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1). Wynne shores up deputy minister ranks

By: Geoff Zochodne

A handful of deputy ministers are being handed new portfolios after some private-sector poaching.

The biggest move is the appointment of Helen Angus to a three-year term as the next deputy minister of the Treasury Board Secretariat, which minds the government’s spending habits and collective bargaining.

The mini-shuffle was directed by several recent orders in council signed by Premier Kathleen Wynne, and comes as her government approaches a balanced budget, and follows an accounting spat with the auditor general. An election is also on the horizon, and the Liberals have made several campaign-like moves of late, such as unveiling their new 8-per-cent electricity bill rebate. In addition, it was recently revealed that the Liberal government is considering contract extensions for teachers' unions, a decision that could keep the labour peace past the 2018 election.

As of Oct. 17, Angus will also become the secretary of the management board of cabinet. She is currently the deputy minister of international trade.

Angus will take over for the departing Greg Orencsak, who is leaving the Treasury Board in November to join professional services firm Ernst & Young.

Angela Coke, the deputy minister of government and consumer services, will become the chair of the Public Service Commission, replacing Orencsak in that role. According to the government directory, the commission “is responsible for monitoring the government's performance as an employer, especially with regard to preserving the merit principle and promoting corporate values.” It also mulls staffing and recruiting options for the public service.

Replacing Angus as deputy minister of international trade on Oct. 17, is Shirley Phillips, who is the acting deputy minister of citizenship and immigration. Phillips’ appointments is also for a three-year term. Her successor at international trade will be Alexander Bezzina, whose current posting is as deputy minister of children and youth services.

Meanwhile, Maureen Adamson will become the deputy minister responsible for women’s issues. She is presently the deputy minister of tourism, culture and sport. Angus had been the women’s issues DM after another deputy minister shakeup that followed Premier Wynne’s cabinet shuffle in June.

The orders in council, which were also signed by cabinet chair and Deputy Premier Deb Matthews, were dated Sept. 21.

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2). Government House Leader accuses NDP of playing politics with Islamic Heritage Month bill

By: Jessica Smith Cross

After Ontario's three political parties unanimously agreed Thursday morning to mark October as Islamic Heritage Month, Government House Leader Yasir Naqvi accused the NDP of playing politics with his faith.

A private members' bill to enshrine Islamic Heritage Month, co-sponsored by all three parties, was given unanimous consent to pass second and third readings Thursday morning.

But afterwards, Naqvi voiced complaints about how the NDP approached the issue.

"I find it, personally, as somebody who is of the Muslim faith, offensive that the NDP tried to do something political, maneuvering, with something that we should be all celebrating together," Naqvi told the media, in the post-Question Period scrums.

It started on Sept. 23, when NDP Leader Andrea Horwath announced her party would bring in a bill to declare October as Islamic Heritage Month, as the federal government and some cities have done.

The bill was introduced by NDP MPP Teresa Armstrong on Sept. 26, but when Horwath sought unanimous consent to have it pass second and third reading the next morning, it was denied by members on the government side, and denied again the following day.

The NDP put out a number of media releases about the bill — announcing they would introduce it, announcing they'd seek unanimous consent for its passage, and then two more about how they would continue to try to pass the bill despite being "disappointed" in the Liberals' efforts to hold it up.

Then, on Thursday morning, Horwath held a press conference, alongside Farheen Kahn from the International Development and Relief Organization and Dr. Mohammad Iqbal Al-Nadvi from the Canadian Council of Imams, to announce that the bill would achieve unanimous consent to pass second and third reading later in the day, after the NDP had secured the support of the other two parties.

She said the hold-up had been the on the government's side.

"They would have preferred, rather than us having passage of the bill ourselves, they wanted

to be named as co-sponsors," she said. "The conservatives were happy to move forward with it, but the Liberals were concerned that they weren't named on the bill."

"For us, it's not about the politics, it's about being able to celebrate Islamic Heritage Month in October, 2016," she said.

After her press conference, the bill, which had been reintroduced and co-sponsored by Armstrong, Liberal MPP Shafiq Qaadri and new PC MPP Raymond Cho, received unanimous consent to pass second and third reading.

