QP Briefing: December 19, 2016

From: "Law, Sally (CAB)" <sally.law@ontario.ca>
To: "@CAB-QP Briefing" <cab-qpbriefing@msgov.gov.on.ca>
Date: Mon, 19 Dec 2016 18:30:30 -0500
Attachments: 20161219 - QP Briefing.doc (168.45 kB)

QP Briefing

December 19, 2016

Click links below to view article:

Articles

1). Environment ministry juked access-to-information timelines: Privacy commissioner

2). OEB hiking fee more than 60 per cent to fund more help for rural electricity customers

3). Seen: Cabinet secretary says public service consultation and survey coming next year

4). Equalization payments to Ontario to fall by $880 million next year

5). Provinces and feds fail, again, to reach agreement on health-care funding

Articles

---

1). Environment ministry juked access-to-information timelines: Privacy commissioner

By: Sabrina Nanji

The Ministry of the Environment and Climate Change has been fudging timelines for access to information requests, according to Ontario's Information and Privacy Commissioner, who has requested audits of at least five other ministries to determine if the practice is "systemic."

An internal audit, prompted by Commissioner Brian Beamish's latest annual report, confirmed 18 per cent of requests processed by MOECC's freedom of information office between 2010 and 2015 were manipulated. Staff appeared to have changed completion dates "without justification" in order to improve the ministry's compliance statistics. Under provincial privacy laws, ministries must complete FOI requests within 30 days.

"The falsifying of statistics is a serious issue, and can erode the trust and confidence of Ontarians who should be able to rely on the accuracy of these statistics," Beamish wrote in a letter to the Speaker on Monday.

Beamish's 2015 annual report, tabled in June of this year, had sounded the alarm at the upper echelons at MOECC. According to his letter, deputy minister Paul Evans had reached out to the commissioner in June with concerns over "the accuracy of the compliance statistics submitted by the ministry."

"Senior management became aware of a practice in the ministry's corporate and FOI Services Office to change dates recorded in the request tracking system. This practice had the effect of misstating the ministry's compliance statistics reported to the IPC," Beamish said.

That sparked an internal audit by Treasury Board and the government's Forensic Investigation Team, which reported back this month. FIT confirmed the allegation that "certain individuals were involved with intentionally falsifying dates to improve compliance statistics" and as such, "the public service is taking appropriate corrective action."

Beamish has updated the compliance numbers for MOECC over the last five years.

For instance in 2015, an estimated 62.6 per cent of the 7,121 FOI requests received were actually completed within the legal time limit, compared to 80.5 per cent that MOECC staff said had been completed. In 2014, 59.4 per cent of FOI requests were completed on time, but the ministry reported 81 per cent.

(http://www.qpbriefing.com/wp-content/uploads/2016/12/ipc-mecc.png)

The numbers are estimates, and not a review of every individual file, because auditors would have had to sift through hard copies of documents to correct the system. They instead “relied on certain elements in the electronic tracking system” to make “informed estimates.”

Chief among Beamish’s concerns is whether manipulating statistics is widespread throughout the public service. So he requested a wider audit, and Cabinet Secretary Steve Orsini then directed an investigation at five other ministries.

Beamish said he remains “deeply concerned” about the implications raised by the false reporting, but noted the government moved swiftly to address the problem. The government is also giving ministry staff a refresher on the Freedom of Information and Protection of Privacy Act rules to make sure requests are handled ethically.

"The public’s right to access government-held information forms an important part of a democracy and reflects an open and transparent government. As such, Ontario’s provincial and municipal access laws place important responsibilities on freedom of information staff. Ontarians expect – and deserve − to know that these duties are being carried out in an open and ethical manner," Beamish said.

The Progressive Conservatives' environment critic Lisa Thompson said the revelation was "startling."

"Premier [Kathleen] Wynne and her Cabinet are giving us more and more reasons each day not to have faith in them. The Minister of Environment must accept responsibility for this blatant attempt to cover up poor performance and needs to ensure that this type of irresponsible, unethical violation doesn't happen again," Thompson said in a statement.

Earlier this year, in June, QP Briefing filed an FOI to find out the cost of a government ad starring environmentalist David Suzuki talking to a bunch of children about climate change. The response from MOECC came five months later, on the same day the auditor general disclosed the $3.29-million price-tag in her annual report, which also said the ad campaign provided viewers with "no useful information." MOECC did not provide a reason for the delay.

To contact the reporter on this story:

snanji@qpbriefing.com

416-212-5789

Twitter: @sabrinananji

Top

2). OEB hiking fee more than 60 per cent to fund more help for rural electricity customers

By: Geoff Zochodne

All electricity ratepayers will pay an extra $0.0008 for a kilowatt-hour of power next year, in order to fund the Liberal government's added assistance for rural and remote energy customers.

In a December 15 decision, the Ontario Energy Board, which regulates the electricity industry and sets rates, ruled the province's rural or remote electricity rate protection charge will be set at $0.0021 per kilowatt-hour for 2017, effective January 1. The 2016 RRRP charge is $0.0013, and the added $0.0008 fee is a 61.5-per-cent increase.

