



# **Contentious Issues (DRAFT)**

Summaries of potential issues facing government,  
organized by ministry

CONFIDENTIAL

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# Advanced Education and Skills Development

## COLLEGE TASK FORCE

The longest strike in the history of Ontario's publicly-assisted colleges occurred from October 16, 2017, to November 19, 2017. Precarious, part-time work and greater control over courses were the key issues that caused a breakdown in negotiations between the College Employer Council and the Ontario Public Service Employees' Union.

The parties agreed to call for the establishment of a province-wide task force to develop recommendations on key issues that arose during bargaining but could not be resolved in that forum. The College Task Force – chaired by Sue Herbert – will provide recommendations in December 2018.

The task force will explore a range of topics including: student success and labour market readiness; program pathways and support for students, including student mental health; staffing models that would enhance program quality and improve student experience; and academic governance structures and intellectual property policies in the college system.

## YORK UNIVERSITY CONTRACT FACULTY STRIKE

Contract faculty at York University represented by CUPE local 3903 have been on strike since March 5, 2018 – the longest strike in the school's history. The Toronto Star reported in mid-May that the key issue for the union is job security, including the ability of contract faculty to move into full-time positions.

The previous government appointed William Kaplan to conduct an industrial inquiry. On May 4, 2018, Kaplan recommended the labour minister urge the parties to consensual interest arbitration. He further recommended to the minister that the government establish a task force on precarious work in post-secondary education. The former ministers of labour and advanced education and skills development appealed to both

sides to accept “interest arbitration,” and while York has agreed, CUPE 3903 rejected the call.

Back-to-work legislation died on the order paper with the dissolution of the House on May 8, 2018. York University has offered CUPE 3903 terms of settlement to end the strike. York has also offered students options to complete their courses, tuition credits, and bursary support. CBC reported May 31 that a spokesperson for CUPE 3903 said the union and university only spent 15 minutes negotiating face-to-face since the start of the strike.

# Agriculture, Food and Rural Affairs

## FUTURE OF HORSE RACING

A new long-term funding plan for horse racing was announced by the previous government, but there continues to be uncertainty about the industry's sustainability.

The announced plan will provide up to \$105 million every year for 19 years. In addition, the Ministry of Agriculture, Food and Rural Affairs is providing up to \$2 million a year for three years through the Racetrack Sustainability and Innovation Fund which is expected to launch this summer.

Despite the funding, there's been an outcry by civic politicians in Ajax, and representatives of the Quarter Racing Owners of Ontario. They want the government to stop a plan by Great Canadian Gaming to build a casino in neighbouring Pickering, which would result in the closure of Casino Ajax and doom local racing in that town.

# Attorney General

## CANNABIS LEGISLATION

Ontario's Cannabis Act regulates the use, sale and distribution of recreational cannabis ahead of the federal government's legalization which takes effect later this summer.

Ontario's law creates the new retailer Ontario Cannabis Retail Corporation (OCRC), which is overseen by the LCBO; sets the minimum age at 19 to use, buy, possess or cultivate cannabis; bans use in public places, and work places; and addresses the issue of driving while high. This includes zero tolerance for drivers 21 and younger, novice drivers and all commercial drivers, as well as increasing monetary penalties.

Almost 30 municipalities have been identified for the initial wave of retail store openings. Cannabis retail outlets are supposed to be a significant distance from schools. However one location in Toronto is going to be 450 metres from an elementary school. As a result, the government is examining why this decision was made.

Municipal leaders have been very vocal about needing additional funding for policing, social services and zoning enforcement.

Indigenous leaders have voiced their concerns about the government's approach to cannabis. (Additional information is found in the MIRR cannabis summary)

## POLICING OVERSIGHT

The Safer Ontario Act, 2018 made dramatic changes to the policing landscape, including the organizations which oversee police.

The Ontario Special Investigations Unit (OSIU) now has expanded powers to investigate current and former police officers, special constables who work privately (on university campuses) along with off-duty police officers and First Nations police. The OSIU can now lay criminal charges uncovered during an investigation, and there is increased transparency around the agency's decisions. All of them must be made public.

The Independent Police Review Director (OIPRD) is now the Ontario Policing Complaints Agency (OPCA). By 2022, the agency will no longer refer complaints back to the police service where they originated, and will instead investigate these complaints. There's also a duty to comply with both the OSIU and the OPCA and officers who do not cooperate could face a \$50,000 fine, a year in jail or both.

Police unions have also been critical of suspension without pay; however police chiefs are satisfied with this change as they have been calling on the government to do this for years.

# Children and Youth Services

## DEATHS OF CHILDREN AND YOUTH IN CARE

Deaths of children in care have received media coverage over the past several years, specifically from the Toronto Star, Globe and Mail and Canadian Press. Inquests into the deaths of children in the care of their legal guardians – Jeffrey Baldwin and Katelynn Sampson – drew widespread coverage over the horrific circumstances both children experienced and the system-wide reforms the inquests recommended.

More recently, the deaths of children in group homes led to questions about ministry oversight, with the Ontario Child Advocate noting MCYS was unable to tell him how many Indigenous children were being placed in group homes far from home. He called on MCYS to act immediately to make group homes safer and improve services for children in care. The Child Advocate has also been vocal in the media about gaining access to information about child death.

The Office of the Chief Coroner has established an expert panel to review the deaths of 12 young people that occurred between January 1, 2014 and July 31, 2017. The Toronto Star (which follows the child welfare sector closely) noted the review “includes a look at whether children are being warehoused in group homes because there aren't enough therapeutic placements. It will also examine the lack of training and qualifications of group home staff and whether children's aid societies and the Ministry of Children and Youth Services are providing adequate oversight.”

## MOTHERISK

Families split apart in child protection cases using flawed drug and alcohol tests from the Hospital for Sick Children's Motherisk Program, want their children returned. And Indigenous leaders have criticized the Ontario Motherisk Commission's report.

The Commission's examination of cases where the testing factored in the decision to split families found 56 clear cases where the tests had a substantial impact on the decision to

remove children. Children have been reunited with their families in only four of the 56 cases. An attempt at a class action was dismissed in 2017, but many parents have subsequently filed lawsuits against Motherisk.

The Commission's report contains 32 recommendations, which the former attorney general accepted while opening the door to compensation for affected families. The Toronto Star reported in March that Gordon Peters, the deputy Grand Chief of the Association of Iroquois and Allied Indians, said the report failed to deliver on promises of inclusivity made to Ontarians of Indigenous descent, and whose communities were disproportionately affected by the inaccurate Motherisk tests. CBC reports a lawyer with Aboriginal Legal Services in Toronto also said she's disappointed that only one of the 32 recommendations directly relates to Indigenous people, despite the fact First Nations families are over-represented in the child protection system and in cases where the testing had a substantial impact.

## ONTARIO AUTISM PROGRAM

The new Ontario Autism Program was announced on June 8, 2017, with the government of the day hailing that the program "will ensure autism services for children and youth are delivered consistently across the province, allow for flexibility and choice based on each child's needs, and give families confidence in receiving quality services."

