

QP BRIEFING

March 21, 2017

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1). JULIA MUNRO, ONTARIO'S LONGEST-SERVING FEMALE MPP, TO RETIRE

By: Geoff Zochodne

The longest-serving female MPP in Ontario's history has decided to hang it up.

Progressive Conservative MPP Julia Munro, who represents York-Simcoe, announced Tuesday morning that she will not run again in 2018.

"I have never lost my enthusiasm for public service; however, in any career there comes a time to retire," said Munro in a statement. "Nobody can do this job alone. I am forever grateful to my family, staff, volunteers, and constituents for their faith and trust in me over the years. I look forward to serving the remainder of this term, and to spending more time with my family. I will not be seeking re-nomination."

Munro is the only PC incumbent not running for re-election. The rest of the Tory caucus has been renominated or is running for renomination for the 2018 election.

The 74-year-old Munro has had a seat at Queen's Park since 1995, sweeping into office as part of Mike Harris' Common Sense Revolution. She was recently toasted by the legislature for her 22 years of service, making her the longest-serving female MPP of all time.

PC Leader Patrick Brown thanked Munro for her service in a statement, and credited her with helping to get the Liberal government to back off the "job-killing" Ontario Retirement Pension Plan. The Liberals instead opted to go with a Canada Pension Plan enhancement.

"I will always remember Julia as one of the most compassionate people I have had the pleasure of working with," said Brown in a statement. "She is a superb role model for girls and young women all throughout the province. I look forward to continue working with Julia for the remainder of this term, and will miss her advice and experience around the Caucus table. We wish her all the very best in her retirement."

2). LIBERALS HIT VOTERS WITH DOUBLE-BARRELLED ADVERTISING BLITZ FOR HYDRO PLAN

By: Geoff Zochodne

The Liberals have turned an advertising campaign for their new hydro plan into a two-pronged assault on voters, targeting them with promotions paid for with both government and party funds.

Government ads had already been making the rounds on the radio and social media, fuelling heated debate at Queen's Park, but leaflets from the Ontario Liberal Party – offering the same sort of message – were being distributed to Toronto commuters Tuesday morning, touting the Grits' plan to reduce hydro bills by an average total of 25 per cent.

A QP Briefing reporter was actually handed a Liberal party flyer at a subway station. On one side, there is a picture of power lines, the Liberal logo, and text declaring “25% off your monthly hydro bill.” On the other, readers were informed that “The Ontario Liberals recognize that electricity rates are rising too quickly” and given details about the 25-per-cent plan and the proposal to hold hydro hikes to the rate of inflation for four years. The flyer directs readers to “learn more” by directing them to a Liberal-run website.

Geoff Zochodne @GeoffZochodne

Handed to me at the subway station this morning. Liberals pushing their hydro plan hard.#onpoli
8:07 AM - 21 Mar 2017
8 RETWEETS 3 LIKES

An Ontario Liberal Party spokeswoman said the information was being distributed by volunteers, “outside of working hours, on a voluntary basis and using solely party resources.”

“The material that was handed out was paid for by the Ontario Liberal Party,” Patricia Favre said in an email. “In addition to today's campaign, we have set up a dedicated website. The campaign is being funded by the Ontario Liberal Party.”

The Liberal party ads could also be considered taxpayer-funded promotion, as the Liberals, Green Party, NDP and Progressive Conservatives began receiving a per-vote subsidy this year, following changes made to the province's political fundraising rules. Parties are still receiving donations, albeit at a reduced rate since corporate and union donations were banned.

“Political parties, including the NDP and PCs, often spend time promoting policies and values they believe in,” said Favre. “Getting this information to Ontarians is an important part of our democratic process.”

But the opposition parties were critical of the two-front offensive by the Liberal government and party, calling the Grits' tactics a sign of desperation.

“It absolutely makes it more egregious,” said PC Leader Patrick Brown. “They’re spending a few dollars of Liberal Party pamphlets and they’re spending millions possibly when it comes to the government buy.”

