FW: Transcript: Premier Wynne's Avail at the Oakville Chamber of Commerce

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I think the Premier was referring to capping Net Debt to GDP next year to move to 27% over time.

From: Kwamena, Boafoa (CAB)
Sent: Friday, January 13, 2017 7:02 PM
To: Orsini, Steve (CAB)
Cc: Bromm, William (CAB); Davidson, Steven (CAB); Foster, Robert (CAB)
Subject: Fw: Transcript: Premier Wynne's Avail at the Oakville Chamber of Commerce

Excerpt from media avail today

Q: I have a question from the floor. This person says that they're concerned about the debt to GDP ratio in the province, and they want to know what you are doing to keep our fiscal house in order.

PREMIER WYNNE: Yeah. So that's a great question. Our debt to GDP is hovering around 40 percent and our commitment is that we want to work to get it down to 27 percent which is where it was before the recession. We're on track to eliminate the debt. I mean that is the first step that we had to take. We are committed to eliminating the deficit in the 2017-2018 budget. We're on track to do that. And that will then allow us to continue to take initiatives that allow us to keep that that budget in balance and move the debt to GDP ratio down.

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Dier-McComb, Becky (CAB) <Becky.Dier-McComb@ontario.ca>
Sent: Friday, January 13, 2017 6:10 PM
To: @CAB-QPscrums
Subject: Transcript: Premier Wynne's Avail at the Oakville Chamber of Commerce

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PREMIER WYNNE'S AVAIL AT OAKVILLE CHAMBER OF COMMERCE

Date: January 13, 2017
Length: 15:30 minutes
Speaker(s): Premier Kathleen Wynne

Q: I wanted to start with cap and trade. You just touched on that. You mentioned that obviously we can expect some bumps and it's not easy. One of the things I think it's safe to say is that business does not like uncertainty. It makes planning very difficult and we know that the members of our chamber fear that level of uncertainty. So Premier, in an effort to lessen that fear and to ensure maximum transparency, where does your government stand on efforts to break out charges on hydro and gas bills and as a follow up would the government consider sharing any of the economic impact analysis studies that might have been done?

PREMIER KATHLEEN WYNNE: So in terms of the, in terms of the decisions around how the bills are, how the bills are created, the information on the bills, I'm very supportive of us having as much information as we can on those bills. In some cases there have been decisions to break up costs and in others, I think you're talking about home heating, the gas and the OEB made a decision. They consulted – you know, I'm not opposed to breaking up that cost. The OEB made a decision and certainly it's something that's been raised enough. I know it's something that the Minister of Energy is very aware of it. We were very clear, just to go back to when we introduced the emission reduction, cap and trade system, we talked about, we recognized that there would be some cost increases. Not on electricity because the electricity grid is virtually clean, it's about 90% emissions free. So that's not where you'll see increases, but on home heating that there would be about a $4 a month, we were very clear about that so that's what I think we'll see. And again, I spoke to a gentleman yesterday and you know we were talking about what kinds of new technology he would need in his home and whether there'd be a way to make those retrofits. So in terms of the transparency, I'm completely open to that. The OEB made a decision. We can continue to have that conversation with them. We don't' direct them on that stuff, but it's certainly an issue that's been raised. In terms of the, you asked about studies that had been done --

Q: -- background material done to prepare.

PREMIER WYNNE: Yeah, I mean I think that the Minister of Energy is always open to, and certainly the Minister of the Environment as well, always open to talking about the work that we've done. I don't know if there are specific studies that someone is trying to get a hold of, but we're open to having that conversation, absolutely. I think the more informed we can all be about why we're doing this, the better off. You know, I'll just say, finally on this when I talk about the carbon tax versus cap and trade which is kind of what the discussion comes down to. You know, we know that a carbon tax would cost four or five times as much for individuals as the cap and trade system. So we chose explicitly to link our market with Quebec and with California and I hope other jurisdictions in the future in order to bring those costs down for businesses and for individuals.

Q: I want to touch on the hydro system. I think it's fair to say that every party has had a go at the hydro system. It's obviously a very difficult file to manage. Clearly, we all know that hydro cost has skyrocketed. Recognizing that that is now a critical concern, not only for residents, but for businesses as well, what are the long-term solutions for that problem?

