QP BRIEFING

March 15, 2017

Click links below to view article:

1). HORWATH DEMANDS DETAILS OF PREMIER'S 'PHANTOM PLAN' TO REDUCE HYDRO BILLS

By: Geoff Zochodne

NDP Leader Andrea Horwath is challenging her rivals to spell out their plans to reduce hydro bills as early as next week, when the legislature returns from its March break.

"The Premier owes the people of Ontario one heck of an explanation," Horwath said Wednesday at Queen's Park. "But so far, all we've seen is a press release and a bunch of spin."

When the house returns on Monday, Horwath says Premier Kathleen Wynne should table legislation that lays out the specifics of the Liberal government's plan to cut electricity costs by an extra 17 per cent, which the NDP leader claims could cost Ontarians $40 billion in interest payments. The Liberals say it will cost $25 billion in interest payments over 30 years.

"It looks like the Premier's plan isn't about saving money, it's about saving her job, and forcing people to pay the price one way or the other," Horwath said. "Put this $40-billion phantom plan on paper and let's have a real debate about what's best for Ontario's future."

Energy Minister Glenn Thibeault said in a statement that the government will bring forward legislation "this session," which could run from Monday until the provincial parliament is dissolved in 2018 for the next election, "with time for debate and public hearings at committee."

Horwath and the NDP have released their own plan that they say could reduce hydro bills by as much as 30 per cent. The plan – which Horwath called "ambitious" and "comprehensive" – involves buying back the shares of Hydro One that have been sold by the Liberal government, capping power producer profits, ending mandatory time-of-use power pricing and reducing rural delivery charges.

"The NDP hydro proposal offers nothing practical or substantial when it comes to reduced electricity costs for Ontario families and small businesses," Thibeault said.

The Liberal plan would beef up social assistance initiatives, such as the Ontario Electricity Support Program for low-income customers, and pay for them with taxes, instead of hydro bills. The Grits also intend to reduce the global adjustment fee – the considerable cost that all electricity customers bear to ensure power producers are paid what they're contractually owed – by deferring about $2.5 billion in costs annually over 10 years. Electricity customers would make interest payments on the debt racked up to defer those costs, which the government says would total $25 billion over three decades.

But Horwath is going to need more than what the Liberal government has provided thus far, as she wondered aloud as to when the interest payments will start showing up on hydro bills.

"Let's just say I have a healthy amount of skepticism when it comes to any numbers that the Liberals provide," she told reporters "The reason we don't know exactly what will and won't be covered is because it feels like Kathleen Wynne is sitting at her kitchen table, writing this on the back of a napkin yet again. And that is not good enough for the people of Ontario."

Horwath didn’t hold back about PC Leader Patrick Brown either. The Tories have yet to publish their official hydro platform, and recent comments by Brown suggest his party won’t rush its release.

“Patrick Brown, I mean, it’s kind of worrisome,” Horwath said. “He’s got no plan at all. Nobody knows who Patrick Brown is, what he believes, what his vision is for hydro, because he hasn’t put a plan forward.”

2). Seen: Cabinet Secretary Steve Orsini reappointed, with salary bump

By: Sabrina Nanji

Steve Orsini will continue to head up the Ontario Public Service after being reappointed for a three-year term, which also comes with a modest pay bump.

The Secretary of the Cabinet's term was extended for up to three years, effective July 9, 2017, according to an order-in-council dated March 1. Orsini will also get a 5-per-cent wage increase for each of those years, starting April 1, 2018. As of April 1, 2017, he'll be raking in a $368,594 salary.

The government has been opening up the purse strings when it comes to compensation throughout the public service as a 2009 wage freeze is lifted – 8,500 managers, executives and deputy ministers are getting $125-million worth of pay hikes, and executives at broader public sector agencies such as Metrolinx and Ontario Power Generation are also poised for an increase. Meanwhile, MPPs' salaries will likely remain frozen until 2019.

The order-in-council said Lieutenant Governor Elizabeth Dowdeswell "finds it necessary to revise Stephen Orsini's remuneration during his appointment as Secretary of Cabinet."

In that role, Orsini is boss to more than 60,000 civil servants working in the province, as well as deputy minister to Premier Kathleen Wynne. Part of Orsini's job is to advise the Premier on how to deliver on her government's mandate. He also supports her Cabinet's decision-making process, makes sure those decisions are implemented, and oversees day-to-day operations of the public service.

Wynne first named Orsini the Secretary of Cabinet and Clerk of the Executive Council in June 2014, to replace Peter Wallace, now Toronto's City Manager. Before that, Orsini was a deputy minister of finance and secretary of the Treasury Board. He also worked as an associate deputy minister in the finance ministry's office of taxation, agencies and pensions, and at the Ontario Hospital Association.