“I think right now they’re desperate, that’s why they’re abusing taxpayers,” Brown said.

Energy Minister Glenn Thibeault said Monday that the government had spent under a million dollars on its ad campaign thus far, but intended to promote the Grits' "Fair Hydro Plan" in the same way it had with other, bigger spending efforts.

Brown also pointed out that the province's auditor general had rapped the government's knuckles last year for running ads about the Ontario Retirement Pension Plan at the same time as the Ontario Liberal Party was running television spots starring Premier Kathleen Wynne talking about pensions. Auditor General Bonnie Lysyk reported that she was previously able to address this "overlap" by forcing the government to pull its ad, but the Liberals amended her powers in 2015, preventing her from doing so. The auditor general has said the government's new ads on the "Fair Hydro Plan" would not have been approved under the old rules.

But Deputy Premier Deb Matthews, who is also co-chairing the Liberals' 2018 re-election campaign, said Ontario still has "the most restrictive rules around partisan government advertising." Matthews also defended the new ads as necessary information, and said everybody does it.

"This is political advertising," she told reporters. "Other parties do this kind of event, the blitz, letting people know what we're doing. This is not government advertising at all. This is Liberal Party advertising."

"We know we've got a campaign in a little over a year," Matthews added. "So of course we're doing that kind of work that you would do in a lead-up to an election."

The Progressive Conservatives tried to halt the Liberal campaign Tuesday by asking the legislature for unanimous consent to suspend taxpayer funded ads until Speaker Dave Levac rules on whether they are in contempt of the legislature. The attempt was quickly shot down by boisterous Liberals, leading to a rowdy question period that saw PC energy critic Todd Smith kicked out of the chamber because of heckling.

Levac warned that Smith was "very close to being expelled," which could have been referring to a suspension, punishment that could have kept Smith out of the chamber for the duration of this legislative session, which could last until the next election. Levac has yet to rule if the government hydro ads are in contempt of the legislature, something the PCs maintain is the case because they were published before legislation was tabled outlining the Liberals' hydro plan.

"Clearly, the legislation is coming forward, and the minister is making a mockery of this Legislature and its members as he runs self-congratulatory ads, paid for by taxpayers," said Brown during question period. "Will the Premier stop her re-election campaigning and using taxpayer resources to do it?"

Brown also told reporters that, if he forms government in 2018, he would reinstate the auditor general's old power to spike ads that are too self-congratulatory.

Liberal Government House Leader Yasir Naqvi said Brown and the Tories are just deflecting from the fact that they have no hydro plan of their own yet. "Their plan is a blank piece of paper," Naqvi said during question period.

NDP Leader Andrea Horwath accused the Liberals of being "desperate" and "blurring the lines" between government and party with their new leaflets. "I think it's obvious: they had a plan to

do what they could by using public money on the radio ads and now they're doing the same thing with their party ads," Horwath said. "But I don't think people distinguish the difference."

3). *THE FUNDING PORTAL – WEEK OF MARCH 13*

By: Sabrina Nanji

Who got funding from the government this week?

Funding for the week of March 13, 2017 under Canadian federal and provincial grants and business incentive programs reached \$808.4 million, up from \$560.3 million during the previous week.

Top Sector. Community & Nonprofit is the top sector this week, attracting \$513.6 million, 64 per cent of total incentives.

Top Region. B.C. is the top province this week, securing \$454,200, accounting for 56 per cent of total national disbursements this week.

Top Recipients in Ontario.

- 75 research projects across the province receive \$77 million through the Ontario Research Fund.
- The Thunder Bay Regional Health Research Institute receives \$1.85 million from FedNor to purchase equipment and implement new technologies in the areas of probe development and bio-marker exploration.
- Lenox Island First Nation receives \$1.8 million from the federal government for infrastructure and planning projects.