But since coming into effect last summer, it has faced much criticism. Parents of children with autism say that the new OAP has only added to the waiting list and to a crippling financial burden on them.

CTV Ottawa reported in March that the Children's Hospital of Eastern Ontario has nearly 1,000 children on its waitlist ahead of a 2-year-old girl they featured in their story. In the meantime, the girl's parents were paying for private therapy for the girl and her 4-year-old brother, at a cost of \$3,000 a month for the boy and \$2,500 a month for the girl. They're also spending \$1,200 a month for speech and occupational therapy. CBC Windsor featured another family whose three young children with autism waited nearly 12 months to take advantage of the new OAP. In early May, MPP France Gélinas raised the

case of a local family in Nickel Belt that was told they would face a six-month wait, but are now facing a two-and-a-half to three-year wait.

## YOUTH SUICIDES

Youth suicides have received widespread media attention, with coverage mentioning long wait times for mental health support services for young people and the lack of mental health workers in remote communities.

Earlier this year, media reported Attawapiskat First Nation is struggling to recruit mental health staff in the wake of the suicide crisis it experienced in April 2016. The Ottawa Citizen reported the coroner's office recommended a quality-of-care review for Children's Hospital of Eastern Ontario after a 13-year-old from Poplar Hill First Nation died by suicide despite having been admitted to hospital four times before her death. And APTN examined data collection around suicide and ethnicity, and reported the federal government and some provinces do not keep track of these deaths despite there being a crisis. According to Nishnawbe Aski Nation, there have been 562 deaths by suicide since 1986. Young people between the ages of 15-20 accounted for 218 suicides.

In his most recent annual report, Ontario's Child Advocate Irwin Elman criticized long wait times for mental health services both in the residential services and across the province, and that more needs to be done to address youth suicide. The Ontario Student Trustees' Association, which represents two million public and Catholic school board students across Ontario, called on the government to mandate and fund suicide intervention and mental health training programs for high school staff and students across the province, at a time of unprecedented demand for services among children and youth.

# Citizenship and Immigration

## ASYLUM SEEKERS/QUEBEC BORDER CROSSINGS

The federal government will provide \$11 million to Ontario to help pay for some of the costs associated with the influx of asylum seekers.

The asylum seekers are illegally getting into Canada at a border crossing in Quebec and choosing to settle in Ontario.

Toronto Mayor John Tory has been calling on the province and Ottawa for financial assistance for weeks. He says new arrivals currently account for nearly 40 per cent of the people in the city's already strained shelter system.

He predicts the city will spend more than \$64 million by the end of 2018 to provide motel housing to refugee claimants. And he will also need an additional \$6.3 million in anticipated costs for emergency contingency sites.

Ontario is assisting by allowing asylum seekers to stay in residences at two post-secondary institutions in Toronto. They are now staying at the Centennial College Residence and Conference Centre in Scarborough and the Humber College residence in Etobicoke for the summer.

The federal government is also providing \$36 million to Quebec and \$3 million to Manitoba.

# Community Safety and Correctional Services

## CORRECTIONS REFORMS & INFRASTRUCTURE

Efforts are under way to reform Ontario's correctional institutions after a string of inmate deaths involving violence, drug use and drug addiction. More than 150 people have died in Ontario's correctional institutions over the past decade.

Howard Sapers, the independent adviser on corrections reform, released a final report in the fall of 2017 with 62 recommendations. He advised the government needs to implement a system to track all inmate deaths and implement clear rules around strip searches.

Inmate deaths in recent years have resulted in inquests in Hamilton and Ottawa. In London, six inmates have filed a lawsuit, alleging they endured trauma at having to watch an inmate assault his cell mate while their calls for help were ignored. That inmate died of his injuries.

The case of Adam Capay gained widespread media attention after the Ontario Human Rights Commissioner toured the Thunder Bay Jail in October 2016. Capay had spent more than four years (1,636 days) in solitary confinement with much that time in a cell with continuous 24 hour light.

The Toronto South Detention Centre was the focus of a highly critical Toronto Life article in February 2017. The piece described how the facility has been chronically understaffed with lengthy lockdowns and malfunctioning technology.

Labour issues with correction officers continue. Recent statistics show a sharp increase in violent assaults against guards. Union officials say it's been open season for abuse on staff following a change in the amount of time an inmate is allowed to spend in segregation.

## **POLICE OVERSIGHT**

The Safer Ontario Act, 2018, is described as the biggest transformation to policing in a generation, but not all stakeholders are supportive.

The new law, largely based on recommendations made by Justice Michael Tulloch to improve police oversight, transparency and accountability, creates a new Inspector General of Policing to oversee police services and have the ability to investigate and audit police.

The Special Investigations Unit, renamed to the Ontario Special Investigations Unit, has expanded powers to launch investigations of police officers, former officers, special constables (such as TTC or University Campus Police) as well as First Nations police services. In addition, police officers would receive mandatory anti-racism training.

The Act has been widely criticized by police unions. The Police Association of Ontario is concerned the legislation allows for privatization of policing functions – like monitoring construction sites or prisoner transport. There's also criticism of police oversight being done by civilians who might take more time to do an investigation.

## **STREET CHECKS / CARDING**

The previous government banned arbitrary street checks in January 2017. The ban applies to collecting identifying information while looking into suspicious activities, gathering intelligence and investigating possible criminal activity.

The ban does not apply to police doing a traffic stop, arresting or detaining someone, executing a warrant or investigating a specific crime. In addition, police have to tell a person of their right not to provide identifying information.

The previous government also appointed Michael Tulloch, a judge with the Ontario Court of Appeal, to hold 12 public consultations across Ontario as part of a review of police carding. Justice Tulloch will file a final report by January 1, 2019.

Critics say this ban doesn't go far enough to end the practice and want carding banned outright. They're also critical of police services still being allowed access to historic carding data they've collected. They say carding has disproportionately targeted racialized people, particularly young black men.

# Community and Social Services

## SHELTERED WORKSHOPS

Parents of participants in sheltered workshops demonstrated in Renfrew, Guelph, and at Queen's Park in mid-May. They want the province to save their children's jobs by restoring an exemption to labour law that allowed them to work for less than minimum wage. The exemption enabled people with intellectual disabilities to do odd jobs in community agencies for a few dollars an hour. Parents quoted in news stories noted the jobs – such as sorting recycling and loading and unloading the dishwasher – provided them with self-worth and a purpose.

The previous government decided in 2015 to slowly phase out sheltered workshops, noting that there is no justification to segregate any group of people and pay them less than minimum wage for work. The workshops are mostly run by not-for-profit organizations with provincial funding. They were created as temporary places where people with disabilities would learn job skills. With the passage of Bill 148, the Employment Standards Act exemption that allowed for the sheltered workshops was removed.

The CEO for Community Living Ontario – who does not want to see the ESA exemption return – says the government needs to provide funding to reduce employment barriers for people with disabilities and provide more support for employers who hire them. The executive director of the Ontario Disability Employment Network said that not every business was open to hiring people with disabilities, noting some that did were struggling to pay the higher minimum wage.

