
CBC METRO MORNING INTERVIEW WITH PREMIER WYNNE

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CBC: As you've been hearing in the news the Premier Kathleen Wynne has announced that her government is going to reduce your hydro rates. Rates would go down by an additional 17 percent on average by stretching out financing costs for building and refurbishing power plants. That will mean billions of dollars in interest which taxpayers will be on the hook for in years to come. But this comes after months of fierce criticism from Ontarians. They have seen their bills sky rocket. At the same time that approval ratings for the Premier and her party continue to plummet. Kathleen Wynne, Premier of Ontario is with me in the studio now. Good morning.

PREMIER KATHLEEN WYNNE: Good morning Matt.

CBC: When did you realize that hydro rates were breaking the back of many Ontarians?

PREMIER WYNNE: Well we've known for some time Matt that people were struggling with their electricity bills. And you know, we've tried a number of things to mitigate those impacts and you know we realized some months ago that is wasn't enough and we've literally been looking for months for the package of solutions that would help people. What we knew was that people needed relief right away. You know, it's not right, it's not acceptable that people would have to choose between feeding their kids, paying the rent and paying their electricity bills. It's just not acceptable so we knew that people needed relief right away. We knew also that it needed to -- that relief needed to stay in place for some time you know, not for a year and then electricity rates bump up again. And what we heard from people was that this is everywhere. This wasn't just some people in some parts of the province but it was everywhere across the province.

CBC: There are policy decisions and there are political decisions. When did you realize that this could torpedo your government?

PREMIER WYNNE: Well, you know, the first issue is that and the most important issue, is that people were struggling and are struggling with their electricity bills. I mean that's what is driving this. And it's what, it's what drove the changes that we made including the 8 per cent reduction in January and realizing that that was not enough looking for more initiatives.

CBC: But you knew that you were wearing this?

PREMIER WYNNE: Well there's always a political component to these decisions, Matt. I mean I'm not going to deny that but as I said yesterday I'm not expecting people to stand up and celebrate because this is what we've done. What we've done and what we are -- what people will see on their electricity bills come summer is a response to a real need that people were feeling and it is my responsibility as Premier to respond to those needs and to help people. So by putting in place a 25 per cent reduction, so that's a 17 per cent...

CBC: Right.

PREMIER WYNNE: ...in addition to the 8 per cent that is already on people's bills. And to do that, spread out the cost over 30 years. You know, we're talking about assets, building that we've done to build up this electricity system that was really in tatters when we came into office under my predecessor. There was building that had to be done. Liberal, NDP, Conservative governments for years had not made the investments that needed to be made. We did that but the costs associated with that was being front-end loaded. We were asking this generation to pay, not just for the neglect of the past but for an asset that was going to be used for a 30 year period. So it's fair that we spread that cost over those 30 years.

CBC: How is it fair that you grandkids, my kids are going to pay for this?

PREMIER WYNNE: Interesting, people asked me that question yesterday about my grandkids and I you know, I think if I am talking to Olivia who is my eldest granddaughter I would say you know, we want to make sure that your mom and dad can look after you now and do the things that are going to make your life good right now and yeah, that will mean that you'll have to also pay for a strong and clean electricity system into the future but it means that everybody is paying their share because those assets, that building that we've done is going to last for a long time. It's going to last well into Olivia and Claire and Hugh's lives and I want them, I want them to have a strong electricity system but I want their mom and dad to be able to afford their life right now.

CBC: You don't see this as kicking the can down the road?

PREMIER WYNNE: I see it as sharing, I see it as sharing an investment over the reasonable life of that asset and I think that's fair. You know what's not fair is that people have to pay now in a way that means their lives are not viable. That's not fair.

CBC: How much more is this going to cost us? People are saying there might be as much as \$1.4 billion a year in interest? Is that a number that squares with you?

PREMIER WYNNE: So over the 30 years Matt, there is about a \$25 billion cost associated with this, over 30 years. And you know that's the premium that we pay in order....

CBC: That's an astonishing amount of money.

PREMIER WYNNE: Well, but this is billions and billions of dollars. We've invested \$50 billion in the electricity system over the last decade. That's a huge number but it means that we have a clean reliable electricity grid. So the numbers are huge. But that's why it's important that we stretch it over time.

CBC: And so paying \$1.4 billion a year in interest is worth it?

PREMIER WYNNE: It is worth it, it is worth it to make the electricity system viable for people today to allow them to pay reasonable electricity bills and to share that cost over generations.

