Daily Media Note - October 3, 2016

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Good afternoon Premier,

We have four items to update you on today:

- Hospital Parking Announcement and Availability Coverage
- Water-Taking
- Financial Statements Released
- National Carbon Pricing

<u>Hospital Parking Announcement and Availability Coverage</u>

There has been significant media coverage following your announcement this morning. The Star (Rob Ferguson) filed a story this afternoon with the headline: “Hospital parking fees cut in half for frequent visitors”. The article focuses on the fact that the government is now focusing on “pocketbook issues” and also mentions the speech from the throne last month, including the new hydro rebate.

You are quoted in the article saying the following: “It’s stressful enough to have to make frequent trips to a hospital that families shouldn’t have to worry about spending an exorbitant amount of money in order to park. This is money that can go back into the family budget.”

At the avail today Rob asked what hospitals will do with this loss in revenue following these new parking regulations. Minister Hoskins responded by acknowledging that hospitals will lose revenue: “We will be monitoring the situation closely with our hospitals, and with the OHA to make sure there are no untoward effects. We want to make sure the cost of parking is never a barrier to access of the health care system.”

CTV Windsor filed a story this afternoon and stated they will not be changing their parking rates because their daily rate is less than 10 dollars a day.

There has been media pickup from outlets across the province, most articles are explanatory and simply explain these new parking regulations.

<u>Water-Taking</u>

At your media availability this morning you were asked by Allison Jones if there should be public consultation for the province’s water-taking program. Following the announcement, Allison put out a story with the lede: “Wynne wants public consultation in water taking permit review”.

It notes that Ontario's opposition parties have been calling on the government to include public input. You are quoted in the article saying: “I have said that I think that we need to look at water bottling and the change in our culture around bottled water and figure out how we protect our water. It is life giving. It is critical that in Ontario, where we have so much clean water, that we protect that, that we be good stewards of the land."

Andrea Horwath met last week with Guelph residents and said there should be public input on broader water issues, not just the fine details of permits: “It seems to me that to have a full, clear strategy for Ontario _ a comprehensive Ontario water strategy _ there needs to be much more input than simply on the water-taking fees," she said. ``I would think that it would be wise for the government to set a new fee if they think that's important as a small first step, but it has to be done in the context of a broader review.

This CP story was picked up by the Globe and Mail this afternoon. The issue was water-taking continues to be of interest to Keith and Allison, therefore, we expect media interest next week when Keith returns from vacation.

Financial Statements Released

There has been Queen’s Park media interest today after it was revealed the government disagreed with the auditor general over accounting practices that would affect the province's deficit by $1.5 billion. Officials from the Treasury Board Secretariat and the Ministry of Finance briefed media this afternoon on issues delaying the formal tabling of Public Accounts. The government announced Ontario's Annual Report and unaudited Consolidated Financial Statements for 2015-16 show Ontario's deficit is $3.5 billion lower that the $8.5 billion projected in the 2015 Budget, with the province's deficit for 2015-16 at $5 billion.
The majority of the Gallery was in attendance at the briefing. Both Minister Sandals and Minister Sousa issued statements and were open to media availability following the technical briefing.
Minister Sandals’ office posted a news release to Newsroom and distributed to media following the briefing:

Ontario's Annual Report and unaudited Consolidated Financial Statements for 2015-16 show Ontario's deficit is $3.5 billion lower than the $8.5 billion projected in the 2015 Budget, with the province's deficit for 2015-16 at $5 billion. This is $0.7 billion lower than the $5.7 billion in the 2016 Budget interim projection.
This marks the seventh year in a row that Ontario has beaten its deficit target. Ontario remains committed to balancing the budget in 2017-18, and remain balanced in 2018-19.
In preparing the Annual Report and unaudited Consolidated Financial Statements, the Province's professional accounting staff and the Auditor General have engaged in discussions regarding the treatment of pension assets. Pension accounting requires the application of professional judgment. Despite best efforts to resolve concerns, the Province's professional accounting staff and the Auditor General continue to have differences of opinion about the appropriate application of public sector accounting standards as they relate to pension accounting. This ongoing discussion has delayed the tabling of the Province's financial statements.
A regulation was made to allow the public service to sign-off on the impact of the Auditor General's view on accounting for pension assets in Ontario's 2015-16 financial statements. The Province has filed a time-limited regulation, which legislates the accounting for pension assets of two jointly-sponsored pension plans for 2015-16 in a manner that is consistent with the fiscal outcome proposed by the Auditor General.
To ensure openness and transparency, the government is releasing its unaudited financial statements to provide the public with the Province's financial position.
The unaudited statements show the government is beating its deficit targets through sound financial management. The Government of Ontario currently has the lowest program spending

per capita among Canadian provinces and ranks the lowest among provinces in terms of public-sector employees per capita. At the same time, Ontario's economy continues to grow. Over the last two years, Ontario's economy has grown. Last year, growth wa double the national. In the first quarter of this year, Ontario's growth was g that of the United States and the G7
The Public Sector Accounting Board has set up a task force to review the current accounting standards for retirement benefits. The Province will ensure that the task force is made aware of this area of difference in interpretation. In addition Ontario willalso be engaging an expert panel to support a full understanding of the basis and nature of the differences. The Province will consult individuals with a range of backgrounds and experience, including preparers, joint sponsors and auditors of public sector financial reports.
Responsible financial management is part of the government's economic plan to build Ontario up and deliver on its number-one priority to grow the economy and create jobs. The four-part plan includes helping more people get and create the jobs of the future by expanding access to high-quality college and university education. The plan is making the largest infrastructure investment in hospitals, schools, roads, bridges and transit in Ontario's history and is investing in a low-carbon economy driven by innovative, high-growth, export-oriented businesses. The plan is also helping working Ontarians achieve a more secure retirement.

The Auditor General released a statement today stating her dissatisfaction with the government's course of action towards this disagreement: "This is the first time in the history of Ontario that the statements have been released without the audit opinion. As late as 10:30 a.m. this morning, we were still in discussions over an accounting issue that we brought to the government's attention in June of this year."

CP is reporting that the government is in a spat with the Auditor General over accounting practices that would affect the province's deficit by $1.5 billion. The CP story was picked up by the National Post and multiple regional news outlets.

<u>National Carbon Pricing</u>

Canada's environment ministers me in Montreal today to discuss a pan-Canadian climate plan.

The federal government announced today that Canada will set a benchmark for pricing carbon emissions—set at a level that will help Canada meet its greenhouse gas emission targets, while providing greater certainty and predictability to Canadian businesses.

This afternoon CP put out a story on its wire highlighting the federal plan to impose a national price on carbon. The article notes that Minister Murray welcomed the new federal policy, saying it fully recognizes their provincial jurisdiction. Minister Murray was also quoted in the article saying: "It's like all things federal: We're making sausages in public. It's a pretty ugly process, but it's moving well."

FYI – You were asked today by Randy Rath what your thoughts are on a new brand of whisky, marketed by the Trailer Park Boys that contains profanities and promotes mixing alcohol with marijuana and hash. Minister Matthews was asked about this new product after Question Period today and told reporters: "The paramount issue is social responsibility. When the LCBO has the benefit of being the only liquor seller in the province that also means that there's a big social responsibility element to it". This story ended up getting extensive pick-up. The Sun, Star and CP have all filed on this today.

FYI - CP reported today that the government is looking at extending some teachers' contracts, which could ensure there would be no contentious education bargaining in the lead-up to the 2018 election. Minister

Hunter was asked today if it is an option for each of those unions, she said she didn't know. “That information I don't have,” she said. “It's part of an ongoing discussion that we're having in context of those discussions with respect to remedy.” The CP story was picked up the Toronto Sun and Global.

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

Kate, Jenn & Gurvinder