Afterwards, Naqvi said he was offended by the process. He said Horwath had not given the other parties notice that she would be seeking unanimous consent to pass the Islamic Heritage Month bill, instead of working with them.

"When it comes to recognizing different faiths, different cultures, we actually work together and we bring private members bills together and not try to one (up) each other, and it was unfortunate that she tried to play politics with one of the largest faiths in our province and personally as a Muslim, I thought it was very crass of her," he said.

Horwath disagreed, and said her party had in fact given the other parties' house leaders notice of its plans.

"The important thing is, right now, that it's done," she said. "We got it done, and all three parties were able to stand in the legislature today and support the bill."

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3). Brown says PCs could have nearly 100,000 members by end of year

By: Geoff Zochodne

Progressive Conservative Leader Patrick Brown is boasting that his party's membership is nearing the 100,000 mark – even without the support of some traditional allies.

"We've seen more and more people come towards our party, saying 'We want to be involved. We want to help,' " Brown said Thursday in a speech to the Empire Club.

The Tory leader added that "by the end of the year, we could be at a membership of close to 100,000." That's up from 10,000 PC members two years ago, Brown noted, when the party lost an election to Premier Kathleen Wynne and the Ontario Liberals.

Brown said he sold more than 40,000 Tory memberships during last year's party leadership race, propelling him to victory over the favourite, longtime PC MPP Christine Elliott. As of their convention in Ottawa in March, the PCs said they had nearly 80,000 members.

Brown talked up a more inclusive approach from his party, which may not help his standing with some social conservative leaders, but could prove more popular with others.

"Our membership is increasingly diverse, it is increasingly young, and that is a beautiful thing for our party to see," Brown said Thursday. "As I said at our conference in Ottawa, it doesn't matter who you love, it doesn't matter where you're born, it doesn't matter the colour of your skin, doesn't matter your faith, it doesn't matter where you work, you have a home in our Progressive Conservative Party if you want to get Ontario back on track."

But Brown has been dogged lately by a scandal involving a letter, bearing his signature, that vowed to "scrap" the province's updated sex-ed curriculum. The letter emerged during the Scarborough-Rouge River byelection, which Tory candidate Raymond Cho won, but also included an anti-sex-ed candidate who could have stolen social conservatives votes.

Since the letter came to light, Brown has scrambled to say he supports the curriculum and played no role in the letter's distribution. At the same time, social conservatives have been blowing holes in his explanations by making their correspondence and conversations with Brown public.

One such email, sent by Brown during the leadership campaign to an official from the Campaign Life Coalition, promised to repeal the curriculum. "I say it everywhere!" Brown exclaimed. Another activist says she was told Brown gave input on the sex-ed letter.

But Brown's public opinions have evolved, albeit slowly. As QP Briefing's comprehensive timeline shows, Brown has gone from attending anti-same-sex marriage and anti-sex-ed curriculum rallies to publicly supporting same-sex marriage and the curriculum.

As part of the drive to create a more progressive PC party, Brown has also publicly supported a carbon price as a way to reduce greenhouse gas emissions and mitigate climate change.

But while he may have taken a bold step (for a Tory, anyway) of embracing carbon pricing, Brown has not had a come-to-cap-and-trade moment.

Even with the federal government's blessing, the Tory leader says Ontario needs to abandon its chosen method of carbon pricing – a cap-and-trade system. He said his party would address the challenges posed by climate change in a way that would not (allegedly) kneecap the economy.

“And a revenue-neutral carbon price is a much better policy for the province of Ontario than a cap and trade that will simply enable more government spending and more money flowing out of Ontario,” Brown said Thursday.

“I think the lens that any premier has for the province should be what makes us competitive,” Brown added. “And any decision made in Ontario that makes us less competitive should be avoided like the plague.”

Prime Minister Justin Trudeau said earlier this week that the federal government is proposing a national carbon price of $10 per tonne by 2018, rising to $50 a tonne by 2020. Under the federal guidelines, provinces can have a carbon tax or cap-and-trade system, but if they choose the latter, they must set greenhouse gas reduction targets that are equal to or greater than Ottawa’s goals.