CBC: The cost has not just been to individual Ontarians; it's also been to businesses. There is a story in The Globe and Mail this morning about businesses who are not going to invest anymore in this province because of electricity rates. Byron Nelson, President of a (inaudible)

manufacturing company called Leland Industries says we will invest no longer in Ontario. He is looking at building plants elsewhere, whether it's in Manitoba, Quebec, Saskatchewan or in the United States. He says we've got to be competitive. Our provincial government doesn't understand that word. What has the cost been for businesses of these high rates?

PREMIER WYNNE: Well I don't know, I haven't had a conversation with him as an individual. But what I do know is that we are actually expanding the conservation programs, the programs that will allow businesses to reduce their bills by about 30 per cent so there are a lot of businesses in Ontario, not just in the North but also in the South, and within the auto industry that are actually going to benefit from the changes that we are making. And the mom and pop shops on main street they're going to see that 25 per cent reduction. So we absolutely thought about business in this calculation.

CBC: He says you don't understand the word competitive?

PREMIER WYNNE: Well you know, we are leading economic growth in the country, Matt. Ontario is drawing foreign direct investment here at a rate that surpasses other provinces so we're actually in terms of the comparatives across the country we're doing very well. And we are doing that partly because we've made investments in a reliable electricity system. You know, businesses in 2003, businesses were very worried about whether we were going to have a reliable electricity grid. Those -- that neglect that had been allowed over years was not good for business because there was no predictability. So we've made those investments and now we recognize that you know, people need a break right now.

CBC: So you're not concerned about businesses leaving because of high electricity rates?

PREMIER WYNNE: Of course I am. I am concerned about bringing business to the province. But as I say we are working very hard on that front. We've been partnering with industry, we're seeing industry come, we've seen investment in the auto industry. We're seeing companies like Thomson Reuters, GE, GM bring new plants to Ontario, create jobs here in Ontario. Because they see the highly educated workforce. In that same article you will see that I said that the number one thing that business say to me is that we want to make sure you continue to have that highly skilled workforce. We know right now Matt that on people's minds in this province, across the province, is that they needed to see electricity rate relief. That's what we are doing. We're doing that for businesses as well.

CBC: Kathleen Wynne, the Premier of Ontario is with us in studio. We're going to get back to this in just a moment.

(commercial break)

CBC: The Premier is with us in the studio. Kathleen Wynne is here talking about her government's plan to cut hydro rates in this province. Mike Crawley was doing a piece in which it said that many Ontarians polled -- said that hydro rates were a top concern, saying they didn't feel like you understood the pressures that they face in their daily lives. I want to have you have a listen to what we've heard from some of our listeners.

[CLIP] UNIDENTIFIED RESIDENT: I have a cottage north of Peterborough. We went up there for a couple of weekends in a month but otherwise we keep it very low, the electricity. Our last bill for January was \$975 so we're thinking about either selling the cottage or we'll definitely have to put in a furnace.

[CLIP] UNIDENTIFIED RESIDENT 2: Just in regards to the hydro rate announcement, three things, one, it won't buy my vote. Two, where are they going to get the money for it and three high hydro rates aren't the problem. They're the symptom of bad energy policy. That's the problem.

CBC: Some of our callers with their thoughts on how this happened and how this is affecting them. Again the belief for many Ontarians is that you don't understand the pressures that they face in their daily lives. Do you think you are out of touch?

PREMIER WYNNE: I think that this policy that we're putting in place speaks directly to the concerns that we've heard from people. So the first caller talking about rates outside the GTA, the reality is that yes everyone in the province is going to see a 25 per cent or on average 25 per cent reduction but people who are in remote and rural communities are actually going to see a bigger reduction. Matt because when we talk about distribution charges one the challenges in those more rural less dense communities is that the distribution charges are fixed and people can't control that so what we've said is where those distribution charges are very high we're going to bring those down to the average of what an urban dweller would pay so there will be a much more standard rate of distribution charge across the province because that's fair.

CBC: I'm not sure that that answered the question though? Do you think that you're out of touch?

PREMIER WYNNE: Well no because what I'm saying is that the policy that were putting in place, the changes that were making are in direct response to what we've heard people say. I've talked to...

CBC: But in the meantime....

PREMIER WYNNE: ...I've talked to many people across the province and they've outlined their challenges. You know, they've said the distribution charges are too high. They said I can't afford to look after my home, look after my family so I need a break. They said that you know, you need to do this right now and you need to make sure that it lasts. So that's exactly what we've put in place.

CBC: Do you think that this will be enough to save your government?

PREMIER WYNNE: What I hope is that it will be enough to help people across the province. And you know the vote, the election, which is in you know, over a year from now, that is a separate issue. Of course there's a political consideration....

CBC: It's a separate issue?

PREMIER WYNNE: Of course there's a political consideration but the motivator Matt, is to make sure that people have a break on their electricity bills.

