

Daily Media Note - February 16, 2017

From: "Moseley-Williams, Kate (OPO)" <kate.moseley-williams2@ontario.ca>
To: "MacKenzie, Rebecca (OPO)" <rebecca.mackenzie@ontario.ca>, "Beaudry, Jennifer (OPO)" <jennifer.beaudry2@ontario.ca>, "Foerster, Carly (OPO)" <carly.foerster@ontario.ca>, "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>, "Singh, Gurvinder (OPO)" <gurvinder.singh2@ontario.ca>, "Le Guern, Ronan (OPO)" <ronan.leguern@ontario.ca>, "Marangoni, Emily (OPO)" <emily.marangoni@ontario.ca>, "An, Derrick (OPO)" <derrick.an@ontario.ca>, "Porter, Maddy (OPO)" <maddy.porter@ontario.ca>, Kathleen O. Wynne <kathleen.o.wynne@ontario.ca>, "Rowe, Mary (OPO)" <mary.rowe@ontario.ca>
Date: Thu, 16 Feb 2017 17:42:37 -0500
Attachments: Daily Media Note - February 16, 2017.docx (96.94 kB)

Good afternoon Premier,

We have five items to update you on today:

- Pension Assets
- Winter Disconnections
- Mayor Tory Avail
- OMA
- French and Chinese Media Update

Pension Assets

Auditor Bonnie Lysyk was in the Media Studio today to announce she is not satisfied after an expert panel sided with the government in a \$10.7-billion accounting dispute.

The gallery are very interested in this story and have been following it closely since the auditor reversed her position in September on surpluses that had signed off on by her and her predecessors for the previous 14 years.



Mike Crawley ✓
@CBCQueensPark

Following



Auditor General Bonnie Lysyk answers \$10.7B question: govt can't count joint pension surpluses against bottom line

Allison moved a story on the CP wire reporting the auditor and the government disagree over whether a \$10.7-billion surplus in two jointly sponsored pension plans should appear as an asset on the government's books. Allison's story was picked up by Global News, the Toronto Sun and multiple regional outlets.

Benzie has also filed on the auditor's findings. We have included his story below for your reference:

Auditor refuses to back down in \$10.7B pension feud

Ontario's legislative watchdog is escalating a \$10.7 billion standoff with the provincial government over funded pension surpluses.

Ontario's legislative watchdog is escalating a \$10.7 billion standoff with the provincial government over taxpayer-funded pension surpluses.

Auditor general Bonnie Lysyk insisted Thursday the co-sponsored Ontario Public Service Employees' Union Pension Plan and the Ontario Teachers' Pension Plan shouldn't be booked as assets because the government does not have ready access to the funds.

And Lysyk is demanding proof "in writing" from the unions that they are okay with the government booking the surpluses a public asset for accounting purposes.

"Show me the letter that says you can use that pension money with permission – with an agreement," the auditor told reporters at Queen's Park.

There has been no suggestion the government intends to dip into the pension funds, which would be illegal. The question is whether the pension surplus can be counted as an asset or not at all.

The accounting dispute is worth \$1.5 billion to the province's bottom line this year and could be the difference between Premier Kathleen Wynne's Liberals balancing the books or remaining in deficit.

On Monday, a panel of accounting experts – led by Tricia O'Malley, chair of the Canadian Actuarial Standards Oversight Council – concluded the funds are indeed a public asset.

But Lysyk, who blindsided the provincial government in September by reversing her position on surpluses that had signed off on by her and her predecessors for the previous 14 years, was defiant.

"This isn't about me," she said.

"It is not my money. That money is for the benefit of employees and retirees ... so it's not my pension. It's not my budget deficit."

On Monday, O'Malley said the conflict was "a difference of a professional opinion between the professional accounting staff of government and the staff at the office of the auditor general on how the surpluses of these two plans ought to be dealt with in the public accounts."

"We believe that an asset does exist — the net pension asset meets the definition of an economic resource, which is what an asset is," she said.

"Many government assets are not accessible. A road is an asset to a government because it allows it to provide public services of transportation, but you can't move a road or you can't sell a road unless it's a toll road, but it's still an asset."

Treasury Board President Liz Sandals was not immediately available for comment Thursday.

Winter Disconnections

Global reports that in a letter sent today, Minister Thibeault asked CEOs of the province's 70 electricity companies to begin "immediately and voluntarily implementing a policy of ending residential

disconnections during the winter.” The letter goes on to say that at no point and under no circumstance, should customers be “put at risk over their electricity bills.”

MPP Andrea Horwath, whose party opposes Bill 27, believes winter disconnections should be handled separately – and not as a part of a massive omnibus bill.



Alan Carter ✓
@ACarterglobal



After months of delay with Bill 27 & saying he couldn't force issue with OEB,
[@GlennThibeault](#) gets results by simply asking. [#onpoli](#)

1:43 PM - 16 Feb 2017

Allison moved a story on the CP wire reporting on the letters sent by Minister Thibeault. We have included Allison's story below for your reference.

*Energy minister asks for no winter electricity disconnections (Winter-Disconnections) By Allison Jones
THE CANADIAN PRESS*

Energy Minister Glenn Thibeault is asking all Ontario electricity distribution companies to stop disconnecting customers' power during the winter months.

“At no point, under any circumstances, should a customer be put at risk over their electricity bill”, he wrote in a letter sent Thursday to the companies.

