**July 1st, 2017 Regs + KMs**

**Finance**

Issue: Changes to the spirits mark up at the LCBO

- Let's be clear. This is not a new tax.
- We have replaced an old LCBO commission system and moved to a tax structure which will in turn increase the profit margins of craft distilleries for their on-site sales.
- A distiller's revenue from a $39.95 bottle will increase from 39% to about 45%.
- These changes respond to distillers' requests.
- They asked to treat spirit on-site sales in a similar way to wineries and breweries' on-site sales– which is exactly what we've done.

**Energy**

Issue: Electricity bills to include messaging related to the Fair Hydro Plan and its impact on invoices

FYI – we're also launching FHP ads on TV, radio and online after July 1st. Likely to attract further opposition attention as well.

KMs

- Our government has a responsibility to raise awareness and communicate information about programs and services that affect our daily lives.
- This includes informing Ontarians of changes to their electricity bills so that they can use this information to plan for the future as they manage their household budgets.
- The government is communicating these changes over a variety of channels, including working with our partner utilities to deliver information directly to customers.
- Utilities regularly include informational inserts and on-bill messaging to keep customers informed on a variety of topics – program updates and application information, changes to rates, and so on
    - We are simply following this practice to keep customers informed.
- In the case of the Fair Hydro Plan, information to help customers will be particularly important, since there will be a number of changes from previous bills:
    - An 8% rebate;
    - Reduced electricity costs;
    - Reduced regulatory charges;
    - Reduced delivery charges (for some customers);
    - Enhancements to programs available.

- Some of the relief available to customers actually requires that they apply, meaning that informing customers is doubly important.
    - This includes the OESP and the Affordability Fund
- It is important that customers understand these changes, so that they can understand their bills.

**MOECC**

ISSUE: Amendments to the Waste Diversion Transition Act will support closure of the Use Tires Program and the Ontario Tire Stewardship (OTS). OTS is required to submit a wind-up plan by October 31st and questions have been raised about the organization's current surplus.

KMs

- We have taken steps to change the way waste is handled in Ontario
- Thanks to the Waste-Free Ontario Act, producers are now fully responsible for the recovery and reduction of waste associated with their products and packaging
- This legislation will also eliminate industry funded organizations, like the Ontario Tire Stewardship, and producers will no longer be required to pay eco fees
- This new framework gives producers a choice on how to manage their waste and the costs associated with that.
- It is important to highlight that the Ontario Tire Stewardship is an independent organization that worked with Waste Diversion Ontario (WDO) to develop the used tires program
- To be clear, it is not a government agency and has no direct reporting relationship with MOECC
- Thanks to the passage of the Waste-Free Ontario Act industry funded organizations like the Ontario Tire Stewardship will be eliminated

*If pressed on misuse of funds…*

- Upon learning of allegations about an inappropriate use of funds, the matter was referred to the ministry's Investigations and Enforcement Branch for investigation
- On November 8, 2016, charges were laid that relate to diverting money and failing to pay into the fund established by Ontario Tire Stewardship (OTS)
- OTS is not a government agency and has no direct reporting relationship with MOECC
- Thanks to the passage of the Waste-Free Ontario Act industry funded organizations like the Ontario Tire Stewardship will be eliminated

**Labour / TBS**

Issue: Amendments to the Crown Employees Collective Bargaining Act changing the composition of the Grievance Settlement Board

KMs

- The Grievance Settlement Board (GSB) is a provincial agency responsible resolving grievances between the government and its unionized employees.
- Over the past few years, the GSB has increasingly faced difficulties in attracting and retaining mediator-arbitrators to resolve employee grievances due to uncompetitive rates of compensation.
- Currently, GSB mediator-arbitrators earn $716 per hearing day which is well below the private sector average of $3,500 to $4,200 per day. This has resulted in:
    - Delays in scheduling and resolving grievances, which has created a substantial backlog of unresolved grievances.
    - Additional cost pressures, by prolonging the dispute resolution process; and
    - Challenges in maintaining the government's working relationship with the bargaining agents.
- In response to these challenges, the government is making a number of legislative amendments to the *Crown Employees Collective Bargaining Act* (CECBA), largely to remove GSB mediator-arbitrators from the OIC appointment process and create a more flexible and nimble alternative recruitment arrangement, based on a vendor of record model as recommended in a recent third-party Mandate Review.
- Compensation rates for mediator-arbitrators will now be negotiated jointly between the union and the employer, to reflect the fact that each is jointly responsible for paying 50 percent of the cost and that the GSB is jointly governed by the government and its bargaining agents.
- Following changes to CECBA, the government is planning to reduce the gap between the current rates of remuneration at the GSB and private market rates. In doing so, we expect to be able to resolve more disputes and reduce the backlog.