# Economic Development and Growth

## PRESSURES ON THE AUTO SECTOR

The American steel and trade duties announced on May 31st will have an impact on Ontario's auto sector. Given how recent this decision is and the Canadian retaliation, it is too soon to know how dire the situation will be.

Ontario is number one in North America for vehicle production and is the only sub-national jurisdiction to have five major global automotive assemblers: Fiat Chrysler Automobiles, Ford, General Motors, Honda and Toyota, as well as truck manufacturer Hino. The province's 12 assembly plants produced 14.1 per cent of North American vehicle production over the last 5 years and close to 2.2 million vehicles were produced in the province in 2017.

The government has signed an MOU with Michigan Governor Rick Snyder to increase competitiveness and continues to work with other states. For context, a vehicle crosses the Ontario/U.S. border seven times before it rolls off the production line.

Recent high profile criticism includes comments from the head of Magna. Don Walker went on record as saying he's worried policies put forward by the previous government like the new labour legislation, cap and trade and electricity prices are putting Ontario's ability to remain competitive at risk.

In addition, Unifor and other autoworker unions have been aggressively demanding changes to the new labour legislation, Bill 148. Their issue is with the 10 days of personal emergency leave with two paid days for illness, injury, bereavement or other emergencies. Autoworkers are exempt from this emergency leave. The previous government announced in April that it is reviewing this rule/exemption for autoworkers.

## PRESSURES ON THE STEEL SECTOR

On May 31, U.S. President Donald Trump announced a 25-per-cent tariff on Canadian steel and 10 percent on aluminum, putting a cloud over those two industries in this country.

The Prime Minister acted swiftly, announcing retaliatory measures of a dollar-for-dollar tariff on up to \$16.6 billion worth of American goods, including a wide variety of products such as flat-rolled steel, playing cards and felt-tipped pens. The retaliatory tariff will go into effect July 1.

Ontario is responsible for more than 70 per cent of Canada's steel production. Steel shipments from Ontario were valued at \$12.6 billion in 2017, with exports totalling \$6.3 billion in 2017. The sector is vital to the Hamilton and Sault Ste. Marie areas, with the industry directly employing 16,000 people and indirectly another 53,000 people across Ontario.

In the last couple of years, the global steel industry has been facing persistent overcapacity issues. The Chinese monthly steel output continues to rise, despite their government's commitment to reduce capacity. This overproduction has directly impacted mills in Ontario. Essar Steel Algoma is currently under creditor protection, Hamilton Specialty Bar was ordered into liquidation by the courts, and Stelco emerged from creditor protection in June 2017.

# Education

## CHILD CARE ACCESSIBILITY & AFFORDABILITY

Child care costs and availability are an ongoing issue in Ontario.

Recent high profile reports, including the Canadian Centre for Policy Alternatives, show child care costs in Ontario are among the highest in Canada. Parents in Toronto pay on average \$1,212 per month, or \$14,544 a year.

According to a report released by the Childcare Resource and Research Unit in May, 2018, Ontario leads the country in the growth of child care spaces with half of the 150,000 new spaces created between 2014 and 2016 located in this province.

In 2017, the federal government signed an agreement with the provinces and completed bilateral funding deals as part of a 10-year, \$7 billion commitment to child care expansion with a focus on low and moderate income families.

ACORN, a vocal anti-poverty group say that the costs of child care prevent many low and middle income parents from returning to the work force, or expanding their families. ACORN also says many families have to cut back on food and extra-curricular activities. The organization is calling on the government to create a universal childcare system that is accessible and affordable for all Ontarians.

## EDUCATION FUNDING / FUNDING FORMULA

There have been increased calls for an overhaul of the Funding Formula from teachers unions and high profile groups such as Fix Our Schools and People for Education. Critics say the formula is ineffective and outdated.

The Auditor General's 2017 Annual Report called for a total overhaul of the 20-year-old formula finding it is based on outdated census data. The AG found school boards use their

own discretion in how they spend 84% of the non-restricted funding. As a result they use special needs funding to cover teacher salary shortfalls, creating a shortfall for Special Education programs.

The Education Funding Formula provided \$23 billion in 2016/17 to 72 district school boards for about two million elementary and secondary school students across the province.

Underfunding has also created a school repair backlog across Ontario, estimated at \$16 billion. In addition, schools are finding it difficult to hire lunch monitors and other support staff due to funding pressures in other areas.

## **EDUCATION QUALITY AND ACCOUNTABILITY OFFICE (EQAO) & STUDENT ASSESSMENT & REPORTING REVIEW**

A report looking at the future of EQAO testing is recommending several changes.

The report recommends phasing out the Grade 3 test, modernizing the Grade 6 test, eliminating the Grade 9 math test and updating the Grade 10 literacy test. Lead author Carol Campbell, a professor at the Ontario Institute for Studies in Education (OISE), says the tests should be used to provide a snapshot for the overall system.

Teachers unions, who have long been critical of the tests, are calling for the elimination of the tests altogether. The unions claim the tests are time consuming and force them to 'teach to the test' instead of focusing on other course material.

Other critics argue that the results of the EQAO are being used as a way to rank schools and are used by real-estate agents as selling points. Others experts suggest identifying key schools across the province and testing random children to provide an annual snapshot of student aptitude.

## SCHOOL CLOSURES

School closures have been a hot button issue across Ontario. In March 2017, the former Minister of Education said up to 300 schools are under review for possible closure because of low enrolment or disrepair.

This prompted public outcry, especially in rural and northern communities where parents are concerned about lengthy travel times for students getting to and from school.

As a result, the ministry conducted a series of public consultations and has created a revised Public Accommodation Review Guideline (PARG). These reviews give school boards standards and guidelines to figure out the best options for school closures.

The Education Act allows the Minister to set guidelines for closures, but it's up to school boards to conduct the reviews and make decisions about school closures. Right now, school boards are holding off on reviews.

## SPECIAL EDUCATION

Despite multi-billion dollar government investments, students with special needs are still at risk of being left behind. The ministry's Special Education Grant (SEG) is projected to be about \$2.8 billion in 2017-18. Since 2006, the ministry has invested \$125 million in other funding to help students with autism.

Yet a new report, by experts in disabilities law and education and advocacy groups, has found more than half of parents reported their special needs child did not receive proper academic accommodations and had been denied learning opportunities. Almost a third reported their child didn't have access to an educational assistant when needed.

The 2017 Auditor General's Report found tens of millions of dollars earmarked for special education is instead being used by school boards to cover other costs, such as teacher

salaries, and that the ministry doesn't require school boards to report back on spending of these funds. Bonnie Lysyk's study also found funding is determined by total enrolment, not how many actual students need services.

Wait lists for student assessment are also an issue. The advocacy group People for Education estimates 35,000 students across Ontario are on wait lists for a special needs assessment.

## TEACHER NEGOTIATIONS

Teachers' unions have been angry since the former government imposed contracts on their members in 2012. The contracts froze wages for some teachers, limited their ability to strike and ended payouts for unused sick days.

