Sunday Media Scan: Cap and Trade - April 30, 2017

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Sunday (Evening) Media Scan: April 30, 2017

MEDIA SCAN: CAP AND TRADE

April 30, 2017

Click links below to view article:

Online Coverage
- **Timmins Today**: Local Chamber has mixed reaction to 2017 provincial budget
- **Timmins Press**: Budget shows decline in support for Ring of Fire; Bisson

TV Transcripts
- None

Online Coverage

Timmins Today: Local Chamber has mixed reaction to 2017 provinci

April 30, 2017

https://www.timminstoday.com/local-news/local-chamber-has-mixed-reaction-to-2017-provincial-budget-600640

Positive measures being taken this year include a focus on increasing post-secondary education and training support as a means of addressing workforce shortages 0
about

TIMMINS CHAMBER OF COMMERCE

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Though some measures in the 2017 provincial budget may benefit Timmins businesses, the lack of long-term solutions for rising costs for electricity, cap and trade, and debt interest payments is a concern for the Timmins Chamber of Commerce.

The Apr. 27 presentation of the 2017 provincial budget by Finance Minister Charles Sousa proposed several items relevant to the Timmins businesses, including:

A commitment of $190 billion in infrastructure spending over 13 years, including a continued commitment to increase the Connecting Links Funding program from $15 million to $30 million in 2018;
Establishing the 2017 budget as a balanced budget, the first since 2008-2009, with commitments to set a trend of balanced budgets in coming years;
Investing $200 million over three years to support First Nation, Métis, and Inuit learners' access to post-secondary education and training, including $56 million for Aboriginal Institutes;
Creating a Career Kick-Start Strategy, which invests $190 million over three years to create opportunities for graduates and to create more internships; and
The previously announced Fair Hydro Plan, which would allow 25 percent rate reduction for some small businesses.
“There are some elements of the 2017 budget that stand to have some positive impact on Timmins businesses, but what's not included is a much greater issue,” said Bender.

“Namely, energy rates continue to be among our members' largest concerns, and while previously announced measures to reduce those rates through the Fair Hydro Plan are certainly appreciated, much more needs to be done. Although some of the announced investments are a step in the right direction, stronger measures must be taken to protect and grow our economy.”

Some positive measures being taken this year include a focus on increasing post-secondary education and training support as a means of addressing workforce shortages -- one of the largest obstacles for Timmins Chamber members, added Bender.

Funding new opportunities for graduates through the Career Kick-Start Strategy will help to tackle this issue, as will the $200 million for First Nation, Métis and Inuit learners' access to education and training.

Similarly, the commitment to increase the Connecting Link funding program to $30 million is welcome, but remains insufficient for communities' needs, said Bender.

This fund assists the 77 municipalities to which the province has downloaded the responsibility of maintaining 350 kilometres of Connecting Links – portions of provincial highways traveling through municipalities.

The cost to repair Timmins' 21.2 kilometres of Connecting Link is estimated at roughly $120 million, but the city was recently refused any funding for its planned 2017 work.

"The budget's lack of specific measures to clarify the use of cap and trade revenues is unfortunate, as these costs represent a major challenge to Timmins businesses’ competitiveness," said Bender. "Ontario's regulatory burden is already quite significant, and careful reinvestment of cap and trade funds could help businesses to reduce their costs under this system. These issues must be addressed, and we look forward to working with the provincial government to undertake measures that will support our businesses and our economy."

The government’s elimination of the deficit in this budget represents a step in the right direction, but there remains no indication of whether Ontario would seek to pay down its debt.

At roughly $318 billion, the province's debt load means that interest payments will consume ever-greater portions of the budget; currently, interest payments are $11.6 billion per year, and represent the province's largest expense. This has already led credit rating agencies to downgrade Ontario’s outlook from stable to negative in recent years.

The Ontario Chamber of Commerce (OCC) shared similar concerns about the growing provincial debt load, which contributes to lower business confidence, according to Richard Koroscil, Interim President & CEO, Ontario Chamber of Commerce.

"Budget 2017 demonstrates that much of Ontario's fiscal outlook will depend on the prosperity of our private sector," said Koroscil.