PREMIER WYNNE: Well I don't think we know all the long-term solutions right now. I mean, we've done a number of things. The industrial conservation initiative, we've expanded to bring in many more small businesses who can you know, now will be able to buy – they'll be able to reduce their costs by up to 30 per cent. It's a significant, it's a significant program that was only available to larger industrial conglomerates up to this point. So we've made that change. We've put in place programs like the Ontario Energy Support Program for folks living on low incomes and we're taking the eight per cent off everyone's bill. We took the debt retirement charge off peoples' bills. So we've been working at this for some time. This isn't a new concern of ours, but as I said in our remarks, I know there's more that we have to do. The Minister of Energy is seized with this and he knows that we need to look across the system and figure out what we can do. But we had to make the investments, as you said, many governments have had a crack at it, but by the time we got here, the electricity system was not reliable and that wasn't going to be sustainable for business or for the citizens of the province.

Q: I think we can agree on that. Are you concerned then about the competitive standing of the province within North America. If rates are a choice or if there's a concern about moving businesses into the province or the sustainability of businesses that are here now, is that a concern.

PREMIER WYNNE: Yeah and I have my, you know I have ear to the ground on this all the time. When I'm travelling internationally. When I'm talking to businesses. If I were hearing this consistently. I mean I hear it. I do hear it. I do hear about electricity prices, but much more frequently I hear that, what I said about the workforce. I hear people saying you have a great educated workforce. That's why we're going to come to Ontario. Ontario is leading the country in terms of foreign direct investment. We've got companies like Reuters, like GE, like GM, like Ford, who are bringing more business, who are building capacity here because they've got access to our workforce. So of course I am concerned about electricity prices. I mean that's why we made the move on the industrial conservation initiative and we'll continue to work with companies on that, but I also know that it's one of a number of factors. Infrastructure is another one. You know when I was in China, the first time, my first trip to China, that was the thing that people talked to me about consistently was were we committed as a province to continuing to build the infrastructure that would allow goods movement in a way that was efficient. So we have to take all of those factors into account.

Q: Let's talk a little bit about the movement of goods. Certainly I think any chamber is going to here in this area about the movement of goods and people and I think when you talk about the attraction of talent that is the concern to chambers as well. So if you look at the ability to move goods even just through Halton, I think we have good examples of where that might be an issue. How does the government plan to provide municipalities with the capacity to accomplish the intensification targets that you talked about while addressing the current and future congestion challenges.

PREMIER WYNNE: Well I think that is that you know that's an iterative process. I mean there are there are many aspects of that. One is that we and that we are working much more closely with the federal government on making infrastructure investments. And so you've got you've got municipalities, provincial government and federal government that are much more aligned in terms of the need to invest in infrastructure that allows for those growth patterns. You know I'm listening closely to and to some of the mayors in this room who are concerned about some of the congestion issues, many of the congestion issues, and some of the hesitation targets that we have that we put in place. There is really good planning that goes on in this region and so this is in a way this is a model for how we can, we can work together and. And so I think you know there's not there's not a single moment in time where we say okay we've got this, it's done. We are going to have to continue to work together and there are there are lots of moving parts if I can say. You know-- there when we talk about goods movement that fly I did a shout out to CN because we're working with CN both on goods and on the on people movement. You know there are partnerships that have to be established and we are going to we're going to continue to have those discussions and move forward.

Q: I have a question from the floor. This person says that they're concerned about the debt to GDP ratio in the province, and they want to know what you are doing to keep our fiscal house in order.

PREMIER WYNNE: Yeah. So that's a great question. Our debt to GDP is hovering around 40 percent and our commitment is that we want to work to get it down to 27 percent which is where it was before the recession. We're on track to eliminate the debt. I mean that is the first step that we had to take. We are committed to eliminating the deficit in the 2017-2018 budget. We're on track to do that. And that will then allow us to continue to take initiatives that allow us to keep that that budget in balance and move the debt to GDP ratio down.

Q: I was hoping to avoid this, Premier. I thought we could keep Trump out of the room but I have two questions and, unfortunately, they're both kind of saying the same thing. As Canada's largest province, population GDP, what practice steps are you taking in anticipation of the Trump government and a Republican dominated Congress. And the second question with specifically around the fact that our corporate tax rate is a very competitive environment. But Trump is obviously concerned about that and will look to try to compete with regions such as Ontario who have such a competitive market for business.