Teachers took the government to court and in 2016, and it found the Act was a violation of the Charter of Rights and Freedoms. The ministry has since reached an agreement with several unions. It is still in discussion with the ETFO, which has announced it will be returning to court. One of the biggest issues with the Putting Students First Act was the elimination of banked sick days. In the past teachers would receive a financial reward upon retirement for sick days they did not take.

The Auditor General noted in her latest report that the elimination of banked sick days resulted in a 29 percent increase in the average number of teacher sick days between 2011 and 2016. The spike in sick days increased payroll expenses by 25 per cent including the cost of replacement workers.

Recently, some school boards have gone public with the growing problem of a lack of supply teachers available to fill vacancies and sick days. Toronto's Catholic District School Board recently wrote to the ministry, saying this issue has meant having to double up classes. Officials blame the sick day changes on their current situation.

# Energy

## HYDRO ONE PRIVATIZATION

Critics continue to say the province did not campaign on or receive a mandate to privatize Hydro One. Even though money raised from the sale would be spent only on massive infrastructure projects, the sale continues to be a lightning rod for criticism.

An Angus Reid poll conducted in March 2017, showed 82% of Ontarians oppose the sale of shares in Hydro One to private investors. Roughly half or 49% strongly oppose the sale.

Among the criticisms: Hydro One's salaries, including multi-million dollar executive compensation, are no longer disclosed on the Sunshine List; its practices can't be scrutinized by the province's ombudsman; and the auditor general cannot review the books.

## INDEPENDENT ELECTRICITY SYSTEM OPERATOR

The Auditor General continues to criticize the Independent Electricity System Operator. In her annual report released last December, Bonnie Lysyk said the IESO hasn't implemented repeated recommendations from the Ontario Energy Board, including one that could save ratepayers \$30 million a year.

She also chastised power generators for submitting ineligible expenses such as scuba gear and racoon traps. And she also criticized the IESO for a lack of oversight which allowed a natural gas plant to charge hydro customers about \$100 million in "inappropriate" payments.

## ONTARIO'S FAIR HYDRO PLAN

The province's energy policies have been blamed for soaring electricity bills across Ontario. The province reduced electricity bills for residential customers by an average of 25% in 2017. The plan also dictates electricity bills will not increase beyond the rate of inflation for four years.

Critics say future generations will have to pay for those savings. That's because the \$26 billion the province is borrowing through Ontario Power Generation will be paid off with rate increases spread out over the next 30 years.

One of the harshest critics is Ontario Auditor General Bonnie Lysyk who calls the plan "needlessly complex". In a special report tabled in October 2017, Lysyk said the plan could also result in Ontarians paying up to \$4 billion more than necessary in interest. That's because OPG will be required to pay higher interest rates than the province would have if the government took on the debt directly.

# Environment and Climate Change

## AIR QUALITY IN SARNIA

The previous government announced a health study of the effects of air pollution in Sarnia's Chemical Valley. This follows an investigative series by Global News and the Toronto Star, and strong criticism from the Ontario's Environmental Commissioner, Dianne Saxe.

The media reports claim a pattern of secrecy about potentially toxic leaks in the area. FOI requests revealed more than 500 ministry incident reports including a 2014 benzene spill that experts say should have triggered alarms but did not.

Public health data also showed hospitalization rates for respiratory problems are higher in Sarnia than in Windsor and London, and that there are more cases of cancer for people in the area compared to the Ontario average.

In her 2017 Annual Report, Saxe condemned the previous government for turning a blind eye to pollution of Indigenous communities including Wabaseemoong First Nation in Sarnia. She described it as some of the worst air pollution in the country and wants the government to clean it up and make sure the ministry has the resources and staff to properly enforce benzene standards.

## CAP AND TRADE / CARBON PRICING

Ontario's first year of carbon pricing brought in nearly \$2 billion through cap and trade auctions, but also drew criticism from a broad group of stakeholders.

Cap and trade, launched in 2017, is aimed at lowering greenhouse gas emissions by putting caps on the amount of pollution companies in certain industries can emit. If they exceed those limits they must buy allowances at quarterly auctions or from other companies that come in under their limits.

The cap declines about four per cent each year to 2020, and as it decreases, the government hopes companies have more incentive to cut their emissions.

Ontario made \$1.9 billion this year in four cap-and-trade auctions, three of which were sellouts, with proceeds being reinvested into conservation initiatives. But while the program has been lauded by environmental groups, critics have called it an unnecessary tax and one that does not actually reduce emissions in Ontario.

## GRASSY NARROWS

Grassy Narrows is a First Nations Reserve near Kenora that is the site of one of the worst cases of mercury contamination in Canada. In the 1960s a paper mill in Dryden, upstream from the reserve, dumped 9,000 kilograms of mercury into the river systems. The contamination closed a thriving commercial fishery and has left the people of Grassy Narrows suffering from the effects of mercury poisoning.

The Toronto Star has been writing a series of investigative reports over the last year and a half, detailing the health issues the people of Grassy Narrows are suffering from. A recent study involving more than 80 per cent of the community found the physical and mental health of the people is significantly worse than other First Nations and that there are fewer elders in the community, suggesting people are dying prematurely.

The report also says a third of residents have lost a close friend or family member to suicide, which is five times higher than the rate in other Ontario First Nations. Band members report a higher prevalence of allergies, stomach and intestinal problems, blindness or visual problems not corrected by glasses, hearing impairment, joint pain and psychological or nervous disorder. In March, the previous government established the English and Wabigoon Rivers Remediation Trust, setting aside \$85 million for remediation and related activities.

## GROUND WATER TAKING / NESTLE

The government is under pressure from community groups in Wellington County to prevent Nestle from taking an additional 1.6 million litres of water a day.

Currently, Nestle Waters Canada is allowed to extract 4.7 million litres of groundwater a day from locations in Aberfoyle and Erin. The groups Wellington Water Watchers and Save Our Water have been vocal about their opposition.

The previous government implemented a moratorium on all new and expanded permits to take groundwater for bottling until January 2019, introduced new, stricter rules for renewals of existing permits and is charging companies a \$500 fee for every million litres taken. But critics say this amount is nothing compared to the profits Nestle makes on their bottled water sales.

## WASTE MANAGEMENT / LANDFILLS

With Ontario's cumulative landfill capacity projected at just 10 years, there is growing concern among municipalities that they'll be forced to host a garbage dump in their community without having a say in the matter.

Landfills are operated by either municipalities or private sector waste management companies, and are primarily regulated through provincial environmental assessment approvals that document appropriate siting, standards and requirements that must be met. A growing number of towns and cities are concerned that private companies can win approval for a landfill without the local community's blessing.

More than 50 Ontario municipalities have passed motions demanding legislation giving towns and cities the right to approve or reject locations for new landfill sites. And another 150 municipal leaders from across Ontario have signed petitions demanding the same approval rights and are in the process of passing similar motions in their own councils.

Rural municipalities have concerns about “adverse effects” to land and with increased truck traffic impacts to local roads and infrastructure

The Association of Municipalities in Ontario did not support giving municipalities the authority to approve or reject landfill applications. They have not taken an official position for or against the proposal.

