

QP Briefing - Morning Edition

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Your morning briefing
07.12.2017
Christopher Reynolds

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Headlines

Auditor General Bonnie Lysyk released her annual report yesterday, refusing to ease up on the government she holds to account. Lysyk held court Wednesday on partisan-inflected ads paid for courtesy of John Q. Public, on misleading financial statements and on waste and mismanagement from the energy grid to the surge in teacher sick days. Check out our sum-up [here](#) of her yearly value-for-money rundown, and our deep dive into the audit's juiciest bits below:

- AG report 2017: Lysyk weighs in on fraught relationship with Ontario Liberal government
- AG Report 2017: Lysyk will dive into IESO's books
- AG Report 2017: Social housing wait lists have millionaires ahead of families in desperate need
- AG Report 2017: Ontario unprepared for a major emergency — be it wildfire, ice storm or cyberattack
- AG Report 2017: Teacher sick days surge, and cash needed elsewhere goes to cover the cost
- AG Report 2017: Not all cancer patients' health needs being met
- AG Report 2017: Recommendations on the OMB, property tax appeals, and government office space

In other news:

Randy Hillier, the outspoken MPP from Lanark-Frontenac-Lennox and Addington, harassed municipal staff over building issues in Tay Valley last June, an independent investigator has found. Hillier responded that the finding "belittles" the term "harassment" and gives him "even more resolve to call a spade a spade," the Ottawa Citizen reports.

Ontario's businesses are blossoming in China, with more than \$200 billion in exports flowing Upper Canada to the people's republic, TVO types. U of T researchers point to the power of intangible products such as banking, insurance and tech while Premier Kathleen Wynne wraps up her tour of East Asia.

With four days to go before a federal byelection in Scarborough-Agincourt, the Conservative candidate has said the Trudeau Liberals "want to legalize prescription heroin!" Dasong Zou, a bank manager seeking to take the seat of former Liberal MP Michael Chan, who passed away in September, argues the Grits on Parliament Hill "want to bring dangerous drugs into our community" via a safe injection site and marijuana legalization.

If internet access is a basic right, then some southwestern Ontarians are having their fundamentals infringed on. A non-profit armed with \$180 million in federal and provincial cash wants to bridge the low valleys and bad weather that can block online connection outright to bring high-speed service to rural parts of the region.

First Nations leaders are demanding the right to govern the sale, distribution and consumption of legalized pot in their communities, the Globe and Mail reports.

Ten months out from next year's municipal election, a fresh poll from a new polling company, The Firm Digital, suggests the gap between Mayor John Tory and his would-be successor Doug Ford is not as wide as voters might think, the Toronto Sun reports.

A faulty refrigerator will cost Ontario taxpayers \$45,000 after a failure in the appliance ruined the efficacy of 5,500-plus flu vaccines, the London Free Press reports. Whether said error makes it into Lysyk's next report remains to be seen.

With Toronto facing a critical housing shortage and a backlog in social housing repairs, Coun. Maria Augimeri and Liberal MP Adam Vaughan hook up for a political blind date on TVO. They sniff each other out, make halting attempts at humour and judge how much faith they're willing to place in each other — and each other's housing solutions.

From the opinion pages:

- Martin Regg Cohn argues that Lysyk, a would-be "philosopher general," could use a good editor, given her report's "burst of melodrama" and its insertions of "her own values about borrowed money."
- Christie Blatchford insists there are troubling signs Wilfrid Laurier University's fact-finding investigation into "the Lindsay Shepherd affair" is targetting Shepherd herself.
- While Ontario's premier revels in securing trade deals to bring it closer to China, Terry Glavin wonders why Canada should covet close relations with an increasingly authoritarian state, with John Ivison weighing in as well.

Private member's bills

Second Reading of Bill 180, An Act to provide for safety measures respecting movable soccer goals. Tabled by PC MPP Todd Smith and Liberal MPP Sophie Kiwala.

Second Reading of Bill 184, An Act to amend the Liquor Licence Act with respect to maple wine and mead. Tabled by Liberal MPP Grant Crack.

Committees

9 a.m. and 1:30 p.m.

