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Quotation of the day

“Here we have a well-respected, independent, nonpartisan officer of the legislature who is getting hammered by the Liberal government. She’s trying to do her job.”

PC MPP Todd Smith on the Liberal government's ongoing public spat with Auditor General Bonnie Lysyk who called the IESO's accounting practices “bogus” in public accounts committee last week.

Today at Queen's Park

On the schedule

The House will reconvene at 9 a.m. to begin second reading debate on **Bill 6**, Correctional Services Transformation Act.

In the afternoon, the House will debate an Opposition Day motion from NDP leader **Andrea Horwath**. The motion calls on the government to “ensure all Ontarians, regardless of age, income, source of income, or where they live, can access dental care and drug coverage.”

Monday's debates and proceedings

The House concluded debate on the speech from the throne, delivered last Monday by Lieutenant Governor **Elizabeth Dowdeswell**, in the afternoon. The throne speech contained promises to grow hospital budgets; expand OHIP+; improve access to dental care; make tuition free for more students; and address the growing problems of mental health and addictions issues facing Ontarians — the details of some of these policies have already been rolled out, but Finance Minister **Charles Sousa** promised reporters there will still be some surprises in Wednesday's budget.

Rather than vote on the throne speech Monday afternoon, the confidence vote was deferred to Tuesday morning following question period.

The following bills were introduced during routine proceedings:

- NDP MPP **Peter Tabuns** introduced **Bill 21**, Liability for Climate-Related Harms Act, which would make it easier for the government of Ontario to sue fossil fuel companies whose products have advanced global warming.
- Liberal MPP **Mike Colle** reintroduced **Bill 22**, Prohibiting Driving with Unlawful Handguns Act, which would make it an offence to drive with unlawful guns on provincial highways. The bill was last tabled in July 2014. It passed second reading debate to progress to the Standing Committee on Justice Policy in November 2014, but advanced no further.

MPPs then began second reading debate on **Bill 3**, the Pay Transparency Act, and debated it for the remainder of the afternoon.

In the Park

The Ontario Craft Brewers will host an afternoon reception, which includes the Speaker's annual Craft Brewers tasting where the legislative beers and ciders for the following year are decided.

The York University-School of Public Policy and Administration will host its MPP networking event Tuesday evening.

Committees this Week

The Standing Committee on Government Agencies will meet Tuesday morning to consider the appointment of **John Milloy**, former minister of training, colleges and universities, to the Higher Education Quality Council of Ontario.

The Standing Committee on Public Accounts will meet Wednesday in a closed session to debate two sections on immunization and Metrolinx public contracting from the 2016 Auditor General's report.

The Standing Committee on Regulations and Private Bills will also meet Wednesday to consider draft regulations with **Colleen Fitzgerald-Hubble**, director of the Ministry of Agriculture, Food and Rural Affairs' Environmental Management Branch.

'Bogus' hydro accounting practices back under the spotlight

The ongoing rift between Auditor General **Bonnie Lysyk** and the government over its handling of the Fair Hydro Plan spilled into the open again last week when Lysyk told the Standing Committee on Public Accounts the province's electricity regulator practiced "bogus" accounting.

For the past year, Lysyk has alleged that the Liberal's Fair Hydro Plan was financially structured in such a way that \$1.3 billion in debt was being kept off the government's books, allowing Premier **Kathleen Wynne** and Finance Minister **Charles Sousa** to claim the Liberals balanced the budget.

But speaking with MPPs before public accounts committee last Wednesday, Lysyk said that as long as the information is being incorrectly accounted for in the Independent Electricity System Operator's (IESO) books, the government's own estimates will be off. "At this point, we know it's at least an over-\$1-billion adjustment from this accounting," she said.

Lysyk went on to outline the myriad ways in which the regulator and its external auditor, KPMG, were failing to cooperate with her special audit of the IESO, including a refusal to guarantee that all necessary paperwork had been filed with the AG's office.

Auditors like KPMG typically bill the IESO around \$86,000 for an audit each year, Lysyk said. But in 2017, KPMG had billed for nearly \$650,000, claiming more than \$230,000 of that was because of questions posed by the AG's office. "It's ridiculous," Lysyk said. The IESO "basically treated, I think, my audit team like we were subservient to KPMG. In terms of the law in Ontario, that would be the reverse."

The discrepancy between the Auditor and the government centres on "rate regulated accounting," a kind of deferral technique that can allow the government to "smooth out the effects of windfall revenues and/or unexpected costs over several years." That's according to **John Doyle**, the former Auditor General of British Columbia, who in 2011 issued a report on rate regulated accounting as practiced by BC Hydro.

"Rate regulated accounts must be managed carefully," Doyle noted. "While the use of rate-regulated accounting is acceptable under existing Canadian accounting standards, it can mask the true cost of doing business, create the appearance of profitability where none actually exists, and place undue burdens on future ratepayers."