# Finance

## AUTO INSURANCE

Media regularly report stories of people upset over auto insurance premium increases, being charged different rates depending where they live, and benefits that don't meet their expectations. Rates are directly linked to auto insurance claims costs, and claims costs are higher in Ontario than in other provinces with private auto insurance systems.

The Ontario Trial Lawyers' Association released a report in early May estimating that auto insurance companies in Ontario made \$1.5 billion in pre-tax profits in 2016, an increase of 57% or \$534 million since 2012. The author, Fred Lazar, estimates that customers' cumulative premium overpayments might have totaled \$5 billion over the last five years. OTLA notes this works out to an additional \$143 for every policy in Ontario, per year, for the past five years.

David Marshall, the previous government's advisor on auto insurance and pensions, reported that structural reforms to the system are the only way to reduce rates in the long term and improve care for those injured in auto collisions.

## BORROWING AND DEBT

The previous government projected a deficit of \$6.7 billion in 2018/19, with net debt of \$325 billion. It was criticized for the size of its debt, return to deficit budgets, spending on interest payments and the debt-to-GDP ratio – a measure of the sustainability of the province's debt burden. The Financial Accountability Office's Spring 2018 Economic and Budget Outlook report indicates the government is facing persistent budget deficits over the medium term.

The day after the 2018 Budget was tabled, Moody's said that the planned return to deficits is "credit negative" as it will raise borrowing requirements, adding to Ontario's already elevated debt burden, and raises the likelihood that the province is facing a structural deficit. An analyst with the C.D. Howe Institute noted interest expenses were

set to increase by more than \$2 billion from 2021 relative to the last fiscal year, adding that if they took up a larger share of total revenues, it would leave less room for other priorities.

In mid-April, Moody's changed its outlook on Ontario's rating to 'negative' from 'stable.' Moody's said the change reflects its expectations that "spending pressure will challenge the province's ability to sustain balanced fiscal results across multiple years."

Credit rating agency DBRS confirmed Ontario's credit rating at AA (Low) with a stable outlook. The agency said a downgrade could occur if debt were to rise sharply because of a downturn in the economy or a deterioration in the budgetary outlook beyond what is already proposed in the 2018 Budget.

## CANNABIS (RETAIL)

The previous government passed legislation to create the Ontario Cannabis Retail Corporation in response to the federal government's plan to legalize cannabis by summer 2018. Concerns have been expressed about the stores' locations, competition with private shops, and even the Ontario Cannabis Store's name and logo.

Several Ontario municipalities are fighting to delay the stores' opening, while some school boards said they were not consulted before stores were approved close to schools. In the spring, the former premier ordered that school boards be consulted before any more locations are announced, following an outcry over the Toronto site's proximity to an elementary school.

The Canadian Federation of Independent Business is concerned the OCS outlets will force out small private-sector stores that have been offering accessories such as bongs and rolling papers for years. The group says it's "immensely unfair to have to compete against a taxpayer-backed monopoly."

The Ontario Cannabis Store's name and logo have been mocked on social media, with Twitter users calling the logo "exceptionally boring" and "straight out of the early designs of the LCBO stores, which were intentionally drab to discourage people from consuming the product."

# Government and Consumer Services

## CONCERT AND SPORT TICKET SALES

Critics are predicting a new law designed to cap prices on scalped sports and concert tickets will fail because the province isn't adding new staff to enforce it.

The Ticket Sales Act, which takes effect July 1, 2018, gives the province a number of tools such as capping the resale price of tickets to 50 per cent above the ticket's face value. Anyone or any website caught selling above that limit could face maximum fines recently set at \$5,000.

And the law will also prohibit the operation of ticket bots within the Ontario marketplace. Police will be responsible for enforcing the ban on ticket bots.

The head of Ticketmaster's North American operations says a cap on tickets has been tried in the United States and elsewhere and is unenforceable. And the general manager of StubHub Canada agrees, calling it a futile effort.

# Health and Long-Term Care

## FUNDING FOR DRUGS FOR RARE DISEASES

While OHIP+ now covers the cost of drugs on Ontario's formulary for people under the age of 25 and seniors, sufferers of rare diseases say they're still being denied life-saving drugs if the drug they need is not in the formulary.

In mid-April, people with cystic fibrosis criticized the OHIP+ program for paying for medications that were already covered (in many instances) by privately-insured employee benefit plans. Advocates said the government should stop paying for drugs that were already covered through private insurance, and reinvest the savings to cover drugs children cannot get access to now. MPP Jeff Yurek – who joined them at their press conference – said the previous government had done little to expand the accessibility of newer medications for rare-disease drugs.

## GOVERNMENT AND PHYSICIANS DO NOT HAVE A SERVICE AGREEMENT

The last Physician Services Agreement between the government and Ontario Medical Association expired on March 31, 2014. The parties are in arbitration following unsuccessful attempts to ratify a new agreement, with doctors accusing the government of unilateral cuts to their fees and to health care. Doctors have also noted rising operating costs for their offices.

In mid-March, both sides' arbitration positions were leaked to the media, with the Toronto Star noting the two sides were \$10 billion apart. The former government's offer would see the physician services budget increase by more than \$3 billion by 2020/21, while the OMA's proposal would see it increase by more than \$13 billion.

The Toronto Sun noted the OMA's 2018 provincial election platform says that 63% of the province's doctors believe the health care system is underfunded and cite wait times as a major problem.

The group also faces some internal dissension. Members of Concerned Ontario Doctors held a news conference in the Queen's Park Media Studio this spring to bring attention to the lack of a contract for doctors, the issues of wait lists and cuts to services in the health-care system, and issues with the OMA. They say doctors are met with intimidation if they speak out against the OMA and have a petition calling for a forensic audit and more accountability.

## HOSPITAL OVERCROWDING

Ontario hospitals have been running at occupancy rates of more than 100%. Media stories over the last several months have been framed around conditions of patients' stay in hospital and frequently point to funding pressures faced by hospitals.

The Ontario Health Coalition held rallies this spring hoping to make wait times and cuts the key issue in the Ontario election. Claiming Victoria Hospital is at 165 per cent capacity at times, the London Health Coalition rolled out beds onto the sidewalk and even brought a skeleton.

The Hamilton Spectator reports Joseph Brant Hospital in Burlington has seen occupancy rates of up to 188 per cent in the last six months of 2017, meaning they would often be squeezing three people into two-person rooms, leaving patients requiring specialized mental health care in the emergency room or putting beds in unconventional spaces, none of which are paid for by the Ministry of Health. London Free Press reports London Health Sciences Centre created new rules for moving patients into the hallway for treatment due to chronic bed shortages and "years of being squeezed by the Ontario government."

The Ottawa Citizen said in an editorial that Ontario's health care funding model is "broken" because it diverts people to hospitals when they ought to be in long-term care homes or home care, and it creates backlogs for care and tests that could be delivered more efficiently by the private sector.

## LONG-TERM CARE HOMES INQUIRY

The conviction of former nurse Elizabeth Wettlaufer for the murder of eight long-term care residents in Ontario was among the highest-profile criminal cases in 2017. She carried out the murders between 2007 and 2014 at two long-term care homes.

