QP BRIEFING

April 4, 2017

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1). THE FUNDING PORTAL – WEEK OF MARCH 27

By: Sabrina Nanji

Funding for the week of March 27, 2017 under Canadian federal and provincial grants and business incentive programs reached $2.39 billion, up from $892.5 million during the previous week.

Top Sector. Transportation is the top sector this week, attracting $1.54 billion, 65 per cent of total incentives.

Top Region. Ontario is the top province this week, securing $1.73 billion, accounting for 73 per cent of total national disbursements this week.

Top Recipients in Ontario.

- 312 public transit projects across Ontario receive $1.48 billion in federal funding from the Canada-Ontario Public Transit Infrastructure Fund (PTIF).
- Ford of Canada receives $204.8 million in funding from the Governments of Canada and Ontario to create 300 new jobs in the province.
- 19 municipalities across Ontario receive $25 million from the Connecting Links program to improve road safety and create or sustain jobs.

Sectors
https://fundingportal.com/blog/wp-content/uploads/2017/04/image-72.png

Provinces
https://fundingportal.com/blog/wp-content/uploads/2017/04/image-71.png

2). *Seen: A Lego legislature*

By: Sabrina Nanji

Speaker Dave Levac on Tuesday laid the first toy brick in the Lego version of the Ontario legislature that's being erected as part of the celebrations of Canada's 150th birthday.

Speaking to reporters in front of a graphic rendition of his own Lego self, Levac said the project is meant to celebrate the building's architecture and history, and will be an effective educational tool for tour guides to share information about Queen's Park, which opened its doors for the first time 124 years ago, on April 4, 1893.

Levac said the project resonated with him especially because his family could not afford a Lego set growing up; so, instead, he played with "mock legos."

"The biggest surprise I got one year as a kid growing up was, I actually got a Lego set and to me, that's why I was so enthusiastic about this and it brings back great memories," he said. He added the toy is still fun and relevant for kids today, "especially now that they've made superheroes," gesturing toward the image of Lego Levac before doing a respectable impression of Batman.

Asked if he or other MPPs, frustrated with political goings-on, may destroy the building "like Godzilla," Levac laughed and said: "We may have some fun with that sometime, but the short answer is absolutely not."

People can put their construction skills to the test in the North Heritage Room of the real-life legislature until Canada Day.

http://www.qpbriefing.com/wp-content/uploads/2017/04/lego1.jpg

http://www.qpbriefing.com/wp-content/uploads/2017/04/lego-3-768x514.jpg

http://www.qpbriefing.com/wp-content/uploads/2017/04/lego-4.jpg

3). Seen: Liberal MPP wants provincial judges with legal training on sexual assault

By: Geoff Zochodne

The Liberals have decided to take a cue from the House of Commons and ensure provincial judges are up to speed on the latest in sexual assault law.

Liberal MPP Cristina Martins announced Tuesday that she would table a private member's bill, the Judicial Sexual Assault Education Act, which would require candidates in the running for a spot on the provincial bench to have been schooled in sexual assault law, "including the law of evidence as it relates to sexual assault proceedings, the principles of consent to sexual activity and the myths and stereotypes associated with sexual assault complainants," a release said.

The bill comes after interim federal Conservative Party Leader Ron Ambrose tabled something similar in Ottawa, in order to make legal training on sexual assault for federally-appointed judges mandatory. The legislation has the backing of all the parties in the House of Commons.

PC MPP Laurie Scott had asked about doing the same in Ontario, but Attorney General Yasir Naqvi said that judges already receive training around sexual assault as part of what's offered by the Ontario Court of Justice. Ambrose then criticized the Ontario government for its approach.

4). Wynne moving ahead with Toronto's request to levy hotel tax 'in the near future'

By: Sabrina Nanji

Toronto Mayor John Tory seems poised to get the power to levy a tax on hotels and short-term accommodations, such as Airbnb, "in the near future," Ontario Premier Kathleen Wynne suggested Tuesday.

"The mayor and I have talked about that and our officials are working with his officials to see what that means … And we're going to be able to move forward with him in the near future," the Premier said at a media availability in the city's east end.