Sectors

[<https://fundingportal.com/blog/wp-content/uploads/2017/03/image-68.png>]

Provinces

[<https://fundingportal.com/blog/wp-content/uploads/2017/03/image-67.png>]

*4). PATRICK BROWN: FEDERAL CONSERVATIVE PROBE INTO ALLEGED VOTE-BUYING
'HAS NOTHING TO WITH' ONTARIO PCS*

By: Sabrina Nanji

Ontario Progressive Conservative Leader Patrick Brown said Tuesday his party "has nothing to do" with an investigation undertaken by his Conservative Party counterparts in Ottawa that voided 1,351 memberships purchased against the rules in the federal leadership race.

Asked if he was aware if the allegations of fraudulent memberships had a connection to the Ontario PCs, as had been reported, Brown categorically said no.

"We'd obviously co-operate with the federal party, but they've never asked ... Our [membership] lists have not been shared, so this has nothing to do with the provincial party," Brown told reporters after Tuesday's question period.

Shortly after federal Conservative leadership contestant Kevin O'Leary hurled accusations of vote-rigging and fraudulent memberships, the Conservative Party of Canada's investigation into the matter found 1,351 memberships were purchased on its website, not by the individuals themselves, but anonymously through two IP addresses, and in some instances, using prepaid credit cards. That is a breach of the party's rules, and those memberships were voided. The party has not mentioned any specific leadership campaigns.

O'Leary reportedly alleged that one of the leadership contenders had used prepaid credit cards to sign up federal party members, unbeknownst to them, based on an Ontario PC list.

Sources then told The Globe and Mail the claim allegedly had to do with the Ontario PC memberships signed up during the 2015 provincial Tory leadership race, particularly those involving Tamil Canadians now allegedly tied to Conservative MP Maxime Bernier's federal bid.

O'Leary's camp did not name names, and Bernier's team has said it was unaware of any alleged fraud. It accused O'Leary of smearing Bernier's campaign, which has since flipped the script and accused O'Leary's camp of breaking the party rules.

There is, at least in part, a connection between Tamil Canadians backing Bernier and Brown. Babu Nagalingam is a senior PC party adviser and Brown's longtime political ally, who is also volunteering with Bernier's campaign.

Nagalingam, who has not been accused of having a connection with any of the above allegations, told The Huffington Post he has been directing Bernier supporters to register directly on the party's website.

Brown – who has steered clear of endorsing any of the federal Conservative leadership contestants – reiterated he would not wade into the contest when a reporter asked about his allies' alleged involvement with the Conservative Party investigation.

"I've got very good friends involved in numerous ... federal leadership campaigns. But I'm certainly not getting involved, my office isn't getting involved. I've actually asked everyone in my office at headquarters to follow my example and not get involved," Brown said.

He added the Ontario PCs have been enjoying a “record membership drive.”

“We had 40,000-plus members come in, just in the fall ... I’m not surprised that federal leadership candidates would want to piggyback on the success of the PC brand right now.”

Brown said the party is not conducting an investigation at the provincial level.

5). HEARD: LIBERAL MPP WANTS APOLOGY AFTER PC MPP SUGGESTS FEMALE ENGINEER 'DO SOMETHING ABOUT THIS COFFEE'

By: Sabrina Nanji

Liberal MPP Daiene Vernile wants an apology and a retraction from PC MPP Randy Pettapiece for musing if a newly appointed female chemical engineer could "go to the kitchen and get them to do something about this coffee?"

Pettapiece made the comment Tuesday morning during a committee meeting after Rumina Velshi, a chemical engineer who has worked at the Canadian Nuclear Safety Commission, Hydro One and Ontario Power Generation, was nominated as a member of the Ontario Energy Board. The Liberal government house leader's office promptly provided reporters with the transcript.

"Maybe with her background, she could go to the kitchen and get them to do something about this coffee?" Pettapiece said.

That prompted Vernile to clarify if he wanted "a woman to get coffee" for the MPPs, and asked "why is it her responsibility?"

Pettapiece replied, no, he wanted Velshi to "do something about it, the taste of it" because of "her scientific background."

Vernile rose on a point of order in the house that afternoon and asked that Pettapiece withdraw and apologize for the "sexist comments."