The previous government appointed Justice Eileen Gillese to conduct an independent public inquiry into the circumstances and systemic issues that may have allowed Wettlaufer to kill these patients. Gillese will also examine whether the current checks and balances in the long-term-care system are effective and recommend ways to improve the safety of long-term care home residents. The investigation will also look into the details surrounding Wettlaufer's career, including the 2014 hearing by the College of Nurses of Ontario that formally stripped Wettlaufer of her designation as a registered nurse. Caressant Care Woodstock and the College of Nurses have been in dispute over details of this meeting.

Public hearings began June 5, and will take place for nine weeks between June and September. The public hearings will be held in Courtroom 201 of the Elgin County Courthouse, located at 4 Wellington Street in St. Thomas. The results of the inquiry will be released in July 2019.

Andrea Horwath said she would like the inquiry to look into how long-term care homes, which are mostly operated by private businesses, conduct their hiring and ensure their staff does a proper job. She also called for a "find-and-fix" approach – e.g. fix the "systemic problems" the inquiry finds before the end of the inquiry.

## LONG-TERM CARE HOMES STAFFING / QUALITY OF CARE

Advocates, union and staff have expressed concerns over resident safety and well-being in long-term care homes, and called for a minimum staffing standard in the homes.

An investigation into several facilities in Ottawa, for example, found several incidents of patient-on-patient violence. Stories of nurse-on-patient abuse also surfaced, including footage of an elderly man being beaten by an attendant in an Ottawa long-term care home in 2017. Also, media reported cases of bed sores – even festering wounds – developing on neglected residents. Advocates argue residents have increasingly complex needs and require more “touch time” – e.g. direct care by home staff. They called for a minimum standard of four hours a day of care, with the New Democrats sponsoring private member’s bills to that effect over the past few years.

## OPIOID ADDICTION

Deaths due to opioids are a leading cause of non-disease related deaths in Ontario, representing more than double the number of motor vehicle-related deaths. Public Health Ontario reported that in 2017, more than three people per day died of an overdose of opioids. Deaths (1,261 in 2017) increased by 45 per cent over 2016’s total of 867 opioid deaths. More than 8,000 Ontarians have died of an opioid overdose since 2003, the majority unintentionally. Increases in opioid prescribing have made Canada a world leader in per-capita opioid consumption, and Ontario a leading province in opioid prescribing. Recently, researchers at the Institute for Clinical Evaluative Sciences and St. Michael's Hospital examined initial opioid prescriptions for more than 650,000 Ontarians finding that a quarter of first-time opioid prescriptions in Ontario from April 2015 to March 2016 exceeded new recommended dose limits.

Last summer, activists and harm-reduction workers set up temporary overdose prevention sites to address the problem of overdoses. Various cities in Ontario now host supervised consumption sites. Seven supervised consumption sites were operational in Ontario at some point in 2017/18 — four in Toronto and three in Ottawa. Five overdose prevention sites have opened as of May 2018, in London, Guelph, Ottawa, and two in Toronto. The provincial government provides Naloxone in more than 250 towns and cities; support for substance use disorder treatment and supervised injection services; funding for addiction and mental health supports; funding for 18 pain management clinics across Ontario; and support for the development of new quality standards for appropriate opioid prescribing.



# Housing

## AFFORDABLE HOUSING

Demand for affordable housing continues to be strong. The 2016 federal census showed the number of Ontario households needing affordable housing stood at 748,000 households.

In April 2018, the federal and provincial governments pledged to protect social housing in Toronto and the rest of the province as part of a \$40-billion national strategy. Exactly how and when that money will trickle down to cities is still being worked out.

On May 17, a new report called An Affordable Housing Plan for Ontario was released by the Ontario Non-Profit Housing Association and the Co-operative Housing Federation of Canada (Ontario).

It calls for the creation of 69,000 new affordable rental homes over 10 years; financial support of \$10,000 for each of 260,000 existing social housing units over the next 10 years; 30,000 new supportive housing units for people living with mental health issues and addictions; and providing rent supplements or income support for 311,000 households. Social housing refers to government-funded subsidized and rent-geared-to-income housing.

## FAIR HOUSING PLAN

Introduced in April 2017, the plan contained 16 measures designed to cool an overheated real estate market in the Greater Toronto Area.

Figures from the Toronto Real Estate Board show some 40 per cent fewer homes exchanged hand year over year. And the average Greater Toronto Area home price has dropped too.

Average prices plunged 20 per cent from April to August of last year, from roughly \$920,791 to \$732,292, and have stabilized since.

A 15 per cent foreign buyer tax has raised \$40 million and reduced the number of offshore property transactions in the Greater Golden Horseshoe to 1.6 per cent in February this year, down from 4.7 per cent in May 2017.

Some of the controls were not popular. Updated rent controls have led to some builders cancelling plans to build rental units and deciding instead to convert them to condo units.

## HOMELESSNESS

There is an on-going demand for the province to provide more funding for shelters for homeless Ontarians. Until this year, the government did not track the number of people who are homeless. Provincial efforts to track those numbers are now underway.

But homeless advocates say more people are accessing shelters in Ontario than were five years ago. During the 2016 census conducted by Statistics Canada, 8,780 people in Ontario declared a shelter as their primary residence, a 10 per cent increase from the 7,960 individuals in 2011. The same census showed there were approximately 300 shelters in Ontario and they were operating at 90 per cent capacity. And the census also showed about 12,000 Ontarians were experiencing homelessness every night.

Several shelters in Ottawa and Toronto said they are so full they've been filling the hallways with sleeping mats. The province doesn't keep a tally of shelter closures in Ontario, as they don't manage them directly. Funding from ministries trickles down through municipalities and charities into the facilities.

# Indigenous Relations and Reconciliation

## CANNABIS

The upcoming legalization of marijuana is dividing First Nations leaders in Ontario.

Isadore Day, the Ontario regional chief of the Assembly of First Nations says his members fear a black market in cannabis will target vulnerable communities which are already dealing with alcohol and drug abuse.

Opponents of legalization point to Tyendinaga Mohawk Territory, near Belleville, where there are currently 16 marijuana dispensaries. Some are run out of storefront operations, others run out of peoples' homes. None are registered businesses with the band council and all are technically illegal.

Others are upset that federal government did not include them in discussion over taxation. In December 2017, Federal Finance Minister Bill Morneau announced a two-year deal that will see Ottawa give 75 per cent of tax revenues to the provinces and territories while Ottawa retains 25 per cent, to a maximum of \$100 million a year.

Ontario has passed the Ontario Cannabis Act, 2017 which allows the province to work with individual communities to set cannabis regulations including minimum age requirements, where cannabis can be consumed and rules enforced. The Act also allows First Nations communities to ban cannabis on their territories.

## MERCURY CONTAMINATION

See [Grassy Narrows](#) in MOECC

# Intergovernmental Affairs

## ONTARIO RELATIONSHIP WITH THE UNITED STATES

Ontario's relationship with its southern neighbour is strained. The new American tariff on steel and aluminum, along with Canada's retaliatory measures against the U.S. has created a troubled situation with stress ahead for the steel and auto sectors.