Ontario Environment Minister Glen Murray has said Ontario’s coming cap-and-trade system would fit within the federal government’s framework. Cap and trade is set to start next year in Ontario, and it is estimated to raise about $1.9 billion annually in revenues, which will be spent on GHG-reducing programs. The Ontario Liberals have said cap and trade will keep costs lower, while a carbon tax would require a much higher price on emissions.

Cap and trade also involves a limit on emissions that declines over time. The Liberal government has set a 2020 reduction target of 15 per cent below 1990 emission levels.

But Brown’s preference is for a revenue-neutral carbon tax, like the one used in British Columbia. In B.C., people pay the carbon fee on fuel purchases, and have those costs returned to them with tax cuts.

“So there’s not a competitive disadvantage in British Columbia,” Brown said. “In Ontario, if it’s simply new taxes, if it’s simply new cost, if it’s simply a new revenue stream for government, we’re creating a disadvantage.”

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4). Fiscal watchdog lauds increased access to cabinet records

By: Sabrina Nanji

Ontario is opening up the information floodgates in order to enable the Financial Accountability Officer to do his job and provide economic analysis at Queen's Park.

On Thursday, the government revealed an order in council granting the FAO access to certain cabinet records, which are exempt under the Freedom of Information and Privacy Act.

Stephen LeClair, the FAO, has repeatedly called out the government for not providing all the data requested by his office, including cries of being stonewalled over certain information on cap and trade and the Hydro One stake sale, as well as more recent complaints made in his annual report this summer. In it, LeClair said the exemption was overused in the public service and raised the concern that ministries were claiming forecasts and revenue projections as "cabinet confidences" and therefore could not be shared if they weren't already public.

"The order in council that was negotiated between me and the government is to ensure that I could function. I'm very satisfied that this provides me with access to do my job," LeClair said in an interview. "We're hoping we can ask for information, we'll get the information that is part of the analysis, and then we can better use that information to be more specific about what we believe the risks are or where we think that the government has provided more positive spin on things than what we think there should be."

But the order does not automatically mean all of LeClair's requests for financial information will be rubber-stamped.

"It still may be, at the end of the day, that I believe I should have certain information, but they don't. And so those situations might exist," wherein the FAO is denied access.

In such instances, LeClair said his staff would try to resolve the issue with ministerial staff, and should they hit a wall, he would petition the cabinet office.

"But, given the spirit of co-operation that this was developed in, I'm hoping that those will be the exceptions," he added.

The order in council does allow the FAO to reopen past information requests that came up short. For instance, the FAO made six requests for information in 2015-16, four of which were partially filled and two of which were not.

LeClair said it is likely they will go back to the health ministry for information on its spending, as his July report noted the missing information "would have allowed the FAO to assess whether the government's health spending projections rested on overly optimistic assumptions about restraining growth in specific health-sector programs." At the time, the Ministry of Health refused to give LeClair the information, citing the cabinet exemption.

Finance Minister Charles Sousa told reporters LeClair will now have ready access to the "cabinet records that pertain to the FAO, in terms of financial things that we do in cabinet, things that he's asked for in the past, and because of the deliberations we've had previously, we wanted to make it more clear what he is available to do - and we want all ministries to make note of that and we also want cabinet to be aware."

Sousa added he and Premier Kathleen Wynne have met regularly with the FAO with an eye to providing "greater access and transparency, and enabling the FAO to look at the projections

that we're putting forward."

The unlocking of information comes smack dab in the middle of an accounting dispute with Auditor General Bonnie Lysyk over last year's financial records that adds $1.5 billion to the annual deficit (rounded out at $5 billion) and $10.7 billion to the net debt ($305.2 billion) than the government had wanted (i.e. a $3.5-billion deficit for 2015-16, and a net debt of $294.5 billion).

