

Morning Media Scan: Hydro Rate Reduction Plan - June 1, 2017

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Morning Media Scan: June 1, 2017

Media ScanHydro Rate Reduction Plan

June 1, 2017

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Print Coverage

Toronto Sun: Wynne's Ontario? Oh, are we ducked!; A15; 2017.06.01

PUBLICATION: Toronto Sun
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EDITION: Final
BYLINE: Lorriegoldstein
SOURCE: Toronto Sun
KEYWORDS: fellow,canadians,ontario,ministry,tourism,culture
WORD COUNT: 539

Wynne's Ontario? Oh, are we ducked!

To: Our Fellow Canadians From: Ontario Ministry of Tourism, Culture and Sport By now, you've no doubt heard of our brilliant plan to spend \$121,325 of Ontario taxpayers'money bringing the world's largest, six-storey, 13,600-kg yellow Rubber Duck to our province, as part of our celebration of Canada's 150th birthday.

Rubber Duck will be featured at waterfront stops in Toronto and surrounding communities starting July 1. But we don't want you to think that's the only attraction we have lined up for you at Rubber Duck's appearances.

That's why we're pleased to announce the following Ontario attractions that will accompany Rubber Duck on his summer tour. Be sure to visit them all! The Cancelled Gas Plants Experience: Spend a delightful hour with Ontario Premier Kathleen Wynne and former Premier Dalton McGuinty, learning how to build two gas plants for the price of four. Cost: \$2.6 billion.

The Feed-in-Tariff (FIT) Fantasy Adventure: Thrill as Ontario's crack energy bureaucrats negotiate 20-year, no cut contracts with wind and solar energy companies, now paying two times the average U.S. cost for wind power and 3.5 times for solar power. Cost: \$9.2 billion.

The Money-For-Nothing Exploratorium: Experience what it feels like to be a Liberal-connected renewable energy developer in Ontario, as you receive \$100 for doing absolutely nothing, just as they often get paid for not producing electricity due to Ontario's massive energy surplus. Cost: Still being calculated.

The Hydro Bill Shell Game Tent : Bring in your outrageously high monthly electricity bill and the Ontario government will help you pay for it by loaning you your money, with interest. Plus, you'll get a free can of cat food for dinner! Cost: \$21 billion.

The Cap and Trade Bait and Switch Exhibit: Learn how Ontario industries will fight global warming by buying foreign hot air carbon credits under a governmentrun scheme that's led to skyrocketing consumer prices, political corruption and massive fraud wherever it's been tried in Europe. Cost: \$1.8 billion annually.

The Smart Meter, Stupid Liberal Double or Nothing Booth: Place your bets as you watch how Ontario spent \$2 billion on a \$1 billion plan to install smart hydro meters in homes and businesses across the province. Cost: \$2 billion.

The Small Business Survival Safari Adventure: Try your luck at keeping your small business alive while the Wynne government unexpectedly raises Ontario's minimum wage by a job-killing 22.8% on Jan. 1, 2018, and 31.6% on Jan. 1, 2019. Cost: Who cares? We have an election to win! The eHealth Information

Superhighway Highway: Watch, from the safety of our glassed-in viewing area as Ontario's health care

bureaucrats reveal how they met the challenge of spending \$1 billion on not creating a workable system of electronic computer medical records for Ontario patients. Cost: \$1 billion.
The Ornge Helicopter Thrill Ride: Finally, end your day by taking the whole family on an exciting aerial tour of all our exhibits on executive helicopters that were supposed to be used for transporting air ambulance patients across Ontario, except they either had no place to put the patients, or made it almost impossible for paramedics to perform CPR. Cost: Still under investigation.
See you in Ontario this summer! lgoldstein@postmedia.com @sunlorrie

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Ottawa Sun: Wynne's Ontario? Oh, are we ducked!; A17; 2017.06.01

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National Post: Ontario's wages of sin; FP11; 2017.06.01

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Ontario's wages of sin

When former Ontario PC leader Tim Hudak wisely proposed in 2014 rescuing the province's finances by reducing public sector employment by 100,000 jobs, Premier Kathleen Wynne called the plan "disastrous." So how then should we describe Wynne's own plan to raise the minimum wage, which is likely to destroy far more than 100,000 jobs, the vast majority of which will be in the private sector?

