Morning Issues Summary

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Morning Minister,

Yesterday there was an article on government advertising in the Toronto Star by Rob Ferguson. Today we're seeing more negative articles in the Toronto Sun as well as the London Free Press.

The articles focus on Andrea Horwath's claim that the Ontario Liberals are making hydro customers pay for political advertising on their bills.

The NDP leader is specifically referring to our Fair Hydro Plan ads, and is criticizing the government's use of local distribution companies to send out mail that mentions the FHP.

Key Messaging:

- Ontario is the first and only jurisdiction in Canada to have legislation banning government-paid partisan advertising.
- We passed this historic legislation because we condemn the use of taxpayer dollars for partisan advertising.
- That was our position in 2004, and that is our position today.
- We're surprised the NDP is so interested in this issue considering they voted against the historic government advertising act in 2004.
- The current leader of the third party was one of the members that voted against the act.

General Articles

Antonella Artuso, Toronto Sun - NDP: Grits' hydro ads 'desperate'

Dan Brown, The London Free Press - Grit spin debate powers up; NDP says campaign co-chair Deb Matthews ordered utilities to put partisan messages in hydro bills
Simona Chiose, The Globe and Mail- Ten per cent of Ontario college students withdraw from semester following strike
Toronto Sun - Liberals hiding deficit, second watchdog says
Kevin Flynn, Toronto Star - Minimum wage boost allows everyone to share in success
ERNEST DOROSZUK, TORONTO SUN - Wynne suit a stunt: Brown
THERESA BOYLE, Toronto Star - Province warned hospitals are 'on the brink'
Robert Benzie and Rob Ferguson Toronto Star - Queen's Park green-lights cannabis legislation
KAREN HOWLETT, The Globe and Mail - Ontario probes alleged money laundering in B.C. casino

NDP: Grits' hydro ads 'desperate' (TorSun)

Wed Dec 13 2017
Byline: Antonella Artuso
Source: Ottawa Sun
The Ontario Liberals are making hydro customers pay for political advertising on their bills right up until the next election, NDP Leader Andrea Horwath charges.

As evidence, Horwath pointed to a legal order signed by Energy Minister Glenn Thibeault and Chair of Cabinet Deb Matthews that requires local distribution companies (LDCs) to include an insert with hydro bills that mentions Ontario's Fair Hydro Plan.

"That means that partisan Liberal flyers are going to be mailed to homes across Ontario from now through to election day and beyond," Horwath said in the Ontario legislature. "So, let's agree to call these flyers what they are: Desperate Liberal campaign advertising."

If the Liberals want to run partisan advertising to boost their political fortunes, the party should pay for it, Horwath said.

Thibeault and Matthews signed an order in council on June 14 that spells out clearly what the bill inserts should say - "the word 'Ontario's Fair Hydro Plan'and "Bringing electricity bills down'must appear in a reasonably prominent location on the fact of the bill insert."

Ontario Fair Hydro Plan is the name that the Kathleen Wynne government gave to its strategy for reducing hydro bills by an average of 25%.

An order in council is a legally binding order by the government that does not require a bill to be introduced, debated and passed through the legislature.

"The only group that benefits from mailing out these partisan flyers is the Liberal Party," Horwath said.

"Is the Liberal Party paying for these flyers or is it the people and businesses of Ontario?" The Niagara-on-the-Lake Hydro Board issued a statement last week accusing the Ontario government of politicizing electricity bills.

Hydro customers need simpler bills, not ones that add to their confusion by including the "calculation of the 'savings'from the Fair Hydro Plan," says a statement from the utility.

Thibeault said information in customer bills has long been regulated.

Grit spin debate powers up; NDP says campaign co-chair Deb Matthews ordered utilities to put partisan messages in hydro bills (London Free Press)

London Free Press
Wed Dec 13 2017
Byline: Dan Brown
Source: The London Free Press
With the next Ontario election half a year away, Deputy Premier Deb Matthews of London - cochair of the Liberal campaign - is being accused of ordering a partisan spin on monthly household hydro bills.