When pressed for a specific timeline, Wynne said she didn't have one, but she knew "it's something that he [Tory] would like to see very soon."

On Monday, Tory had penned a letter to Finance Minister Charles Sousa that re-ups many of his previous asks, including for "immediate access" to a new revenue tool – the power to levy a tax on lodging. "Putting this authority in the Budget Bill will allow us to implement City Council's direction to levy a tax on both hotels and short-term accommodations beginning in 2017."

Tory's letter, released on Tuesday, also included a wish list for the forthcoming spring budget, and he pulled no punches when calling on the province to help foot the bill to maintain the Don Valley Parkway and Gardiner Expressway, declaring it an obligation, "given the Premier's recent announcements rejecting our tolling proposal."

Wynne, who turned down City Hall's request to implement road tolls in January, said Toronto stands to benefit from a doubling of the gas tax starting in 2019 and will ultimately get $170 million more a year by 2021.

"I actually don't see a point of contention here," Wynne said. "I would say that, to Mayor Tory and to the council, we're going to continue to work in partnership with you."

Tory's letter also demanded the Ontario Liberals match Ottawa's funding for housing and transit infrastructure projects. The federal Liberals' budget pledged $20 billion for transit and $11.2 billion for housing nationwide.

Tory said Toronto's "most critical" transit and infrastructure include the Eglinton East LRT, waterfront transit and downtown relief line, as well as addressing the repair backlog facing Toronto Community Housing Corp. "that has arisen from years of underfunding."

"First and foremost, the City needs the Province to become a full partner in cost-sharing of major infrastructure investments going forward," Tory said in the letter. "We expect that the Province will provide appropriate matching funds for each program and include the City in any discussions with the Federal government regarding how these funds will be allocated."

5). 'Particularly egregious', Wynne says of Toronto landlord who doubled rent

By: Sabrina Nanji

Premier Kathleen Wynne on Tuesday called a Toronto landlord's decision to double rent at two west-end condos "particularly egregious" and that her government's rent-control reforms will be coming "soon."

"I know that housing affordability, whether it's rental affordability or home ownership, is a huge issue, but I have to say those particular examples this morning were particularly egregious," the Premier told reporters at an unrelated event.

Wynne was reacting to a story in the Toronto Star about tenants at two Toronto condominium buildings who are reportedly going to see their rent double this year.

Ontario caps rent increases on units constructed before November 1991, a 1.5-per-cent ceiling in 2017, but because there is an exemption for newer buildings, there have been calls for the governing Liberals to reform rent control laws to avoid unfair and arbitrary hikes.

Wynne acknowledged the matter was "extremely urgent" and said her government is "on it," but could not provide a specific date for when reforms would be introduced other than to say proposals are coming "soon."

While she did not commit outright to scrapping the 1991 exemption, Wynne said the developers' defence of it – so that more units could be constructed – "does not actually hold water" with her because there has not been rental buildings built "in any comprehensive way."

Meanwhile, NDP MPP Peter Tabuns has a private member's bill that would amend the province's Residential Tenancies Act and do away with the 1991 loophole.

6). Parties trade barbs over calls for improved autism services for students

By: Geoff Zochodne

A report recommending reforms to autism services provided by the province's schools triggered a heated debate at Queen's Park on Tuesday.

Two months before the Liberal government's new autism program is to start, the Ontario Autism Coalition released a report calling for more money for education assistants and training, for a review of special education funding, and for teachers to be required to take a special-education class at teachers college. The report cited recent research that found 79 per cent of school boards are spending more on special education than they get from the province, and recommended looking into a demonstration school for students with autism.

"There are certain needs, certain special-education needs that frankly aren't funded by this government," said PC Leader Patrick Brown during Tuesday's question period. "We need accountability for those special-education dollars to make sure no child is left behind."

The Liberals faced intense criticism from parents last past year over proposed changes to children's autism services. The government ultimately backed down last June, announcing more money for parents and a faster timeline for implementing the Ontario Autism Program, which is now set to start in June.