Unions, civic leaders and economic experts are being vocal in their concern. In 2017, two-way trade of goods between Ontario and the U.S. totaled \$390 billion.

The federal government and provincial leaders have been proactive trying to work around protectionist measures like the Buy American policy, which could restrict Ontario businesses from bidding on federal, state and local government contracts in the U.S.

Earlier this year the Fairness in Procurement Act came into effect, which allows Ontario to take proportional action.

# Labour

## THE FAIR WORKPLACES, BETTER JOBS ACT, 2017

The previous government passed the Fair Workplaces, Better Jobs Act, 2017. It hiked the minimum wage to \$14 on January 1, 2018 and will increase it again to \$15 on January 1, 2019. The new law also provides at least two paid, job-protected sick days for all workers, increases holiday entitlement, and boosts protections for temporary employment agency workers.

The new law has been criticized by many business owners and their associations who warn it will create job losses and increase the cost of consumer goods. The Ontario Branch of the Canadian Federation of Independent Business accused the government of not consulting with its members on the wage increases before the bill was introduced and repeatedly ignored its calls for an economic impact analysis. The federation said the analysis is needed to determine whether businesses can weather a 32 per cent minimum wage increase in 15 months.

## MINIMUM WAGE

The \$14 minimum wage is the most controversial clause in the previous government's Fair Workplaces, Better Jobs Act, 2017. As soon as increases began taking effect on January 1, 2018, some business owners started laying people off or cancelling plans to hire more personnel.

One of the more high profile examples involved the owners of two Tim Hortons franchises in Cobourg who decided to offset the minimum wage hike by cutting paid breaks and forcing workers to cover a bigger share of their benefits. Business groups and the province's economic watchdog both predict the minimum wage hike will force employers to cut jobs. The Financial Accountability Office has estimated more than 50,000 people could lose their jobs due to the minimum wage increase. A report from the FAO said job losses would be concentrated among teens and young adults. A report from the Keep Ontario Working Coalition, which includes the Ontario Chamber of Commerce, concluded more than 185,000 jobs could be impacted by the hike.

# Municipal Affairs

## GREENBELT

A study by the C.D. Howe Institute released in May 2018 found that allowing development on land dedicated for the Greenbelt, and cutting development and zoning costs would drive down single-family houses costs significantly in the Greater Toronto Area.

The study authors say consumers paid \$168,000 more for single-family houses in the Greater Toronto Area because zoning regulations, development charges and housing limits in and around the Greenbelt.

As development and zoning costs continue to rise, builders have found it more difficult and expensive to construct more single-family houses.

The Greenbelt has protected 7,200 square-kilometres of land that borders the Greater Golden Horseshoe region around Lake Ontario from urban development since 2005.

The study says increasing land availability for housing while cutting development and zoning costs would make homes more affordable. These changes could reduce the cost of a single-detached house by more than \$70,000 in Toronto, Peel and Durham regions, \$90,000 in Halton Region, more than \$100,000 in Hamilton and around \$125,000 in York Region.

The previous government maintained that there is adequate land still available for development, which is supported by The Neptis Foundation, an independent, charitable foundation. Neptis has found there are roughly 125,560 hectares still available for development in the GTHA, enough room to grow until at least 2031.

# Natural Resources and Forestry

## PRESSURES ON SOFTWOOD LUMBER SECTOR

The softwood lumber dispute with the United States is a threat to the industry. The forest sector generates more than \$15.3 billion in revenues for Ontario and supports about 150,000 direct and indirect jobs.

After months of talks, Canada has asked the World Trade Organization (WTO) to set up an adjudication panel to judge its dispute with the United States over Canadian lumber exports.

At issue is a 20-per-cent (average) tariff the U.S. imposed on Canadian softwood lumber. The U.S. Department of Commerce says Canadian lumber is unfairly subsidized because lumber mills pay lower fees for timber which is cut largely from Crown land. American timber comes largely from private land.

# Northern Development and Mines

## NORTHERN HIGHWAYS

The Northern Highways Program is a comprehensive plan to rehabilitate and expand the highway system in Northern Ontario. The program is jointly run by the Ministry of Northern Development and Mines and the Ministry of Transportation. MNDM establishes and manages the budget for the annual program, while MTO manages the construction and maintenance.

The Northern highway system is 10, 775 kilometres, which is about 60% of the entire provincial highway network. For 2017-18, the government committed \$630 million towards the program, which was an increase of \$90 million from 2016-17. The program works to widen stretches of highways, increase safety, rehabilitate bridges and resurface roads.

Concern has been raised that the majority of funding for highway maintenance and expansion is focused in Southern Ontario. At the recent Northeastern Ontario Municipal Association (NEOMA) conference, an engineer with the Ministry of Transportation told attendees, Northern Ontario receives one-third of the funding allocated to highway maintenance and construction projects.

## ONTARIO NORTHLAND RAIL

The previous government cancelled the Northlander train service in 2012 but there has been a local call to reinstate the Cochrane to Toronto line ever since. Civic politicians in North Bay support a grassroots movement trying to restore the Northlander and have called on the previous government to help, citing the amount of provincial investments for rail expansion in Southern Ontario. The previous government instead remained focused on multimodal transportation expansion for the region and recently announced a \$23-million expansion of motor coach services and refurbishment of rail coaches for the Polar Bear Express.

# Seniors' Affairs

## ELDER ABUSE

Statistics provided by Elder Abuse Ontario show between two and 10 per cent of seniors are being abused each year in North America.

Applying those numbers to Ontario, where 14.6 percent of the population are seniors aged 65 and over, there are between 40,000 and 200,000 seniors living in Ontario who have been abused.

Ontario's population is getting older. Figures provided by the Ministry of Finance Census Data indicate, the senior population will double in Canada to almost 4.2 million, or 24.0 per cent, by 2036.

There have been many high-profile cases of elder abuse in long-term care homes. (See Long-Term Care Homes Staffing / Quality of Care in MOHLTC)

But abuse also happens in private homes and retirement homes where seniors can experience theft, neglect, and psychological, physical and verbal abuse.

# Status of Women

## GENDER WAGE GAP

According to the province, the gender wage gap has remained stagnant over the past 10 years, with women earning approximately 30 per cent less than men. This is more common among racialized groups. The Public Sector Salary Disclosure list (“Sunshine List”), an annual list of provincial employees who earn more than \$100,000, has more male than female employees. Sheila Block, senior economist at the Canadian Centre for Policy Alternatives’ Ontario office, told the Hamilton Spectator that research “has been pretty consistent that the wage gap for women in the public sector is smaller than it is in the private sector,” noting research from CCPA in 2014 “showed the gap was about half what the gap was in the private sector.”

The previous government introduced legislation this year that aims to close the wage gap between women and men in the province. It would also have created a framework requiring large employers to track and report compensation gaps based on gender and other diversity characteristics, and disclose salary information in job postings.