LeClair said the discrepancy will impact his fall economic outlook that's expected within a month. He will likely apply the AG's figures as a base (as the public accounts have been tabled thusly) but will present an outlook using both scenarios if the "independent expert panel" reviewing the accounting measures does not first come back with a decision.

"I am concerned about how this affects the numbers. I do have an interest in how the decision rolls out, once the decision is made, or even now. What's the impact on the fiscal situation?" LeClair said, adding he is planning to discuss with Lysyk and government in the coming weeks.

As for the tiff between the auditor and the government, something LeClair can perhaps relate to, he said he prefers to "let the dust settle on that issue."

NDP Leader Andrea Horwath, who has given the government flak for trying to stonewall independent officers of the legislature like the FAO and AG, said opening up access is a sign the Liberals are "finally getting the picture."

"Although after a year and a half they might be providing a little more access with the FAO, their pattern has not been to be open and transparent, in fact it has been to stonewall and in some cases insult the independent officers," she said.

When asked about the timing of the order in council, Sousa said it was in the works for some time. "So that’s why we held back, until all of this was resolved with the auditor general, and then to come forward with the FAO."

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5). Purchase: Power, accountability and elections

By: Bryne Purchase

We are supposed to live in a political system where no one, not even a government, is above the law. Everyone is accountable for their actions and governments are accountable to their electorates. Governments can be tossed out at election time, peaceably, if a majority of voters have had enough.

Yet everyone also knows that governments and their senior political strategists are shameless when it comes to doing whatever's necessary to avoid accountability. Machiavelli would be impressed by his modern "democratic" counterparts.

Take Queen's Park for example. If electricity prices are a political problem because of the government's prior mismanagement, then they conspire to give us a rebate on the HST. We don't know how long the rebate will actually last, but we can be sure it will be long enough to get by the next election.

The government will finance this billion dollar a year rebate by taking money out of one pocket and putting it back in another. Where is the money actually coming from? Eventually it must come from taxes. But in the interim, who knows?

Maybe they are borrowing it. Or perhaps they are financing the whole thing from the sale of Hydro One. The proceeds from that sale were supposed to be used to pay down debt and build new infrastructure; but money is fungible and government activities complex. No one can track what is actually happening.

Anyway, smart business people wanted those assets. They are not very risky and they earn a far higher rate of return than can be earned on buying government bonds. The Hydro One sale makes no financial sense for Ontarians; but a few important financiers promoting the sale will say nice things about the government and show appreciation when it comes to attending fund-raisers.

And talk about being appreciative. Everyone knows that powerful public sector unions can make a big difference at election time, especially for provincial governments whose spending is dominated by large wage bills in health and education.

So if a government suddenly relaxes its negotiating position on "net zero" contracts and seeks a contract extension with a politically aggressive teachers' union, until after the next election, are they signalling to unions to play nice and they will get their reward later? Only the most naïve would think it has nothing to do with that.

Or take carbon pricing. It is destined to become a transformative government intervention into our society and economy, affecting virtually everything. So why did the Wynne government choose "cap and trade" instead of carbon taxes? Because most people didn't understand what cap and trade meant, whereas they understand the word "tax". Not exactly a poster-child for "transparent" government.

Then there is the current flap over accounting rules on public employee pension assets. The government is fighting the Auditor General's new interpretation that makes the government's net debt and deficit look higher.

From the government's perspective, this is inconvenient timing for an accounting change; but does anyone seriously believe that the government should continue to account for those assets as if they were its own and not dedicated to the benefit of its employees?

Transparency is served by the accounting change. The government should accept it. Yet they won't.

We are in election season, with one looming in spring, 2018. The government must "gussy" itself up and behave. Of course, just until it passes that election test. After that, it can pretty much do what it wants again, for another couple of years.

In the meantime, the government will create images of a brave new electrified future, with no climate change and with pensions (thanks to the CPP expansion) and minimum guaranteed incomes (yet to be promised) for all.

Of course, it won't tell us what lies beyond spring 2018 in the way of costs. For example, does anyone expect the government to come clean in next year's Long-Term Energy Plan on what the price of carbon would have to be to meet its 2030 GHG emission reduction targets? Highly unlikely.