PREMIER WYNNE: Well, I mean the bottom line is we need to stay competitive. We are competitive. And as I said, there are a number of those factors that make us competitive. We don't know. I would just say this in capital letters we don't know what Donald Trump is going to do.

Q: Really?

PREMIER WYNNE: From moment to moment, we don't know what Donald Trump is going to do. But what I'm doing as a Premier of a subnational, you know, a province, I'm reaching out to the other subnational leaders. So I have a good working relationship, for example, with Rick Snyder who's the governor of Michigan. And I know the Detroit Auto Show was just on, and he was meeting with our Minister of Economic Development. And you know he wants to do more work with that and I will I will be reaching out to other governors to have the conversation about how important our relationship is because the thing that people don't necessarily realize is that there are many states, like 20 I think, for whom Canada is their number one export market. So it's not it's not a one way street. It goes back and forth. And so I'm not sure, and I don't actually think that Donald Trump has actually figured that out yet, but we'll be working to make it crystal clear to him that that dependence is critical. And my role in that is to strengthen the subnational relationships and make sure that they are they are strong. We've done a lot with I mean we're rethinking our market with California. We've had a good, strong discussion with the Great Lakes governor. You know, those relationships over the term of whoever is president are really critical to Ontario's well-being.

Q: We're running out of time. But I do have one question, kind of lengthy but I'll get to the crux of the matter. This writer’s saying that they have a manufacturing plant and the concern is around cap and trade again. And the question is why should this person keep the manufacturing plant in Ontario, and not move to the U.S. to which apparently they're now evaluating.

PREMIER WYNNE: Well, I don't know who that is, and I hope they hope that you are in conversation with us. I mean, we are we're working to create the most profitable, most competitive environment that we can. If it's labour, if it is you know support for expansion, I mean we're working very hard to put those pieces in place. I would say, in addition to that, we are in the lead. You know I said other jurisdictions are now going to be looking to make changes; the same kinds of changes that we have. Donald Trump aside, there are strong leaders in jurisdictions around the world who know that they have to tackle climate change, and that they have to take on those issues. And so, Ontario is already there. We are leading the pack. I think that there will be strong arguments for staying here when other jurisdictions are just beginning down the road that much less certain.

Q: Now the question this writer is talking about advanced manufacturing, and how that’s become a very important thing for Ontario. And their question is around what the province will do to help companies address the cost issues so that they can become competitive globally.

PREMIER WYNNE: Well, I think that that that's part of what I was talking about when I talked about emissions reduction. You know, the reinvestment in companies, and the support that we can give companies from the revenue that comes in through cap and trade to make those kinds of investments. That's exactly what we want to see; see them be more efficient, and advanced manufacturing is… whether it's in health, whether it's in food processing, those are really important cornerstones of Ontario's economy.

Q: We are… are we out of time? We’re out of time. Can we have one more? Not sure whether we’re out of time. Let’s go with one more. We've got the microphone. You talked about the balanced budget that you're planning on doing for 2017-2018, I believe. Earlier this week, the Financial Accountability Office came out with some concerns around the rising costs in health care and whether or not that's going to knock off or disrupt your opportunity to balance the budget. Any thoughts on the health care file?

PREMIER WYNNE: Well the health care file is front and center, right now, obviously. We're in conversation with the federal government, or I wish we were in more conversation with the federal government about the need to not have an agreement in place that is going to diminish the support that the federal government would give over the next 10 years. In fact, we need we need a partner that’s actually going to work with the evidence that shows that there are increasing needs. So, we'll continue to work with the federal government but we also recognize that we have to work within what we have. We have to understand that if that's what the federal government is going to put forward, if that's what we end up with, I hope it's not, but if this proposal on the table is what we end up with, we have to work within those confines. But we cannot sacrifice mental health needs, home care needs, pharmaceutical needs, I mean those are givens. We can't we not make those investments, and so that in fact, that's one of the things that I have tried to impress upon the federal government. Whether they step up to the plate and pay their fair share or not, we have to make those investments because it's not an option for a provincial government. That's our responsibility and our role. We've got to meet the needs of the people in the province, so we will continue to do that. We haven't been cutting health care. Health care costs have increased every single year, and I can guarantee you they will continue to increase. Thank you very much.