It's this issue of acceptability that Energy Minister **Glenn Thibeault** clung to Monday when speaking with reporters, saying the government has been transparent in abiding by an accepted accounting practice. "When you look at Ernst and Young and KPMG and Deloitte telling us we are meeting public sector accounting standards, I believe we are on the right track," he said, "Those are the experts in the field and I'll believe what they have to say."

PC MPP **Todd Smith** told reporters the Liberals have been providing "bogus" numbers to the auditor in an effort to "try and keep the truth out of the public's view."

"Here we have a well-respected, independent, nonpartisan officer of the legislature who is getting hammered by the Liberal government. She's trying to do her job, she's trying to do what they should be doing, which is be transparent when it comes to the energy sector," Smith said.

Topics of conversation

- An open [letter](#) signed by a broad coalition of health care organizations and spearheaded by the Ontario Medical Association is calling on the government to pass **Bill 5**, Dan's Law, private member's legislation from NDP MPP **Lisa Gretzky**. The bill would eliminate the three-month waiting period for access to OHIP-funded palliative care.

- A report written by education funding expert **Hugh Mackenzie** for the Canadian Centre for Policy Alternatives [argues](#) Ontario's education funding model is overdue for a dramatic overhaul.
 - The CCPA report calls on the government to do away with one-size-fits-all school funding and to rethink how education is delivered to at-risk kids.
- Ontario companies are [worried](#) that changes in legislation requiring them to pay part-time freelancers "equal pay" commensurate with what regular employees earn has not been communicated effectively, leaving businesses worried they will not be in compliance with a law few of them fully understand.
- OPSEU head **Smokey Thomas** is [calling](#) on the Liberals to use Wednesday's budget to invest in the public sector, stop privatizing public services and "improve fairness for workers." Thomas said it's time the government "puts its money where its mouth is."
- A self-funded, volunteer group calling itself "[Not Doug](#)," in reference to newly elected PC leader **Doug Ford**, has been blanketing parts of Toronto with yellow and white posters detailing negative aspects of the former Toronto city councillor's past it wants the public to consider ahead of the June 7 election.
 - "Are we the Liberal elite?" the group ask themselves on their website. "No, far from it. Some of us have even supported the PCs in the past."
- New PC caucus staffers and transition staff have been seen wandering the halls of Queen's Park in recent days, including **Jeff Silverstein** of Sussex Strategy, who [confirmed](#) to *iPolitics* that he is taking over as communications director for the leader of the official opposition.

Today's events

March 27 at 9:30 a.m. — Toronto

Premier **Kathleen Wynne** will make an announcement with Finance Minister **Charles Sousa** and Education Minister **Indira-Naidoo Harris** at Nelson Mandela Park Public School.

March 27 at 10 a.m. — Toronto

OPSEU head **Smokey Thomas** will speak about the Liberal's correctional services bill at a press conference in Queen's Park.

March 27 at 11:45 a.m. — Toronto

A demonstration will take place on the Queen's Park lawn to encourage the government to adequately fund the Toronto Transit Commission ahead of Wednesday's budget.

March 27 at 12 p.m. — Toronto

Premier **Kathleen Wynne** will meet with Indiana Governor **Eric Holcomb** at Queen's Park. Wynne and Holcomb will sign an MOU on "economic cooperation and trade relations" between Ontario and Indiana.

March 27 at 12 p.m. — Toronto

Premier **Kathleen Wynne** will hold a caucus meeting at Queen's Park.

March 27 at 5:30 p.m. — Ottawa

Former premier **Dalton McGuinty** will host an Ontario Liberal Party fundraiser at Social Restaurant.

March 27 at 7 p.m. — Sudbury

Green Party leader **Mike Schreiner** will host a rally at the Hardrock42 Gastropub.

Appointments and nominations

Ontario Association of Chiefs of Police

- The Ontario Association of Chiefs of Police is [seeking](#) a new executive director to replace current director **Ron Bain**. Bain will retire in June 2018.

Ontario Liberal Party

- Northern Development and Mines Minister **Michael Gravelle** was nominated to run for re-election in the riding of Thunder Bay—Superior North.

PC Party of Ontario

- A new nomination meeting date in the [contested](#) Hamilton West—Ancaster—Dundas riding has been set for April 15. **Ben Levitt**, who won the previous nomination at a May 2017 nomination meeting that is now being investigated by the police, said he will run for the PC nomination again.

Funding announcements

Ministry of Transportation

- As part of a \$21.3 billion investment in public transit, Transportation Minister **Kathryn McGarry** was at Union Station in Toronto on Monday to [announce](#) the government was moving ahead with a series of Requests for Qualifications related to the GO Regional Express Rail.
 - One RFQ will select a contractor to "design, build, finance, operate and maintain" the GO RER network, while additional RFQs will be issued for six new GO station, 22 existing GO stations and six City of Toronto SmartTrack stations.
 - McGarry promoted the announcement as a step towards the government's promise of two-way, all-day GO train service for communities across the GTHA.

