and weeks.

Q: Benzie: It won't have the numbers that were in the Patrick Brown platform? (Inaudible) until January 24th...

Fedeli: Well we've got five priorities that we're going to follow. We accept the Auditor General's numbers and we're going to review the data that we received today.

Q: Crawley: Vic are you going to provide a costed platform? Are you going to cost out your platform and show what sort of a deficit and or surplus you would have under a PC government?

Fedeli: You'll be hearing more from our leader Doug Ford over the coming days and weeks.

Q: Artuso: Doug Ford promised a balanced budget. That that is a flat out commitment that he made. After seeing this number are you still committed to balancing the books?

Fedeli: You'll...we're going to review precisely what the Auditor revealed today. We're going to do a complete audit of the Liberal's books, because quite frankly we don't trust anything the Liberals have told us now. We have solid reasons behind that. Seeing the scathing Auditor General's report today and the previous Financial Accountability Office's reports. We just don't trust any numbers.

Q: Artuso: That doesn't sound like a yes.

MacLeod: Well let's remember, an hour and a half ago we thought the deficit was \$6.7 billion dollars. Today it's \$11.7 billion. What else are the Liberals hiding elsewhere?

And that's why I think it's very important that our party brings in an outside audit and augments the important work that the Auditor General's doing. We'll review these numbers and we'll make sure that the five priorities that we're laying out are going to be the five priorities that we can deliver on for the people of Ontario. What is very clear is that the Liberals promised they would balance the budget. They lied. They promised they had a \$6.7 billion deficit. They lied. What else are they lying about? You simply can't trust them, and I know mums and dads across Ontario will be looking at this number today and just shaking their head. Again it's Liberals and their broken promises.

Q: Walsh: You knew about these numbers in advance. Vic you have been saying for days now that the deficit is double what it is. So you can't say today that you're surprised by these numbers. Yes you have the exact amounts maybe, but this is not new information broadly speaking for you. So what should voters expect in how you will deal with this?

Fedeli: Again, we accept the Auditor's numbers. She's certainly confirmed what she has alluded to over the last year in this startling revelation that the government's numbers were off by 75 per cent this year, 85 per cent next year and 100 per cent. Those are startling revelations.

And it's all boils right back down to trust. You simply cannot trust the Liberal government. They purposely deceived the people of Ontario.

You know I wrote something down that the Auditor said. She said if there's defense tactics put forward then you should be worried. And we've seen nothing but defence tactics from the Liberal government. And that tells all the people of Ontario be worried. Be very, very worried. What else are these people hiding?

Q: Smith Cross: What do you tell voters before they go to vote if there will be deficits under a PC government?

Fedeli: You are going to hear more from our leader Doug Ford in the coming days and weeks. And he'll be revealing that to you.

Q: Smith Cross: That's neither a yes or a no. Why are you... defence tactics here...

Fedeli: You'll be hearing from our leader Doug Ford. This is brand new information that we received today and startling information.

Q: Blackwell: Isn't that true? At least that this is going to have a huge impact on your platform when you know, when you do bring it out in full? I mean we're talking about billions more added to the deficit. I mean it's got to have a huge impact on what you and promising in this election surely.

MacLeod: Well we've been pretty clear. We have a five point plan or five priorities that we're rolling out that we believe we can achieve regardless of what the government's numbers. Part of that is making sure that we have an outside audit come in and look at all of the books across all of government, which the Liberals haven't done with the exception with the Auditor. And so we believe that's the first step forward. But again it all boils down to as my colleague Vic Fedeli has said. It boils down to trust. Let's not lose sight of the fact that the Liberals made a promise for balanced budgets. They broke that promise. They said they had a \$6.7 billion deficit. It's \$11.7 billion. When they took office every man, woman and child in the province of Ontario only \$11,000. Today that's up to 23. They are reckless. They can't be trusted. And at the end of the day that view has been validated, I believe, in the Auditor's Pre-Election Report.

Q: Mulligan: The bottom line -- is it going to be a whole lot harder for you to make and then potentially keep election promises with this look at the books?

MacLeod: We're committed to the five priorities that Doug Ford laid out last week. And we're looking forward to Doug Ford unveiling more of our plan in the coming days.

Fedeli: I want to just end... I just want to end with this legislated accounting. Think about that for a second. How devious that is. Back in 2012 the government decided to set a law that allows them to put their own accounting principles in. This is unprecedented in Canada and that's why the Auditor General is so upset at what this government has done. They legislated that you can account. They're accounting for a debt. They're writing checks to the power producers and those checks... in your home when you write a check you think that's an expense. The government somehow is allowing that expense to be called an asset. That's unprecedented and unbelievable. I know that's complicated but just think of the breadth and depth of the deception it takes to do that. They're deceiving the people of Ontario on purpose. There's no trust left with this government not a word they say.

Q: Walsh: But you (inaudible) Fair Hydro Plan correct?

Fedeli: You're going to hear more about our plan to reduce hydro rates in the coming days and weeks.

Q: Jeffords: (inaudible) Why then do you need to do an audit. An independent audit of your own?  
Fedeli: There so many more areas. Look at the Auditor General came out with her report jus in December and she reviewed 14 ministries and found a billion dollars. Who knows what breadth and depth they've gone to hide other things.  
Remember they changed the law that allowed them to do advertising that was partisan? They've changed this law now. What else have they done? We really need a thorough audit of exactly the breadth and depth of their deception.

Q: Jeffords: So you don't think that the Auditor General would have uncovered that in her yearly reviews?  
MacLeod: Well. So I sit on Public Accounts. I'm the vice chair. I've spent a lot of time with the Auditor General. And I obviously respect the work that she does and accept her numbers today. And I think what Vic is suggesting is that her annual reports cover 14 to 15 government programs. That's it. And in just 14 or 15 government programs last year she uncovered a billion dollars' worth of debt. But that's just government programs. That's not every ministry and every program within the ministry. And that's what we're suggesting.  
So we're not just having her look at the budget and we're not just having her look at 15 programs. We're going to augment that work with a greater detail and support. And that's where I think we're going to find out what the true picture is of Ontario's finances and the books of this province. And that's why we have the five priorities that we've laid out as part of our plan. You'll hear more in the coming days. But again today I think is a stunning indictment of the Ontario Liberal government for not only lying about a balanced budget, then lying that what the deficit was at \$6.7 billion dollars. And actually finding out the truth. That every Ontarian today is paying \$23,000 to finance their \$11.7 deficit. And Vic will let us know what the mew number is on the debt.

Fedeli: Thank you.

Q: Benzie: Isn't what the Auditor General is saying today is: We can't afford to subsidize electricity prices. So isn't. Aren't you guys. Shouldn't you really be saying as fiscal conservatives: Look folks, guess what? You're going to have to pay the real price of hydro. We can't have this artificial 25 per cent rate cut that you guys were going to build on by another 12 percent?

Fedeli: This is exactly why we need to review precisely what she's getting at. And we'll balance that off with the Financial Accountability Office and their comments on it as well which are equally important in this case.

Q: Benzie: So maybe Ontarians have to pay the real price of hydro?

Fedeli: We're going to come out with the, our own hydro plan that you'll be reading about in the coming days and weeks. In case that you missed that.

MacLeod: But the party with the taxpayer dollars is over.

Fedeli: Thanks everybody.

N.B.: Comments captured are not verbatim quotes