On Tuesday, Wynne announced plans to legislate a \$15 minimum wage by 2019. By calculating roughly according to estimates in a report commissioned by the Ontario Ministry of Finance when the Liberals were raising the minimum wage a decade ago, we can project the new wage will kill an estimated 80,000 to 155,000 jobs just among young workers (aged 15 to 24), without even counting the number of jobs lost to older workers.

That report, authored by minimum wage expert and University of Toronto economist Morley Gunderson, warned against raising the minimum wage by pointing out that Canadian studies generally estimate that a 10-per-cent minimum wage hike would reduce youth employment by around three to six per cent.

We can therefore expect that Wynne's plan to hike the minimum wage by 32 per cent would reduce youth employment by around nine to 17 per cent. Multiply that by the number of young workers in Ontario, and that's 80,000 to 155,000 jobs lost.

But wait: it actually gets much worse. That estimate doesn't take into account the fact that Ontario's minimum wage will be much higher than in other provinces. Gunderson's 2007 report said this would have a negative employment effect "over and above the effect from the higher minimum wage itself." This extra negative effect is the consequence of employers being encouraged to relocate to provinces less hostile to business.

And remember that the 80,000 to 155,000 estimate is only for the jobs lost by young workers, aged 15 to 24. Add in all the jobs that will be lost by older workers as well, then add in all the jobs that will be destroyed by the other regulatory burdens Wynne is heaping on workers with new labour rules to go

along with the minimum wage hike, and there is no telling how much high the economic casualty toll might skyrocket.

Even current minimum wage earners who do manage to keep their jobs might be worse off if their employers offset wage increases by decreasing non-wage compensation (like job training) that young workers prefer. These negative effects on employment and training are a large reason why, as Gunderson's 2007 report put it, "minimum wages are, at best, an exceedingly blunt instrument" that could actually end up increasing poverty.

The 2014 Minimum Wage Advisory Panel established by the Ontario Labour Minister reported much the same as Gunderson did in 2007: that raising the minimum wage reduces employment and is a bad way of reducing poverty. Indeed, the panel noted that some studies "find that a higher minimum wage leads to an increase in poverty."

For example, it cited a 2011 study which found a 10-per-cent minimum wage increase was "associated with a 4 per cent-6 per cent increase in the percentage of families living under Low Income Cut Offs (LICO) in Canada between 1981 and 2004" - a statistically significant result. "The higher minimum wages trigger higher unemployment," the panel explained, "which results in more poverty as household incomes drop among lowincome families."

Some might refer to these deleterious effects as "unintended consequences" of higher minimum wages. But calling these consequences unintentional is like saying the \$45 billion (or as much as \$93 billion) the Liberals are spending to "save" electricity ratepayers \$24 billion is an "unintended cost."

Just as the Liberals know their hydro scheme is costly, they are also well aware their minimum wage hike will kill jobs.

Two reviews they've commissioned in the past decade told them so. But they have evidently decided that the massive job losses are worth the electoral support they will receive from the public sector unions, even if it's a policy that will prove dire for Ontarians.

Matthew Lau is a Toronto writer.

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Toronto Star: Sault Ste. Marie byelection to test Wynne's government; NDP, Conservatives looking to take over riding usually considered a safe Liberal seat; A4; 2017.06.01

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ILLUSTRATION: David Orazietti resigned his seat in Sault Ste. Marie in December.
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Sault Ste. Marie byelection to test Wynne's government; NDP, Conservatives looking to take over riding usually considered a safe Liberal seat

Voters in Sault Ste. Marie will pass judgment Thursday on Premier Kathleen Wynne's government in a byelection that comes in the wake of her hydro rate cuts and promises for a \$15 minimum wage. New Democrats are looking to win back the riding, taken by Liberal David Orazietti in 2003. He quit Wynne's cabinet in December to start a new career closer to home and spend more time with his family. While the result won't change the balance of power at Queen's Park, it comes with politicians already gearing up for next June's provincial election. All three major party leaders have campaigned in Sault Ste.

Marie, with New Democrat Andrea Horwath and Progressive Conservative Patrick Brown earning the most frequent-flyer points by a wide margin.

"It's going to be tough," Wynne said candidly when asked about her party's chances. It took the Liberals, who have been struggling in most public opinion polls, several months to nail down a candidate.

A former one-term mayor, Debbie Amaroso, is hoping to hold the seat for the Liberals against city councillors Ross Romano for the PCs and Joe Krmpotich for the NDP.

"The message I get from the people of Sault Ste. Marie is they're not looking to re-elect a Liberal," Horwath told reporters at Queen's Park.