In the legislature Tuesday, Matthews and Ontario Energy Minister Glenn

Thibeault came under fire by the New Democrats for signing an order the NDP say forced utility companies to inject campaign messaging into electricity bills from July 2017 to July 2018, even dictating precise words - "Ontario Fair Hydro Plan" and "bringing electricity bills down" - to be shown on the bills.

The order, the NDP notes, extends to the month after the next election.

"It's so obviously partisan, it's shocking," Ontario NDP Leader Andrea Horwath told The Free Press, insisting it's a conflict for Matthews, the London North Centre MPP, to be signing such cabinet orders while she's also in charge of the Liberals' re-election campaign.

Tuesday's flare-up came days after Ontario's spending watchdog, Auditor General Bonnie Lysyk, who has clashed with the Liberals over their handling of the energy file amid soaring electricity prices, reported 30 per cent of the ads the government took out in 2016-17, when it spent a 10-year high of $58 million on advertising, appeared intended to make the government look good.

"Outrageous isn't even the word anymore," Horwath said.

She accuses the Liberals of putting their own political skin above the needs of ordinary Ontarians stung by rising energy bills.

Matthews couldn't be reached for comment Tuesday, her spokesperson instead responding with a statement by Thibeault's spokesperson, Colin Nekolaichuk, who said "we are simply following standard practice." In his statement, Nekolaichuk said it's been "standard practice for the province to require utilities to include additional on-bill messaging that's important to electricity consumers through regulation," such as changes to the debt retirement charge on monthly hydro bills.

"An order in council (cabinet order) is part of the process when passing regulations," Nekolaichuk added.

But Horwath insists it's all politics.

"It's only because it's politically advantageous," she said.

High electricity prices - and duelling plans by the political parties to reduce them - have dogged the Liberals for years.

Former premier Dalton McGuinty's government plunged headlong into costly green energy, including sweetheart deals that paid wind and solar power producers far more than consumers pay.

A 10-per-cent provincial subsidy paid on monthly bills was ended Dec. 31, 2015, but Premier Kathleen Wynne faced growing public anger over rising bills and this year the government brought in its Fair Hydro Plan to cut bills by 25 per cent after Wynne apologized "for not paying close enough attention to some of the daily stresses in Ontarians' lives" caused by soaring energy prices.

Horwath said including government messaging in utility bills preys on a captive audience.

"People don't have a choice" whether or not to open their bills, she said.

Lysyk, in her latest report, found Ontario consumers have been dinged $260 million for ineligible costs by power producers - including thousands for things like staff car washes, raccoon traps and scuba gear - under a provincial program that puts the producers on standby to generate electricity. She also recently accused the government of obscuring the true cost of its 25 per cent cut to hydro bills by keeping billions in debt used to pay for that off the province's books.

Government decisions to ignore the advice of its own planners for new energy projects cost Ontario ratepayers $37 billion, and its $2-billion smart meter program spent double its projected cost without ensuring conservation goals were met, Lysyk had earlier reported. Matthews, the advanced education minister in the government, has announced she won't seek re-election in 2018, ending what will be a 15-year run in office.

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Ten per cent of Ontario college students withdraw from semester following strike

Simona Chiose, The Globe and Mail

In the wake of the province's longest-running college strike, a tenth of full-time students at Ontario's colleges have withdrawn from their courses this term. For many, the decision to drop out is a gamble that they are better off trying to be readmitted to their programs in the winter term or in the fall of 2018 rather than risking their grades after missing weeks of classes.

"The withdraw numbers released today are proof this option was necessary for thousands of students. Students didn't sign up for an extended semester, or condensed courses," said Emmaline Scharbach, the communications manager for the College Student Alliance, which represents full-time and part-time college students across the province.

Students have been back in class since Nov. 21 and will not be leaving until Dec. 22. Most colleges extended their fall terms to early January. Some have also added a week to the spring semester to make up for the time missed during the labour dispute.