But the Liberals were not in a mood to take the opposition's points lying down on Tuesday. Deputy premier Deb Matthews referred to Brown's days in Ottawa, saying that when he was a federal MP in the House of Commons he had voted against a bill for a national autism treatment strategy. The Grits repeatedly raised Brown's voting record in response to his questions.

"He said no to children and to families to develop a national strategy for children with autism," added Education Minister Mitzie Hunter. "The member opposite only shows interest in parents and children with autism when he can use it as a part of his political ambitions. That is wrong. That is absolutely wrong."

Hunter also said the government has given more than 30,000 education workers some kind of autism treatment training, and said that teachers college already has "mandatory content on special needs and exceptionalities."

But Brown fired back that the Liberals "have a record that they should be embarrassed of."

"They can't defend their own record, so they choose to throw smears," he said. Every Tory question on Tuesday was related to autism services.

The government had announced in the 2016 budget that it would invest $333 million over five years to revamp autism services, but legions of parents protested the "transition" to the new program, which involved booting children five and older off the province's wait list for Intensive Behavioural Intervention (IBI) therapy.

IBI is considered more effective for younger children, but the wait list was long enough that some children would be older than five before they received the service. To soften the blow, the government offered families whose children had been kicked off the wait list $8,000 for private therapy.

However, in the face of angry parents, the Liberals reversed themselves and decided to pump an extra $200 million into autism services. About half was to provide successive payments of $10,000 to parents to pay for 10-week blocks of private IBI therapy until the new autism program began.

The NDP was also critical of the coming plan, saying much is still unknown.

"The new autism program is supposed to be launched in just two months; yet, families still have no idea where they stand," said NDP MPP Monique Taylor. "As they try to plan for the future, many are being told that they should register their child for school now in case there’s nothing else available."

What is known about the Ontario Autism Program is that it's intended to reduce wait times and improve service. The government says it will be a one-stop shop of sorts, with a “single point of entry to receive individualized autism therapy.”

Children and Youth Services Minister Michael Coteau said last week that the government was also considering a direct-funding model for families for the program. He said Tuesday he was first waiting for the province’s implementation committee to come back with its recommendations.

“I’ve been very clear: We’re going to create 16,000 new spaces here in the province of Ontario,” Coteau said. "We’ve been very clear that we’ve made an historical half-billion-dollar investment into supporting families with children with autism. We opened up five more diagnostic hubs here in the province of Ontario, one of which I visited last week. We’re diagnosing children earlier so they get the treatment they deserve."

7). Labour Minister: NDP unionization bill ‘misses the mark,’ will be addressed in Changing Workplaces review

By: Sabrina Nanji

A hotly-anticipated final report and recommendations for the Changing Workplaces review has landed on Labour Minister Kevin Flynn's desk in full – and will address an NDP critic's bill, tabled Tuesday, that would make it easier for workers in the province to join a union.

Flynn's office suggested the governing Liberals would shoot down NDP MPP Cindy Forster's private member's bill because it "misses the mark, and will not address the root issues surrounding precarious work in this province."

Forster's bill, the Fairness in First Contracts and the Right to Representation Act 2017, "would bring back card check certification and first contract arbitration legislation – functions that allow employees to choose to have a union, and help the employer and union arrive at a first, fair deal," according to an NDP release.

“The nature of work is changing at a significant pace and people – including so many young people and racialized women – are finding their work less and less stable,” Forster said. “People can’t plan their lives if they don’t know how many hours of work they’ll be scheduled for next week. They have a harder time caring for their families without benefits. And, without some basic protections, I hear some say they’re worried about being punished for calling in sick."

Forster said making it easier to join a union would address those issues. Her bill was promptly lauded by the Ontario Federation of Labour and Unifor.

But Flynn disagreed.

"Fundamental changes are needed, and this rather incomplete legislation being proposed by the NDP will do nothing to create a sustainable framework where everyone in Ontario can share in our province's economic success," the Labour Minister's office said in an email to QP Briefing.

Meanwhile, Flynn has received the final report and recommendations from special advisers C. Michael Mitchell and John C. Murray, who embarked on the Changing Workplaces review two years ago. The report will update the Labour Relations Act and Employment Standards Act for the first time in about two decades, and comes after months of consultation with the public, unions, and businesses, as well as a 300-page interim report.