It's especially pressing for people in rural and northern communities who are on a pump system rather than municipal water, Thibeault said.

“So when their power goes off, so does their water pump, so that becomes a serious issue,” he said.

About 60,000 disconnections occur in Ontario each year, though the Ontario Energy Board doesn't have seasonal data. The government notes that most customers are re-connected within 48 hours.

Hydro One has already stopped the winter disconnection practice and has said it would re-connect 1,400 customers whose electricity was cut off for not paying their bills.

The opposition parties have been calling for the government to break out part of an omnibus bill that deals with electricity disconnections and pass it as a separate piece of legislation, but the Liberals say that would take longer.

Instead, Thibeault has written to the Progressive Conservatives and the NDP to ask them to help the Liberals pass the omnibus bill quickly.

“Until that happens I realized you know what, maybe I don't put my faith in the opposition in getting this passed quickly, but ask the (local distribution companies) to follow Hydro One's lead and many other LDCs' lead and voluntarily adopt the policy of what's coming in Bill 27 to ensure that we don't see the winter disconnects,” Thibeault said in an interview.

The bill would give the OEB expanded oversight over disconnections, but the Progressive Conservatives

also say the minister has the power to issue a directive to the OEB to immediately halt the practice.

"One is one too many in the dead of winter, and that's what Kathleen Wynne and Glenn Thibeault are allowing to happen by not proceeding with directing the OEB to put a moratorium on any cutoffs during the winter months," said Progressive Conservative John Yakabuski.

Thibeault said that's incorrect and he does not have the power to issue such a directive.

NDP Leader Andrea Horwath said Thibeault's letter to distribution companies ``changes nothing."

"It falls far short of the action Ontarians expect and deserve," she said in a statement. "Both the premier and the minister need to stop playing political games with people's lives."

Mayor Tory Avail

John Tory held a media availability this morning and told reporters he will "now aggressively seek support from the province on other approaches" for cities to raise funds, and he will try to "initiate a vigorous debate" on the powers cities have, if the province is willing to have it.

Minister Mauro's office will be sending Shawn Jeffords from the Toronto Sun and News1010 a statement.

OMA

Late this afternoon, Allison moved a story on your statement on renewed negotiations with the Ontario Medical Association.

We have included Allison's story below for your reference:

Ontario to resume negotiations with doctors, discuss interest arbitration Premier Kathleen Wynne says negotiations will soon restart with the province's doctors, who have been without a physician services agreement for three years.

Amid a lengthy and messy dispute, the Ontario Medical Association has said doctors wouldn't return to the table unless the government introduced binding arbitration.

Health Minister Eric Hoskins has said the government would be willing to discuss binding arbitration, but wouldn't accept it as a pre-condition to negotiations.

Wynne says today that Ontario is ``committed to the principle of interest arbitration" and the first order of business when talks resume will be to negotiate an interest arbitration process.

Wynne also says the government will not make any unilateral cuts to physician compensation while discussions are taking place.

The news follows word from the OMA that it had established a new negotiating committee, 10 days after its executive committee resigned after a vote of non-confidence at an OMA meeting.

French and Chinese Media Update

French

Radio-Canada and TFO reported that the Auditor General has refused today to back down the conclusions of the independent panel over pension funds. TFO explained that Bonnie Lysyk is now requiring proofs that the asset does exist.

Radio-Canada and TFO reported on the Transportation Safety Board of Canada that is calling for a national review after Gogama crude derailment

Radio-Canada filed Mike Crawley's story on NDP Jagmeet Singh who told CBC in an interview that he is 'seriously considering' federal NDP leadership bid.

Chinese

Widely reported was Mary Ng, an official from PMO has announced her candidacy for nomination to fill the Markham-Thornhill riding seat left vacant by ambassador-designate John McCallum.

FYI – All eyes were on Donald Trump this afternoon at a White House press conference. The Globe and Mail reports Mr. Trump launched an aggressive defence of his first month on the job, denying that his White House is in turmoil, hitting back at revelations that his associates have been in contact with Russian intelligence agents and blaming a combination of high-level leaks and the media for painting a negative picture of his chaotic administration.

FYI – Immigrants in the United States are staying home from work and school today as a form of protest to show how critical they are to the U.S. economy and way of life.

FYI – Prime Minister Justin Trudeau is in France today, where he delivered a much-anticipated address to the EU Parliament. As the world looked on, he marked the passing of CETA, and argued for the importance of free trade and a strong EU – set against a backdrop of growing concerns about populist sentiment around the world turning toward protectionism. Not to mention the rising tide of Euroscepticism.

FYI – Minister Mélanie Joly spoke at a media availability in Ottawa, the morning after MPs began debate on M-103, a motion tabled by Mississauga, Ont., Liberal MP Iqra Khalid in December 2016. Saskatchewan Conservative MP David Anderson argued the word Islamophobia is undefined in M-103, and there is no consensus on what it means. Including the word has led to widespread confusion and fears about its impact on freedom of speech . His motion to counter M-103 removes the reference to Islamophobia and instead calls on government to "condemn all forms of systemic racism, religious intolerance and discrimination of Muslims, Jews, Christians, Sikhs, Hindus and other religious communities." Joly told reporters this motion calls on the government to "recognize the need to quell the increasing public climate of hate and fear."

As always, let us know if you have any questions,

Kate, Jenn, Gurvinder and Ronan