News briefs — Governmental

Ministry of Education

More than \$300 million in new funding will flow into special education over the next three years, Premier **Kathleen Wynne** announced Monday, creating 2,000 staff positions to help students with special needs.

At a news conference alongside Education Minister **Indira Naidoo-Harris** and MPP **Arthur Potts**, Wynne told parents, teachers and students at a Toronto elementary school that the government is responding to the needs of parents, schools and entire communities that have asked for more special education funding to be provided in a stable, long-term way.

These immediate needs are part of the reason why Ontario will run a \$8 billion deficit in this year's budget, Wynne told reporters. "We pay a much larger price down the road if we don't make these upfront investments," Wynne said. "If we step back and say 'People can fend for themselves'...that's a huge mistake and a societal error."

The 2,000 new workers being added to special education in the province will have a "massive impact on the school system that will be felt for years to come," Naidoo-Harris said. Teaching assistants will play a vital role, according to the minister, but so too will psychologists, speech therapists and mental health workers.

Per-student funding is projected to rise to \$12,300 in 2018–19, up by 9.4 per cent since 2012–13, according to a government news release.

News briefs — Non-governmental

Tabuns tables climate legislation

NDP environment critic **Peter Tabuns** tabled legislation Monday which, if passed, would make it easier for the government, businesses and communities to sue fossil fuel companies for climate change-related damages stemming from their products.

"The world's largest fossil fuel corporations have to start paying their fair share of the damages that are going to be inflicted by climate change," Tabuns said, "and they also have to pay for steps necessary to protect people from those climate damages."

The Toronto-area MPP and former head of Greenpeace likened his bill to Ontario's tobacco liability legislation, which allowed people to recover health-related costs from tobacco use. His bill assumes not only that climate change is real and is caused by human activity, but that fossil fuel companies know, and have known for years, that their actions have destabilized the global climate by driving up temperatures and sea levels.

In Ontario, the costs of climate change damages to date have not been calculated, but storm damages in 2013 alone exceeded \$1 billion, thanks to flash flooding in the Greater Toronto Area in July and December's ice storm. Yet for a sense of scale, Tabuns pointed to New York City's own climate-liability lawsuit against five major oil-producing companies, in which the city claims it will spend \$20 billion to protect it from future climate damage.

Question Period

PC lead-off

IESO accounting irregularities

- Opposition leader **Vic Fedeli** asked Premier **Kathleen Wynne** about accounting irregularities at the IESO highlighted by Auditor General **Bonnie Lysyk**.
 - Wynne and Energy Minister **Glenn Thibeault** both reminded Fedeli that the accounting practice their government uses has been approved by "some of Canada's top accounting firms," Wynne said, including Ernst and Young, KPMG and Deloitte.

Carbon tax

- Fedeli asked Wynne whether her government will commit to scrapping the carbon tax, which prompted Wynne to accuse the PCs of turning their backs on climate change.
 - Fedeli said the carbon tax has nothing to do with climate change and only serves to take more money from taxpayers' pockets.
 - Economic Development and Growth Minister **Steven Del Duca** replied that red tape reduction was ahead of schedule and that current measures had saved \$150 million to businesses by removing 80,000 regulatory burdens.

NDP lead-off

Dental care

- NDP MPP **Michael Mantha** asked Premier Wynne and Health and Long-Term Care Minister **Helena Jaczek** about the lack of dental coverage for children.
 - Jaczek replied that the government cares about oral health, which is why it created the Healthy Smiles program to enhance dental care coverage for children.
- NDP MPP **Peggy Sattler** mentioned a small business in her riding that wants to offer dental care to its employees but has been unable to afford it.
- Sattler asked why the government has not helped employers boost their dental coverage.
 - Premier Wynne said there is more the government needs to do but accused the NDP of having "recently discovered" this issue after years of never talking about dental coverage.

Other questions

- PC MPP **Todd Smith** echoed PC leader **Doug Ford's** talking point, saying there was “nothing sunny” about the 2017 Sunshine List. He asked Treasury Board head **Eleanor McMahon** why the list was continuing to grow.
- PC MPP **Michael Harris** asked how former Metrolinx president and CEO **Bruce McCuaig** made \$100,000 more in 2017 after working for just four months than he did working for all of 2016.
- PC MPP **Randy Pettapiece** asked Agriculture Minister **Jeff Leal** and Finance Minister **Charles Sousa** about the future of the casino at Ajax Downs.
- NDP MPPs **Teresa Armstrong** and MPP **John Vanthof** asked Wynne about dental coverage for children and seniors in their ridings.
- NDP MPP **Cindy Forster** asked Labour Minister **Kevin Flynn** about worker's compensation issues.