The Standing Committee on Finance and Economic Affairs will meet to consider Bill 177, An Act to implement Budget measures and to enact and amend various statutes. Room No. 151, Queen's Park, Toronto.

9 a.m. and 2 p.m.

The Standing Committee on Justice Policy will meet for clause-by-clause consideration of Bill 174, An Act to enact the Cannabis Act, 2017, the Ontario Cannabis Retail Corporation Act, 2017 and the Smoke-Free Ontario Act, 2017, to repeal two Acts and to make amendments to the Highway Traffic Act respecting alcohol, drugs and other matters. Room No. 1, Queen's Park.

Events

1:15 p.m.

Eric Hoskins, Minister of Health and Long-term Care, to make an announcement. Media Studio, Queen's Park.

AG report 2017: Lysyk weighs in on fraught relationship with Ontario Liberal government

06.12.2017

Jessica Smith Cross

Ontario Auditor General Bonnie Lysyk opened her 2017 report this year with a meditation on her relationship with the government she holds accountable — it requires a certain amount of “fortitude,” she wrote, “to address significant issues without fear of push-back and reprisal, and to not walk away from them.”

Lysyk’s relationship with the provincial Liberal government has appeared to become more tense in recent years, as she has become a formidable critic of the partisan nature of its publicly funded advertising, accounting practices that she says mislead the public about the true state of the province’s finances, and examples of waste and ineptitude — big and small, shocking and mundane — that she uncovers in her annual audits.

“On the one hand, establishing overly cordial relationships with our auditees can result in issues being missed and not fixed,” Lysyk wrote, in the introduction to her two-volume 1,119-page report, containing 14 value-for-money audits and numerous other critiques of the government.

“On the other hand, antagonistic relationships can prevent people from working together productively and agreeing on what improvements should be made, and how those improvements should be implemented for the benefit of Ontarians.

“This is a balance that continually has to be considered and adjusted as we conduct our work assessing transparency, accountability and value for money in the public and broader public sectors.”

This year, Lysyk has released 14 value-for-money audits. Highlights include:

Lysyk announced she will audit the books of the Independent Electricity System Operator and found that nine power companies overcharged ratepayers by \$260 million between 2006 and 2016. [Read our story here.](#)

The province is not prepared for everything from a nuclear disaster, to a major ice storm, to a cyberattack, Lysyk found. [Read our story here.](#)

Lysyk devoted five of her value-for-money audits to health care, devoting particular attention to cancer care in Ontario. [Read our story here.](#)

Meanwhile, Lysyk has continued her criticism of the government’s advertising and accounting practices.

She found that last fiscal year the government spent more than \$58 million on advertising, the most since the 2006-07 fiscal year. It was the first full fiscal year since the government stripped her office of the power to stop ads she would have deemed partisan from going to air, she noted.

“A sizeable proportion—just over 30%—was for advertisements we believe had as their primary goal to foster a positive impression of the government party,” she wrote.

One of the ad campaigns she took issue with was a \$330,000 radio spot aired in May 2017 that touted the fact that the province balanced its budget, and included government-friendly slogans such as, “We’re building a stronger, healthier Ontario.”

It referred to four different communities specifically that had one thing in common.

“In addition, the advertisements referred to four Ontario communities that were all in opposition-held ridings. As they came barely a year before the provincial election scheduled for June 2018, these ads could leave the impression that these communities were specifically targeted for government-friendly advertising,” she wrote.

She also criticized the government’s Fair Hydro Plan ads as “misleading,” its child care ads as political, and its climate change ads as containing little useful information.

Lysyk also continues to disagree with the government’s accounting of specific teachers’ pension plan assets and the debt being accrued in order to subsidize hydro rates as part of the Fair Hydro Plan.

“The government uses these incorrect accounting treatments to claim it has balanced the Province’s books, but in reality, legislators, the financial community and all Ontarians will be misled as to the true condition of the Province’s finances,” she wrote.

As a result, the government’s net debt and accumulated deficit is understated by more than \$14 billion, she wrote, and both decisions will continue to obscure the province’s annual deficit or surplus going forward.

Lysyk is set to hold a press conference on her report this afternoon, which will be followed by responses from government ministers and the opposition parties.

QP Briefing will update this stories as the day progresses.

More to come.

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