"The government acknowledged that business investment spending slowed in 2016, though expects firms to increase investment by 3.1 percent, annually, to 2020 – an amount that would outpace growth in real GDP growth and household spending. These assumptions depend upon business confidence – which has fallen precipitously in recent years according to the Ontario Economic Report – and U.S. demand, which is subject to considerable risk given recent comments by American President Donald Trump."

Timmins Press: Budget shows decline in support for Ring of Fire; Bisson

By Ron Grech, The Daily Press (Timmins)
Sunday, April 30, 2017 12:46:56 EDT PM

http://www.timminspress.com/2017/04/30/budget-shows-decline-in-support-for-ring-of-fire-bisson

TIMMINS - Opposition members from the North are accusing the Ontario Liberals of reneging on a commitment to help pay for infrastructure within the Ring of Fire after last week's provincial budget saw a massive reduction in funding for Northern Development and Mines.

"The government with great fanfare in two or three throne speeches, at least four or five budgets, and two election cycles during their campaign, promised they were going to have a billion dollars for infrastructure and resolve what needs to be resolved to get the Ring of Fire going," MPP Gilles Bisson (NDP – Timmins-James Bay) told The Daily Press.

"This time, there was no mention of it and I think that's kind of significant because it's not even a placeholder anymore. It's like they've given up on that and used the billion dollars that they would have earmarked for the Ring of Fire and put it in other places where they are trying to shore up their political support, mainly in the downtown Toronto area or the GTA."

MPP Vic Fedeli (PC – Nipissing), in a statement, said it was a "serious shock to see that this year's budget removed all mention of the Ring of Fire. After three years of promises, the Wynne government has completely abandoned this critical mining project.

"The budget takes a massive cut of $70 million out of the Ministry of Northern Development and Mines. The ministry helps to establish mining operations all over Northern Ontario, creating good well-paying jobs that help to grow our Northern economy — obviously not a concern of this government."

This sentiment was denied, however, by one of the Liberal's Northern MPPs, Glenn Thibeault, who is also the Minister of Energy.

Thibeault (Liberal – Sudbury) told The Daily Press the opposition is "poking holes" merely on the fact "we didn't put a line in our budget about our continued, ongoing support for the Ring of Fire."

Thibeault said, "We are fully committed as a government to the Ring of Fire, and our commitment has not charged. It remains the exact same. And even though it is not mentioned in the budget, we are going to continue to work hard to ensure that we get the Ring of Fire operational."

The Timmins Chamber of Commerce's assessment of the budget was mixed.

While praising the government for increasing the Connecting Link funding program to $30 million, Christine Bender, president of the Timmins Chamber, in a release, stated the amount "remains insufficient” for communities’ needs.

“This fund assists the 77 municipalities to which the province has downloaded the responsibility of maintaining 350 kilometres of Connecting Links – portions of provincial highways traveling through municipalities,” she wrote. “The cost to repair Timmins’ 21.2 kilometres of Connecting Link is estimated at roughly $120 million” which is four times the total budget allocated by the province.

“There are some elements of the 2017 budget that stand to have some positive impact on Timmins businesses, but what's not included is a much greater issue,” Bender added. “Namely, energy rates continue to be among our members' largest concerns, and while previously announced measures to reduce those rates through the Fair Hydro Plan are certainly appreciated, much more needs to be done.”

Another omission that concerned Bender was the “budget’s lack of specific measures to clarify the use of cap and trade revenues is unfortunate, as these costs represent a major challenge to Timmins businesses’ competitiveness.”

Overall, Bisson suggested the Liberals’ budget on Thursday was an exercise in damage control.

“This is very much an election budget,” the MPP said. “The government is very unpopular. A lot of things they’ve done in health care by flat lining hospital budgets for 10 years have affected places like Timmins and District Hospital or Sensenbrenner here in Kap.

“Hospitals have been trying to manage with a never-increasing budget while faced with an always-increasing demand. It’s been hard. There have been people let go, there has been layoffs, it’s been more difficult for people to get services.

“The government knows there have been problems. They know there is going to be an election in a year, so they had to announce something. What they announced is not a bad thing a 3% increase to the base budget (for hospitals) but I think people need to realize what this is all about. This is really about the government who for the last 14 years have caused a problem and are now going into an election cycle trying to look like they can fix the problem.”

TV Transcripts

None