The Speaker decided the committee room was the more appropriate venue to raise the matter, which Vernile is expected to do when it meets again next Tuesday.

Pettapiece, who has complained about the coffee served in committee meetings before, did not immediately respond to a request for comment.

6). *BROWN NOW SUPPORTING 'REVENUE-NEGATIVE' CARBON TAX*

By: Geoff Zochodne

The life of Ontario's cap-and-trade system has barely begun and already the carbon-pricing plan has been marked for death.

On the eve of Ontario's first cap-and-trade auction, Progressive Conservative Leader Patrick Brown, whose party has been leading in recent polls, said Tuesday that he would "dismantle" cap and trade and replace it with a "revenue-negative" carbon tax. Brown also said he would pull Ontario out of the Liberal government's plan to join with California and Quebec's carbon market in 2018.

"I would withdraw Ontario from the Western Climate Initiative [the joint carbon market]," Brown said. "The faster I can get Ontario away from subsidizing businesses in Quebec and California the better."

While Brown has always said he opposed cap and trade, he had previously insisted on a revenue-neutral carbon tax as a replacement, wherein the same amount of money raised by the levy would be returned to Ontarians via tax cuts. British Columbia has a carbon tax that's intended to be revenue neutral, although the Fraser Institute recently reported that the province is set to take in \$865 million more from the fee over the 2013-14 to 2018-19 fiscal years than what it would give in tax breaks.

Brown said revenue-neutral isn't enough anymore. "I think it needs to not only be revenue neutral, but revenue negative," he told reporters Tuesday. "I believe that whatever is collected should be given back."

A revenue-negative carbon tax, in theory, would return more to taxpayers than the government collects. Brown said his plan is still being fleshed out, though.

"There's a number of tax policies that are being examined," Brown said. "There's numerous options, whether its personal income taxes, whether its small business taxes, whether it's the HST, there's a number of ways you can give funds back to the public. My point is they should not be taking advantage of the goodwill on the environment the public has as a cash grab for government."

Ontario's first cap-and-trade auction is scheduled to be held Wednesday, after the system officially launched back on January 1. Cap and trade will require Ontario businesses to obtain allowances equal to their carbon emissions – by bidding for them in an auction – that they can buy and sell among themselves.

The Liberal government is estimating cap and trade will yield about \$1.9 billion in proceeds annually, which is to be spent on various greenhouse gas-reducing programs. The system is part of the Liberals' plan to fight climate change and reduce GHGs by about 15 per cent below 1990 levels by 2020.

The Liberals have also attacked Brown's carbon tax plan as much more expensive than their cap-and-trade system.

“Patrick Brown should know that independent, third-party experts have proven his carbon tax scheme would be more expensive and less effective than our plan,” said a Liberal fact-check release sent out Tuesday afternoon. “Every dollar also goes back into helping families and businesses successfully make the transition to a low-carbon economy.”

Environment and Climate Change Minister Glen Murray has been mum about Wednesday's cap-and-trade auction, so as not to influence the auction in any way. The first auction is expected to have strong demand, but California and Quebec have seen weak demand for their carbon credits over the past year, an ominous sign from Ontario's future partners in carbon pricing. Murray said Monday that the results of the province's auction would be released on April 3.

Brown, however, has criticized the government for choosing a plan that, according to the auditor general, will reduce the majority of its emissions in California and Quebec, by forcing Ontario businesses to buy up carbon allowances in those jurisdictions. The auditor said last year that Ontario emitters will pay up to \$466 million from 2017 to 2020 for carbon credits from Quebec and California.

NDP Leader Andrea Horwath, meanwhile, says her party is generally supportive of cap and trade, but isn't sold that the Liberals' framework is ideal. She mentioned the province's plan lacks the support for low-income residents that California's system has, as well as the burying of the cap-and-trade fee on natural gas bills.

“And so we're going to have to take a look at where we end up when 2018 comes as to whether we have a cap-and-trade plan that is fair, effective and transparent,” Horwath said.