CBC: We've just heard one of the people who've been clobbered by this saying three things. One of which is that he doesn't think it's going to buy his vote.

PREMIER WYNNE: Yes so fair enough so he will make that decision. That's fine but I hope that he will get a break on his electricity bill that will help him whether he votes for me or not. That's

actually beside the point. The point is is he able to feed his kids. Is he able to pay his rent. Is his life better, is his quality of life better because we've been able to put in place these reductions.

CBC: I guess this question is asked in part because people connect the dots between a decision like this, a decision like the one to not allow the City of Toronto to move forward on tolls and they say this is a government that is facing obliteration and its desperate to hang on to those seats.

PREMIER WYNNE: So the connection between those two issues, and it's an interesting, it's an interesting juxtaposition, the connection between those issues is that there is an affordability quotient in each one of them. On the tolls there had been no regional discussion about tolling and so when it came forward as an idea, an isolation from a regional conversation it was quite clear that because people didn't have options, because the transit build out hasn't happened yet, it's in the process, people wouldn't have an option if they're on the DVP or the Gardiner and so that made it unaffordable for people so....

CBC: And would have cost you seats in the 905?

PREMIER WYNNE: But it was about affordability for people which is what you know, what people from the 905 were saying, that they were saying that this is too costly for us and we don't have an option. Likewise the electricity rates is an affordability issue. People, you know people understand that having a clean electricity grid is a good thing. Having reliable electricity is good. People have said that to me, they get that but they just believe that the cost is too high.

CBC: When you talk to people in the province, one of the things that they talk about is hydro rates. The other thing is – we've heard this from (inaudible), we're heard it anecdotally, you've heard it I'm sure, is this desire for change. The Liberals have been in Queen's Park since 2003. People think maybe it's time for a change. Do you understand that drive for change? Why somebody would say that they are looking for change?

PREMIER WYNNE: I understand that. I understand that that's an impulse but I think as we get closer to an election the question will be well charge to what and what is it that we actually need in this province to make sure that the future is secure. I mean I ran in 2014. I have been Premier since 2013. I ran in 2014 on a platform of building the province up. We are in a much better economic situation than we were. We have infrastructure being built all over the province, we've got free tuition for young people going into college and university from low income families starting in September. So there are things that have happened in this province that I will be judged on Matt, and that's as it should be.

CBC: The other part of change is people talk about change within leadership. You were asked repeatedly whether you are going to lead this party into the next election. You said again yesterday that you would.

PREMIER WYNNE: I did.

CBC: But what is it like to face those questions where there are people not just outside the party but presumable within the party who say is she the best person to lead us into the election or do we need somebody else there. For you what is it like to hear that?

PREMIER WYNNE: It is a question that I have been asked repeatedly as you know for a few months now. I am sure I will continue to be asked that question. I will answer that question. And

then I will do my job Matt because my job is to do what I said that I was going to do for people. I'm doing that and my job is not finished. And I'm going to continue to do that work and I said I'm going to run in the election in 2018.

CBC: It doesn't unsettle you to hear those kinds of questions? It doesn't set you back at all?

PREMIER WYNNE: Would I prefer that people weren't asking those questions, sure. I mean I'm human but the reality is that that's part of the job, answering those question is part of the job and the poll that matters because it's all based on polling numbers those questions, the poll that matters is the poll when people go to vote and you know, I'm prepared to take their judgment. In the interim I'm going to continue to do my job as I have been since I was in this chair.

CBC: Last question is just about the idea of an activist government. When you came in you talked about the government is a force for good, and wanted to be an activist government. Have you found that that's been – I mean when you focus on pocket book issues and affordability issues that that's more difficult to execute now that you are in the chair than perhaps when you were coming into the chair?

PREMIER WYNNE: Governing is not easy you know, it's not like there are simple solutions to the challenges that we confront. I mean at some point we may want to have a conversation about the future of work. You know, we talk about technology and innovations. There are huge issues confronting us as a society who it's not easy to navigate through those big issues like climate change, like innovation, like complex electricity systems. It's not easy to navigate through those so my job is to think about those big issues but pay close attention to people. I have said and I have acknowledged that we didn't pay as close attention to people and their electricity rates as we should have. You and I are having this conversation today because I get that. I get that we need to put in place support for people right now. It needs to be lasting. It needs to be structural change and that's what we have done. My earnest hope is that when people see those changes on their bill in the summer that they will recognize that its making their lives easier and they can move on to other things because I don't want people to be focused on their electricity bills to the exclusion of doing things with their family and feeling comfortable in their lives. That's not right and that's why we're making these changes.

CBC: Premier great to have you here as always, thank you.

PREMIER WYNNE: Thanks very much Matt.