Critics of the bill say it should have been released years ago, as other jurisdictions have taken steps to address the issue. Some observers also consider the wage gap to be the result of several other issues slowing women’s career growth, like the need for child care and the systemic bias to pick men for leadership roles, issues they said the bill did not address. Some will also argue women do not need government help to close the wage gap, as employers prioritize talent and competence when hiring.

# Transportation

## DRUG-IMPAIRED DRIVING

As of July 1, Ontario will have even tougher drug-impaired driving laws, but some police authorities warn that enforcement of the laws will be difficult. Included among the new laws is zero tolerance for Young drivers aged 21 and under, Novice drivers (G1, G2, M1 and M2 licence holders) and all commercial drivers.

Drug impaired driving will have the same penalties as alcohol impaired driving and will be a criminal offence. Police will have access to federally approved oral screening devices that will be able to detect the presence of cannabis. But police and municipal leaders are concerned they will not have sufficient funding to deal with the effects of legalized marijuana, including police training, and have raised the alarm with all across the province.

## HIGH-SPEED RAIL

The previous government announced plans for high speed rail (HSR) between Toronto and Windsor.

If it moves forward, the line would be constructed in two phases. The first phase, between Toronto and London, could be operational as soon as 2025. And the second segment, between London and Windsor, could be operational by 2031. It would include seven stops: Windsor, Chatham, London, Kitchener, Guelph and Toronto Union Station.

The previous government announced \$11 billion to support the planning, design and initial construction. Work is underway on the environmental assessment.

Municipal leaders in Oxford County are against the high speed system, preferring a high performance line that would use existing rail corridors rather than building a high speed line that would cut through private property. Also, critics argue the high speed line would

sabotage their lifestyle, disrupt their livelihood and potentially stall emergency vehicles, school buses and snow plows because of the potential limited number of crossings. This would force residents to go out of their way to reach schools and community centres, and force emergency vehicles to take detours.

## TRANSIT PLANNING

Major projects in the Greater Toronto and Hamilton Area (GTHA) are underway but transit users complain the system is bursting at the seams.

The City of Toronto is moving forward with the Scarborough transit network proposal which includes an extension of Line 2 (Bloor-Danforth Subway) focused on serving Scarborough Centre; Eglinton East Light Rail Transit (LRT) – an extension of Line 5 (Eglinton Crosstown LRT) to the University of Toronto – Scarborough Campus, with a potential extension to Malvern; SmartTrack stations at Finch and Lawrence Avenues East; and, Rapid transit on the Sheppard East Corridor.

In Hamilton, the previous government committed as much as \$1 billion to the city for construction of a new light rail transit line. It will run for 14 kilometres from McMaster University through the downtown to Eastgate Square and include 17 stops. The GO Regional Express Rail (RER) will take 10 years to implement and cost more than \$13 billion. The RER will provide more frequent service on the GO Transit network and have electrification on core segments including the Union-Pearson Express. Other commitments include \$1.6 billion for the Ottawa LRT, \$170 million for London's bus rapid transit project and \$43 million for a transit hub in the Waterloo Region.

Transit experts say while the previous government has been paying attention to transit, it will take years for these systems to be completed to bring relief to ongoing congestion issues.

# Treasury Board Secretariat

## ACCOUNTING OF PENSION SURPLUSES AND FAIR HYDRO PLAN

Ontario's Auditor General says the previous government's accounting of public sector pension surpluses and the Fair Hydro Plan in the province's Public Accounts understates the province's debt and deficit. Ontario's Financial Accountability Office supports the AG's position on these accounting matters.

The AG does not support including surpluses in the Ontario Teachers' Pension Plan and the Ontario Public Service Employees' Union pension plan on the government's books as assets because she believes the government has no unilateral legal right to use its share of any plan surpluses without first reaching a formal agreement with the plans' other joint sponsors.

The AG also says that the previous government did not reflect the true financial impact of the electricity rate reduction resulting from the Fair Hydro Plan, noting the government did not include the cost of compensating power generators and the interest on the money borrowed to pay that compensation, in its forecasted expenses.

The AG concluded in late April that the previous government's Pre-Election Report is not a reasonable presentation of Ontario's finances, determining that the Fair Hydro Plan and accounting of net pension assets understates expense estimates and contributes to an understatement of provincial debt to GDP. After adjusting for these items, the Report asserts that the annual deficit figures are \$11.7B in 2018/19, \$12.2B in 2019/20, and \$12.2B in 2020/21.

## EXECUTIVE COMPENSATION IN THE BROADER PUBLIC SECTOR

What is a fair salary for a public sector executive has been hotly debated in media, with criticism of public-sector pay packages in the energy (e.g. OPG and Hydro One), health care (hospital CEOs), postsecondary education (college and university presidents), and transportation sectors (e.g. Metrolinx) a long-running focus of critics.

The previous government's Executive Compensation Framework Regulation established a set of standards that broader public sector employers are required to meet when making executive compensation decisions. This includes capping salary and performance-related payments for designated executives at no more than the 50th percentile of appropriate public sector comparators, and prohibitions on unreasonable elements such as signing and retention bonuses and pay in lieu of perquisites.

In June 2017, the previous government amended the Regulation to require government approval of specific components of broader public sector executive compensation programs. This includes approval on selection of comparators and the maximum rate at which an employer can provide compensation adjustments to their executive team.

## GOVERNMENT ADVERTISING

The previous government had been criticized for increased spending on advertising and for ads that appear intended to make the government look good.

The Government Advertising Act requires the Auditor General to screen government advertising to help ensure it is free of partisan content. 2015 amendments to the Act set out legislated criteria for determining whether an ad is "partisan."

Auditor General Bonnie Lysyk says the definition of "partisan" is narrow and "guaranteed that almost all proposed ads could easily pass" her office's review. Since 2015, the Auditor has included in her annual reports examples of advertising that she believes would have been prohibited under the previous Act.

The Auditor General said in her most recent annual report that the previous government spent more than \$58 million on advertising in 2016/17, its highest spending since the 2006/07 fiscal year. She added that 30 per cent of the spending was for advertisements that the OAG believes had as their primary goal to foster a positive impression of the government party.

## **PUBLIC SECTOR COLLECTIVE BARGAINING – CORRECTIONS AND OPP**

The government is in bargaining with corrections workers (represented by OPSEU – agreement expired Dec. 31, 2017), while the Ontario Provincial Police Association’s agreement expires December 31, 2018. Correctional Bargaining Unit members rejected a four-year tentative extension agreement that was negotiated with the province in June 2017.

The Ontario Public Service Employees Union (OPSEU) team representing correctional workers is negotiating a first stand-alone collective agreement with the Ontario government. In early May, it filed for conciliation with the Ministry of Labour. Bargaining team chair Chris Jackel said that while the two sides were able to agree on a number of non-monetary items, the employer's wage proposals are a big disappointment. Following the request for conciliation, the Ministry of Labour appointed a conciliation officer. Having met with the parties, it was determined that there was an impasse. As such, mediation and/or arbitration was triggered.

The Ontario Provincial Police Association’s negotiations with the government have not drawn any media coverage so far, but the group criticized the previous government’s Safer Ontario Act over a lack of oversight by public bodies of outsourced policing functions.