Wynne and Orsini are pictured above at Queen's Park during last summer's Cabinet shuffle.

3). Young, full-time worker needs 14.5 years to save for down payment: study

By: Jessica Smith Cross

The average young Ontarian has to work about 14.5 years to sock away enough money for a down payment on a home in the province, a study has found.

Generation Squeeze, an advocacy group for young Canadians run by University of British Columbia professor Paul Kershaw, released a report on the economic prospects for young B.C. residents Wednesday.

The report is focused on British Columbia and its upcoming provincial election, and compared the economic outlook for young people in different eras of provincial governance — under Liberal, NDP and Social Credit governments. It declared B.C. the “worst performing economy in Canada for younger generations,” largely because of rising real estate prices and softening incomes for younger workers.

Kershaw is preparing to release a similar report on Ontario in the coming weeks. The Ontario budget is also expected in the coming weeks and Finance Minister Charles Sousa has said he's looking at all of the province's options for tempering the hot housing market.

On the real estate front, Ontario isn’t far behind B.C.

Kershaw’s latest report said the average 2016 home price in Ontario was $535,931, behind only B.C. at $691,144, based on data from the Canadian Real Estate Association. Every other province was below the national average of $490,495.

The average young person, aged 25 to 34, made $46,000 pretax earnings working full-time in Ontario, slightly under the national average of $47,400, based on the Canadian Income Survey (2012 to 2014), according to the report.

Based on those figures, Kershaw found that the average young Ontarian — saving 15 per cent of income for a down payment on a home — would require about 14.5 years to save up enough.

That figure is 18.5 years in B.C. and 13.4 years across Canada.

Incomes and housing prices vary greatly across Ontario and Kershaw told QP Briefing that his figures for the years of savings required do too — but are increasing in cities across the board, mostly under the watch of the Liberal government.

“For instance, in Windsor, back in the day when today’s aging population was young — around 1976 to 1980 — it took around four years of full-time work to save a down payment on an average priced home; now it takes six years,” Kershaw said, offering a sneak peek of his upcoming report.

In Ottawa, it was five years in 1976 to 1980; now it takes nine, he continued. The timeframe in London grew from four years, to nine and in Kitchener, from five years to 10.

“In Hamilton, and this one really frightens me, it used to take four years of full-time work in order to save a down payment on an average home in 1976 to 1980 — now it takes 14 years and eight of those years have been imposed since 2003,” Kershaw said.

In the Greater Toronto Area, it used to take six years to save up a down payment, by Kershaw’s calculation, and it today it would cost young adults “audacious enough” to try to save up for an average-priced home, 20 years to save up down payment.

That, however, is less that his calculation for Metro Vancouver — 26.7 years.

Kershaw added that all of his calculations are based on the average home — not single detached houses. “Young people are having to work more, to save more, to pay more to buy less,” he said.

He noted that his findings down mean every young Ontarian home buyer has saved up for years, and many families use equity they’ve gained in the housing market to their children get into the market — but said that raises serious issues of fairness for families that don’t have intergenerational real estate wealth.

4). Happening: The search for Ontario's chief science officer, salary TBD

By: Sabrina Nanji

The search is on for Ontario's first-ever chief science officer.

The provincial government is seeking public input to help inform the officer's mandate and launched consultations on Tuesday – otherwise known as Pi Day.

Ontarians will have until March 27 to offer feedback, including what should top the science officer's agenda: climate change, food safety, an aging population, poverty reduction, disasters and natural emergencies, and "disruptive technologies" – for instance, artificial intelligence and autonomous cars.

The successful candidate will be revealed later this spring, and the government isn't saying yet how much he or she will be paid. That will depend on the person's résumé.

"It's too early in the process to be able to get into specifics as to what the salary for the Chief Science Officer might look like," explained Lauren Souch, spokesperson to Research, Innovation and Science Minister Reza Moridi, in an email. "However, we can tell you that the salary will be dependent on the candidate's qualifications and track record."

Premier Kathleen Wynne announced the Office of the Chief Science Officer in last June's cabinet shuffle, which also added an appended "science" to the name of Moridi's ministry.

The officer will act as a senior executive in the ministry and advise government on "research and science matters," according to a release.

The officer will also "champion high quality science in government and education, help the government make decisions that are informed by science-based policy issues, advise the government on how to support future research and innovation projects, publicly promote Ontario as a hub for research and the world by attracting global research talent," and, "lay the groundwork for the next generation of research and innovation by defining the best science strategy for the province."

Last December the federal Liberals embarked on their own search for a chief science adviser to assist in "science-based decision making" and advise on how to "ensure government science is open to the public, that federal scientists are able to speak freely about their work, and that science is effectively communicated across government."

At the time, federal Minister of Science Kirsty Duncan called the search, which closed in February, a "historic moment."