

# David Reeverly: Kathleen Wynne looks to save her job by saving Ontario voters \$130 a year on their hydro bills

The provincial government is giving up \$1 billion a year by taking its share of the sales tax off Ontario electricity bills, Premier Kathleen Wynne revealed in the speech from the throne for a new legislative session Monday.

It'll save the average household \$130 a year, the government estimates. And, Wynne hopes, her job.

She began signalling that she at last understands Ontarians' dissatisfaction with hydro prices after her side lost a previously fairly solid Liberal seat in Scarborough in a byelection a couple of weeks ago. With the 2018 election visible in the distance, Wynne wants to be seen doing something about one of Ontario voters' most widely shared complaints: the fact electricity prices have roughly doubled over the last 10 years.

"Over the course of the past decade, Ontario electricity ratepayers have helped cover the costs associated with removing dirty coal-fired generation from our electricity system," begins the passage of the speech, delivered by Lieutenant-Governor Elizabeth Dowdeswell, that deals with hydro prices.

In a long background document put out separately, the government spells out the thinking: "Rate relief is a responsible way to ensure people truly are able to benefit from their investment in a 21st century low-carbon grid to power Ontario's future... With the government's economic plan steadily strengthening Ontario's economy and fiscal position, the province is in a position to make another responsible, fair decision by further reducing the price that households and businesses across Ontario pay for electricity."

Who knows what this means. If the economy was weak before, presumably it was less able to carry the burden of high electricity prices. But they have to say something and it can't be, "We're scared hydro prices will kill us in 2018, so this is what we're doing."



### **Wynne answers questions about bridge, auto and hydro 3:36**

How will the election-year budget be balanced with this big hit to government revenue? Not clear. What will it mean in later years? No clearer.

The provincial government can't unilaterally take part of the federal-provincial sales tax off hydro bills, so it'll add a line with a negative number on it that makes the total charge smaller rather than larger. Conveniently that'll also put it in your face every time you open a bill. It's an amount you'll notice.

Promoting efficiency and conservation would be honest ways of reducing household bills. A billion dollars a year would buy a lot of LED bulbs and water-heaters wraps and pull a lot of old fridges out of basements. Instead we get a blanket price cut for citizens and small businesses; only large consumers get a program to help them use electricity at cheaper times of day, details to come.

There'll be an extra rebate for rural customers. So people who live in dense, easier-to-serve communities will subsidize people who don't.

It's all bad policy but good politics. Both the Progressive Conservatives and the New Democrats have argued for cutting the HST from hydro bills — they can't exactly say it's a bad idea now. Plus the method weakens the bite of a still-unpopular sales tax.

Wynne hasn't been shy about her philosophy, but the conclusion of the throne speech put it plainly.

“As your government continues to build Ontario up, more will feel an increased sense of security,” Dowdeswell read to the legislature. “Your government believes that government exists to do the things we cannot do alone. It exists to be a force for good in all our lives — every day and in every corner of this beautiful province we call home.”

What are you worried about? This government wants to help you with it, especially if you’re in the great mass of voters feeling precarious about your place in the middle class.

### *Related*

---

- [Wynne Liberals to eliminate Ontario sales tax on hydro bills and increase child care spaces](#)  
We will get you a doctor if you still don’t have one, the speech promised. Yes, he or she might be furious about frozen pay and heavier work, but never mind. Your retirement will be provided for, thanks to our pressuring the feds. If you can’t afford post-secondary tuition, it’ll be free. There’ll be more home care if your elderly parents need help, and — a new promise — another 100,000 licensed child-care spaces by 2022 so you can go to work.

That child-care promise echoes the Liberals’ lead-up to the 2014 budget that triggered the election that year. It covers years well into the future, but by making the promise now the Liberals can treat it as a *fait accompli* and accuse the Progressive Conservatives of cutting child care if they don’t adopt the promise as their own come the next campaign.

The Liberals won that one partly by espousing exactly the philosophy that guided Monday’s throne speech. We Ontarians voted for majority-government numbers and it’s hard to criticize Wynne for carrying on with it.

All these policies address real worries. Reasonable people can disagree about how many of them are properly the government’s concern, but if you believe that government “exists to be a force for good in all our lives” (as opposed to, say, to protect our ability to provide for ourselves as much as possible), then health care, child care, home care, affordable higher education and retirement security will all be near the the top of any list of things to attend to.

The fact electricity costs a lot more than it used to probably would not. But you’ve got to get re-elected to do that other stuff, and when you can see annihilation slouching your way, you do what you have to do.