The report is being translated into French and prepared to comply with accessibility laws before its publicly released. Flynn said in question period that it could be "three or four weeks" before the final report is published.

The New Democrats have previously accused the government of stalling on the review, but Flynn has defended the process, saying it was necessary to prod some groups, namely businesses, into providing meaningful feedback. As such, the advisers were asked to draft the interim report with several "options" for potential reforms, which took longer than expected.

8). OPG PRESIDENT ACTUALLY EARNED MORE THAN $2 MILLION LAST YEAR, DOCUMENT SHOWS

By: Geoff Zochodne

Ontario Power Generation's president and chief executive officer earned more than $2 million in total compensation last year – not the nearly $1.2-million pay package revealed in the Sunshine List last week – with changes to the contract of the province's highest-paid employee still to come.

The considerable difference was disclosed by OPG in its annual "Statement of Executive Compensation" form on March 31, wherein company CEO and president Jeff Lyash was shown as having earned $775,000 in salary, $755,459 in performance-bonus cash, $460,000 in pension money and $38,138 worth of "other pay" in 2016, for a total of $2,028,597.

http://www.qpbriefing.com/wp-content/uploads/2017/04/harty.jpg

The bonus is paid out the year after it is earned. This is why Lyash's compensation on the 2016 Sunshine List, which he topped, was about $1.16 million. This is also why former OPG CEO Tom Mitchell made $562,957 in 2016, despite having retired from the provincially-owned power company in 2015.

Lyash took over as OPG's CEO in August 2015, and earned $1.37 million in total compensation that year. His five-year contract, however, is being revised to bring it into line with a new provincial framework for public-sector executives that was introduced last September.

"Mr. Lyash has an employment contract which is currently under review as there are some elements that will not be compliant with Regulation 304-16 if they are not changed," said OPG spokesman Neal Kelly in an email. "OPG has a three year window to make any changes to ensure compliance and discussions are occurring to determine an appropriate solution."

While OPG didn't specify what aspects of Lyash's contract were in violation of the regulation, it has said the province's new executive pay rules mean it can no longer give signing bonuses. Lyash received a $450,000 signing bonus when he joined OPG in 2015, and chief financial officer Kenneth Hartwick received a $100,000 signing bonus last year, before the new rules were in effect, the compensation statement shows.

The province's new executive pay guidelines are also prompting other changes to OPG's compensation program, such as the end of an annual allowance for the C-suite residents. For Lyash, the annual executive allowance is $24,000 a year, while for other executives it is $20,000. OPG says it is discontinuing the annual executive allowance at the end of 2018, because of the province's new rules.

OPG's statement of executive compensation for 2015 said Lyash's contract included a $3.15-million severance agreement if he is fired without cause, including $50,000 for moving expenses to take him back to the United States from where he was recruited. The 2016 statement says that these "elements of Mr. Lyash employment agreement will be brought into compliance" with the province's regulation before the end of 2019.

Hartwick received $688,121 in total compensation last year, the disclosure shows. Interim CFO and senior vice-president of finance, strategy and risk Carlo Crozzoli earned $746,338, nuclear president Glenn Jager $1,132,381, renewable generation president Mike Martelli $1,377,100 and deputy chief nuclear officer Sean Granville $668,475.

The compensation numbers come on the heels of Hydro One disclosing that its CEO and president earned nearly $4.5 million in compensation last year, about six times what was paid out when the company was solely owned by the province.

The Liberal government has sold approximately 30 per cent of Hydro One to private investors since 2015, in return for money to fund infrastructure projects. In doing so, the Liberals exempted Hydro One from having to disclose its salaries for the Sunshine List, which still showed that more than 123,000 employees made more than $100,000 in 2016.

The opposition parties have charged the rising pay is just further proof the Liberals are out of touch with everyday Ontarians. PC MPP Lisa Thompson put forward a motion in committee Tuesday to do a value-for-money audit on the executive raises, which would require Liberal support to pass.