The hike is to fund the Liberal government's throne speech commitment to trim hydro costs for consumers living in the far-flung regions of the province.

According to the OEB decision, the government amended a regulation to increase the amount of RRRP rate protection rural Hydro One customers could receive, to $243.4 million from $125.4 million. Including those customers, OEB has calculated the total electricity relief for all eligible rural consumers next year will be $281.4 million. That cost of that benefit will be spread across the millions of Ontario's electricity customers.

The government announced in September, as part of its throne speech, that the RRRP program would be "significantly enhanced" to help rural ratepayers with their bills. Combined with the 8-per-cent rebate for all customers coming January 1, rural consumers will get the added benefit, which will work out to an estimated total savings of approximately $45 a month.

All electricity customers pay the RRRP charge. It is used to reduce the hydro bills of rural and remote consumers.

"The total amount collected through the RRRP is a source of revenue for identified rural and remote electricity distributors whose costs are higher because they serve small numbers of customers over large geographic areas or in remote regions," notes the decision. "The RRRP revenue allows them to reduce the amount they would otherwise have to charge eligible customers for distribution service."

The same OEB decision decided against increasing the charge consumers pay to fund the Ontario Electricity Support Program, which gives low-income customers a monthly credit on their bills, and the wholesale market service charges, which recoup the costs of running the electricity system.

The charges are included in the "regulatory charge" section of customers' bills, the OEB says.

To contact the reporter on this story:

gzochodne@qpbriefing.com

416-212-5913

Twitter: @geoffzochodne

[Top](#)

3). Seen: Cabinet secretary says public service consultation and survey coming next year

By: Geoff Zochodne

Ontario's top civil servant says next year could lead to some big changes for the Ontario Public Service.

Cabinet Secretary Steve Orsini said in an end-of-year message to bureaucrats that 2017 will see consultation with and surveying of their ranks to plot the way forward for the public sector.

"Looking ahead to 2017, we will launch a broad consultation across the OPS to help us develop a strategic framework for public service renewal," Orsini declared in his December 15 message. "This strategy will support public service resilience in an era of unprecedented change. Through an open and inclusive dialogue, we will ask for your help in shaping the OPS of the future."

Orsini said the OPS will also conduct another employee survey, as the last one was done in April 2014. He told civil servants the survey "is an opportunity for you to share your experiences in the workplace and help us identify trends, strengths and areas for improvement."

Most of Orsini's message was celebrating the OPS' accomplishments this year, such as laying the groundwork for free tuition starting in 2017-18, acting on the government's decision to provide more hydro bill assistance to Ontarians and carrying on the Program Review, Renewal and Transformation cost-saving exercise.

To contact the reporter on this story:

gzochodne@qpbriefing.com

416-212-5913

Twitter: @geoffzochodne

[Top](#)

4). Equalization payments to Ontario to fall by $880 million next year

By: Geoff Zochodne

Prosperity can come with a price. For Ontario, it'll be about $880 million in lost equalization money.

The federal finance department reaffirmed over the weekend that the equalization payments to Ontario will dip next year, from $2.3 billion in 2016-17 to $1.42 billion in 2017-18, the year the provincial government plans to balance its budget.

"Total major transfers to Ontario for 2016-17 will round up to $21,303 million, an increase of $866.5 million from this year," said federal Finance Minister Bill Morneau in a letter to his Ontario counterpart, Charles Sousa. "The first estimates of your province's Canada Health Transfer and Canada Social Transfer payments for 2016-17 are $13,867.2 million and $5,132.0 million respectively. In accordance with the legislated formula under the Act and its regulations, your province's equalization payment for 2016-17 will be $2,304.2 million."

Equalization is a transfer program that shores up the gap between so-called "have" provinces and "have-not" provinces, ensuring the latter can keep funding public services at a comparable level to other parts of the country. The funding formula for equalization is based off of, among other things, a three-year moving average of a province's economic growth.

Ontario started getting equalization payments after being hammered by the 2008-09 recession. The equalization payments have gone up and down over the years, starting with a $347-million transfer to Ontario in 2009-10 and peaking at nearly $3.3 billion in funding for the province in 2012-13.

Ontario and Sousa are bracing for a drop-off in those payments — albeit somewhat grudgingly.

"Ontario's always been a net contributor to the rest of the federation, even when we qualify for equalization. We've always been the largest contributor to the federation," Sousa said in November after the release of the province's economic update. "And that won't change. And certainly as Ontario's economy improves and becomes stronger, we'll have less reliance on that equalization formula. But notwithstanding, our real hope is that the whole federation does well."

In the province's fall economic update, the Liberal government said Ontario would pump $6.9 billion to the federal equalization program in 2016-17, but get back $2.3 billion.