"They've seen jobs being lost, they've seen young people not being able to find opportunity, they've seen their hospital services erode, they've seen a real serious downturn all while the current Liberal government has been in office."

After spending last weekend in Sault Ste. Marie, Horwath flew back Tuesday to campaign with Krmpotich, turning her guns mainly on Romano and the Conservatives.

Brown, who went to law school at the University of Windsor with Romano, moved to temper expectations at Queen's Park before heading back to Sault Ste. Marie on Wednesday afternoon for a final campaign push.

"This is a longtime Liberal-NDP seat. I don't think, frankly, since Bill Davis, have PCs elected a member here. This has been viewed as a safe Liberal seat . . . but I believe there is an appetite for change throughout the province," Brown said.

"Our candidate last time finished a distant, distant third and I think, like we've seen everywhere in every byelection, we're going to see significant growth for the Progressive Conservative party."

Deputy premier Deb Matthews cautioned against reading too much into the results after the polls close at 9 p.m., but said she hopes the 25-per-cent hydro rate cut and new initiatives on the minimum wage and three weeks of vacation for people in jobs more than five years will resonate with voters.

"Byelections are always tough for government. That's a well-known fact," she said. "They are not reflective of the election that we are about to have in a year."

Advance polls in the riding saw 3,065 voters cast ballots, Elections Ontario said, down from the 3,966 who did so in Sault Ste. Marie during the 2014 provincial election.

There are almost 63,000 eligible voters in the riding, and a total of seven candidates are running.

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Kincardine News: Hydro rate cut will cost Ontario at least \$45 billion; A10; 2017.06.01

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Hydro rate cut will cost Ontario at least \$45 billion

Premier Kathleen Wynne's plan to cut hydro bills by 25% comes with an electrifying price tag.

A review by Ontario Financial Accountability Officer Stephen LeClair says the minimum cost is \$45 billion, but that number could soar to anywhere between \$69 billion and \$93 billion if the Fair Hydro Plan is financed with borrowed money.

In the best-case scenario, which requires the Ontario government to maintain a balanced budget over the next three decades, the plan costs \$45 billion.

Once the 25% break on bills is factored in, Ontarians will pay a total of at least \$21 billion more than they

would have without the hydro rate reduction.

Energy Minister Glenn Thibeault said in a statement Wednesday that the plan means hydro customers will soon see relief from high bills.

"We've always said that the proposed Fair Hydro Plan will cost more over the long-term, but it will share the costs of our investments more fairly over a longer period of time, and lower bills by 25% on average, starting this summer," Thibeault said. "The FAO's analysis shows cost projections of \$21 billion over 29 years for our plan, which is in line with earlier estimates."

Wynne's government announced the bold hydro plan after bills soared, leaving many ratepayers complaining that the cost was so high that it was getting difficult to pay for other priorities like food and rent.

The Wynne plan calls for an HST rebate, refinancing of electricity assets and the rejigging of hydro relief programs.

Ontario ratepayers would see about \$24 billion shaved from their bills between 2017 and 2045, the FAO report says.

Under the plan, hydro rates decrease 25% on average this year, followed by four years of relatively low increases capped at inflation.

Wynne's plan would cut the average eligible ratepayer's monthly bill to \$123.30 from the current \$164 in 2017, a savings of \$41.

In year five of the plan, bills start to rise again to help cover the cost of the plan.

"They'll be going up almost 7% a year until about year 10, and then after that they'll be about 12% higher than they otherwise would have been," NDP Energy Critic Peter Tabuns said. "Not even future generations - people who are ratepayers right now are going to get hit hard starting five years from now and they'll be hit hard for decades, quite literally."

MPP Todd Smith, the energy critic for the Progressive Conservatives, called the Liberal plan "fantasy land."

Predicated on balanced budgets and low interest rates, it's a quick election fix for a Wynne government facing voters in 2018, he said.

"I think a lot of people are seeing through this for what it is; this is Kathleen Wynne's re-election plan," Smith said.

The FAO report noted significant financial risks in the plan because it's based on the premise that the Ontario government can "achieve and maintain a balanced budget over 29 years."

Since 1990, the Ontario budget has been balanced seven times - four times under the Progressive Conservatives and three times under the Liberals.

The FAO also questioned the government's intention to borrow more than half of the money it needs through an Ontario Power Generation Trust which it says comes with an increased borrowing cost of \$4 billion.