By trying to avoid accountability, we know that governments and their political advisers are cheating in a way. But it's not considered cheating. It's part of the competitive game of politics.

If they bamboozle us or misdirect us successfully, then they get a reputation among elites, not as cheaters, but as smart political operatives.

The successful ones stay in power; and, for some, power is all that matters. As I say, Machiavelli would be impressed.

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6). Seen: Public accounts tabled, with AG's opinion

By: Sabrina Nanji

Treasury Board President Liz Sandals tabled Ontario's public accounts for fiscal 2015-16 Thursday, including the auditor general's opinion. The tabling of the public accounts was delayed by almost two weeks after months of back and forth between the auditor general and the government over whether the bottom line should include assets for two jointly-sponsored provincial pension plans.

The annual deficit still came in at $5 billion ($700 million lower than the government projected, but $1.5 billion more than if it had included the pension assets). The net debt is $305.2 billion (as opposed to $294.5 billion sans the pension assets to which the government does not have access).

"The consolidated financial statements for the province of Ontario for the year ended March 31, 2016, present fairly the province's annual deficit, accumulated deficit, pension liabilities and pension expense," Auditor General Bonnie Lysyk said in a news release.

However, the auditor general said her opinion was qualified because the 2014-15 comparative figures have not been restated to correctly adjust "the 2014-15 accumulated deficit upward by $8.2 billion, annual deficit upward by $953 million, and the education expense and general government and other expense upward by $953 million."

Pension tension has been simmering since June, when Lysyk informed the Treasury Board it should not count $10.7 billion worth of funds in the Ontario Teachers' Pension Plan and the Ontario Public Service Employees' Union Pension Plans toward Ontario's balance sheet.

The government has sought an "independent expert panel" to review the pension accounting measure and expects recommendations later this year.

"I wish to thank the Auditor General for providing her audit opinion of the 2015-16 Public Accounts. The Public Accounts confirm this is the seventh year in a row that Ontario has beaten its annual deficit target. Ontario remains committed to balancing the budget in 2017-18, while remaining balanced in 2018-19," Sandals said in a release.

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7). Happening: OMA 'disappointed' to see Patients First Act re-introduced

By: Jessica Smith Cross

Health Minister Eric Hoskins re-introduced the Patients First Act Thursday afternoon, much to the disappointment of the Ontario Medical Association.

The bill makes some major changes to the delivery of health care. It transfers the responsibility of home and community care to the Local Health Integration Networks (LHINs), from Community Care Access Centres, which will be closed.

It also gives LHINs a greater role in planning primary care and, in order to do that, asks family doctors to give LHINs information about their practices, such as when they're open. The bill will also integrate care co-ordinators within the health-care system to help patients move between acute, primary, home and community, mental health and addictions, and long-term care services.

The Ontario Medical Association (OMA) issued a statement Thursday calling out the government for not consulting with the province's doctors on the changes.

"Ontario's physicians are disappointed with the provincial government today," the statement from OMA president Dr. Virginia Walley begins.

The OMA has been in a protracted stand-off with the government over OHIP billings, and is critical of the government's unilateral cuts to doctors' fees. The statement also criticized the bill as further unilateral action that marginalizes doctors.

"At a time when Minister Hoskins is talking about limiting health resources, Bill 41 proposes more expensive bureaucracy," Walley's statement reads. "While LHINs aggressively pursue local planning approaches, this bill provides sweeping powers for the Minister of Health and LHIN CEOs to impose decisions on local patient care. Ontario's doctors don't believe the Minister and LHIN CEOs should have the power to make unilateral decisions on patient care, and Ontario's doctors believe that health resources must be focused on front-line care, not on redundant bureaucracy and administration."

Hoskins said the bill changed in small ways, based on consultations with health care professionals throughout the summer, including in ways that make sure the "collaborative spirit is well articulated."

"The goal of the Patients First Act is to improve services for patients and the patient experience, that involves strong partnership and collaboration right across the health-care sector," he said. "It's part of the reason we're giving the LHINs greater responsibility with regards to planning and performance on primary care."