"As Ontario's economic growth outpaces the Canadian average, Equalization payments to the Province are expected to shrink, which will lead to a growing net contribution to the federal Equalization program by Ontarians," the document said.

The decline in federal funds comes as Ontario's economy is enjoying a relatively rosy forecast of economic growth, especially compared to the damage being done to oil-producing provinces. The Liberal government says it will run a $4.3-billion deficit this year before returning the province to a balanced budget in 2017-18.

But economic growth is driving down Ontario's equalization payments. Meanwhile, provinces like Alberta, which are struggling with the fall of oil prices, are likely due to start collecting equalization payments.

The Conference Board of Canada recently reported that Ontario's economy is projected to grow by more than 3 per cent in 2016 and 2.4 per cent in 2017. This would tie the province with British Columbia for the fastest-growing economy in Canada next year and put Ontario on the fast-track to exiting "have-not" status under equalization.

The federal government's table of transfer payments does not show the level of equalization funding going to Ontario or the other provinces after 2017-18. Quebec still claims the lion's share of equalization — $10 billion of the program's $17.9 billion will flow to that province in 2016-17.

While equalization payments to Ontario may dwindle in the coming years, Canada Health Transfer and Canada Social Transfer funds will rise by nearly $600 million from 2016-17 to 2017-18. How much the health transfers will increase by is a subject of some controversy, as Premier Kathleen Wynne and her government are seeking annual growth of 5.2 per cent, while the federal government is reportedly looking for something in the neighbourhood of 3.5 per cent per year.

Canada's finance and health ministers were meeting in Ottawa on Monday to continue their fight over health transfers. At the end of the day, a deal still hadn't been reached.

To contact the reporter on this story:

gzochodne@qpbriefing.com

416-212-5913

Twitter: @geoffzochodne

Top

5). Provinces and feds fail, again, to reach agreement on health-care funding

By: Jessica Smith Cross

Canada's provinces and territories declined the federal government's latest health-care funding offer Monday afternoon.

And with that, federal Finance Minister Bill Morneau and federal Health Minister Jane Philpott failed to get a new health accord signed after the country's health and finance ministers met at the Château Laurier in Ottawa Monday. They told the media, in a press availability after the meeting, that they were disappointed that their offer was turned down.

And some of the provincial ministers made it clear they were disappointed in their federal counterparts.

"Let's be clear, we did not walk away from this meeting," said Ontario Finance Minister Charles Sousa. "There was negotiation, but a unilateral approach."

Sousa said the provinces came ready to negotiation, and all of their ministers remain willing to negotiate.

Without an agreement, the federal government will move forward with the previously legislated amount for the Canada Health Transfer as of April 1 — which is an increase of three per cent a year, or nominal economic growth, whichever is higher, said Morneau.

Over the last ten years, that escalator has been six per cent a year.

Philpott informed the provincial and territorial leaders about the government's latest offer Monday afternoon: a 3.5-per cent-per-year increase annually over ten years, plus an extra $11.5 billion in funding targeted to home care and mental health care, over the same ten years.

Of the targeted funding, $6 billion was to go to home care, with $1 billion of that dedicated to infrastructure, and $5 billion was to go to mental health care. The other half-billion was to go to innovation, driving down the cost of prescription drugs, and electronic health records, said Philpott.

"The offer that we put before our counterparts today had the potential to be transformative, had the potential to make a difference in the lives of Canadians," said Philpott.

It could have fulfilled the federal Liberals' campaign promises to sign a new health accord and spend $3 billion over four years, which is money that has not yet begun to flow. Neither Philpott nor Morneau would say how, or if, they would fulfill that promise.

Over the decade, the federal government's offer, with targeted funding included, would have worked out to roughly the equivalent of a four-per cent annual increase.

There was a counter proposal. According to Premier Kathleen Wynne, Ontario had advocated for a 5.2 per cent-per-year increase over 10 years, with an agreement that would direct how some of that money could be spent, which could have allowed for some of the funding to be targeted to the federal government's priorities of home care and mental health care.

The difference between what Ontario Health Minister Eric Hoskins had asked for and the federal government's current offer works out to about $30 billion over the ten years.

Some stakeholders in Ontario's health-care system backed a 5.2 annual increase to the Canada Health Transfer, including the Ontario Hospital Association (OHA) and the Ontario Nurses' Association (ONA).

"This evidence-based figure, supported by both the Conference Board of Canada and the Parliamentary Budget Officer, is needed to help fund the entire health care system in order to meet the needs of a growing and aging population, while arresting a decline in healthcare related transfer payments to the provinces by the Government of Canada," the OHA said in a press release.

"Ontario hospitals are extremely efficient and at present, they are also under enormous pressure to meet the needs of patients," said Anthony Dale, OHA President and CEO. "Increased federal investment would help ease demands on hospitals by helping to build much needed capacity in other parts of the health care system. The OHA is disappointed that the federal government is proposing ongoing base funding growth of just 3.5 per cent in the CHT, an amount that does not keep up with growth in patient and client need."

Top