The Grits have said the Sunshine List threshold hasn’t increased along with inflation, and that if it did, the threshold for making the list would now be $149,424. The government also says Hydro One has managed to reduce costs and improve customer service since being privatized.

Yet, the $2-million-plus compensation for Lyash contradicts what OPG has reportedly promised the provincial government it would pay the CEO under Ontario’s new framework for executive pay in the broader public sector. The framework allows for government agencies to compare their executive salaries to other comparable agencies in the public sector, and possibly propose a pay hike as a result.

The Canadian Press reported last week that, prior to the release of the Sunshine List, OPG board chairman Bernard Lord sent a letter to the government saying OPG had voluntarily set the maximum compensation for the CEO at $1,937,500, but that the targeted pay package was $1.5 million. This followed a request from the Premier for OPG to rethink its proposed $3.8-million cap on compensation for the CEO, which the company arrived at amid the Liberal government’s gradual thawing of a wage freeze in the public sector.

OPG says these are two different tracks. The statement of executive compensation includes salary, the potential performance bonus, taxable benefits and pension earnings. Its new executive compensation program, in compliance with the government’s new public-sector framework, does not include pension payments, the company says.

"Under OPG’s Executive Compensation program the salary compensation for OPG’s President and CEO is $1,937,500," said Kelly. "And, is only available for outstanding individual performance."

Lyash’s bonus is based off a scorecard of “key performance indicators,” such as the schedule for repairing the first of four nuclear reactors at OPG’s Darlington power plant. OPG says their “stretch target” for the number of nuclear fuel channels defuelled by the end of 2016 had been 311, but that the company actually defuelled 437. Lyash collected about 97 per cent of his possible bonus, which is his entire salary, working out to $755,459.

Other execs at OPG are eligible for short- and medium-term bonuses. The company generates about half of the province's electricity at its nuclear and hydroelectric facilities.

9). Majority oppose Wynne's plan to cut hydro costs by increasing debt, poll suggests

By: Sabrina Nanji

There is little love among Ontarians for the Liberal government's hydro relief plan if it comes at the cost of increasing the province's debt load, suggests a Tuesday morning poll provided exclusively to QP Briefing.

Of the 884 people surveyed by Forum Research, more than half – 56 per cent – do not approve of the plan to reduce electricity bills by an average 17 per cent this summer if it means extending debt down the road.

Thirty-two per cent of respondents said they were in favour of the plan, and 12 per cent said they didn't know what to think of it.

Premier Kathleen Wynne's "fair hydro plan" will reduce hydro bills by an average 25 per cent overall, including the eight per cent sales tax cut that took effect in January. Rates will also be held to inflation for four years.

Wynne's relief package comes at a cost – an extra $25 billion in interest charges over the next 30 years, the government expects. Ontario's net debt has surpassed $300 billion.

When she introduced the package in early March – 15 months out from the next general election – the premier likened it to extending the term of a mortgage in order to lower the monthly payments.

"It's obvious that people like the idea of reduced hydro bills, as the cost of hydro is the main issue for many in the province, but the majority don't approve of the fact that their cheaper monthly hydro bill is going to cost them more in the long run," said Lorne Bozinoff, president of Forum Research, in a release.

Forty per cent of people who approved of the Liberals' plan said they would vote for the NDP, who have introduced a plan of their own to cut electricity bills by up to 30 per cent, including buying back shares of the now-privatized Hydro One.

The Progressive Conservatives, meanwhile, have yet to reveal details of their own relief package, but 72 per cent of their supporters are against the Liberals' plan, the poll said.

Wealthy, middle-aged men were also most likely to oppose the Grits' plan, while younger, lower-income people who said they would vote Liberal skewed toward it.

Support for the plan was highest in southwestern and eastern parts of the province, and people living in the 905 and 416 were more likely against it, according to the survey. The Liberals have said their plan would amount to more savings for rural and northern ratepayers, who pay high delivery charges on bills that have roughly doubled provincewide over the past decade.

Forum conducted the survey over the phone from March 28 to March 30, and the margin of error is 3.3 percentage points, 19 times out of 20.