Back-to-work legislation ended the strike on Nov. 19. The outstanding issues between the 24 colleges and 12,000 instructors are being settled through binding arbitration. Academic freedom and the ratio of full-time to part-time instructors were key areas of dispute.

Student petitions asking for tuition fee refunds were launched early in the strike and garnered tens of thousands of signatures. The province announced that students would be able to receive refunds if they decided to withdraw and could also apply for up to $500 in grants to cover additional housing or travel costs they incurred. Colleges are expected to pay for the measures through the millions they saved as instructors walked the picket lines.

It is the first time in four college strikes that students have been compensated for the impact on their education. In a regular term, the retention rate is as high as 98 per cent, a source at the Ministry of Advanced Education and Skills Development said. Those who do drop out tend to do so early in the term.

Hundreds of anxious students and their families turned to her group to seek advice on what to do, Ms. Scharbach said.

Because specific policies on how students can withdraw from a program vary across different colleges, there has been confusion over how to decide which route to take. At most schools, however, students have to apply to be readmitted. Colleges have warned students that they cannot guarantee a

spot will exist for them in the following term.

"We hope colleges will ensure students who withdrew are able to return to their program, no questions asked, the following year or semester," Ms. Scharbach said.

The province has encouraged colleges to prioritize admission for students who withdrew late this fall, said a source at the Ministry of Advanced Education and Skills Development (MAESD).

Nearly 25,700 full-time Ontario college students received tuition refunds, according to numbers released by MAESD on Tuesday. The percentage of part-time students who have withdrawn has not been made public.

Liberals hiding deficit, second watchdog says (TorSun)
Toronto Sun
Wed Dec 13 2017
Source: Toronto Sun
The financial credibility of Premier Kathleen Wynne's government has taken another huge hit with a second independent, non-partisan financial watchdog of the Ontario Legislature saying Liberal claims they've balanced the budget are inaccurate.

The Legislature's Financial Accountability Office Monday supported an earlier finding by Auditor General Bonnie Lysyk that the Liberals are using accounting tricks to hide their deficits from the public.

Contrary to claims by Wynne and Finance Minister Charles Sousa in his April 28 budget speech projecting balanced Ontario budgets for 2017, 2018 and 2019, the FAO reported the Liberals are running a deficit this year and predicted they will continue to do so under their current fiscal policies.

The FAO projects the deficit at $4 billion this year, $7.1 billion in 2018, $7.8 billion in 2019, $9 billion in 2020 and $9.8 billion in 2021.

It says these projections are based on weaker revenue growth and the Wynne government's rejection of "the Auditor General of Ontario's recommended accounting treatment for both the government's Fair Hydro Plan and the net pension assets of jointly-sponsored pension plans."

Defying the auditor general, the Wynne government hired what it called an expert panel, which endorsed its pension accounting.

It denied Lysyk's finding its financing of the Fair Hydro Plan to reduce electricity rates by 25% is an accounting trick.

Lysk said this will cost Ontarians $39.4 billion, including $4 billion extra in interest payments, because the Liberals are transferring the debt to Ontario Power Generation to keep it off the province's books.

FAO Chief Economist David West said Monday in releasing the FAO's report, which backed Lysyk that: "The government is out borrowing this money. This current year they're going to borrow $23 billion in the markets. That's going to rise to $45 billion in the coming years."

The FAO said the Fair Hydro Plan will add $3.2 billion to the deficit by 2021-22.

It added the Wynne government's rejection of Lysyk's recommended accounting measures means, "it is becoming more difficult for legislators and the public to assess the government's fiscal projections" which "has reduced the transparency and reliability of Ontario's fiscal plan."

In other words, the Liberals'budgeting can't be trusted.

Minimum wage boost allows everyone to share in success

Pay hike makes good sense

Toronto Sun

13 Dec 2017

KEVIN FLYNN Guest Columnist Flynn is Ontario’s minister of labour

Over the past two years, I have met with Ontarians from every walk of life and every area of this great province while we consulted on changes to Ontario’s labour laws.

Outside of PC leader

Patrick Brown and his caucus, I have yet to meet anyone so adamantly opposed to the needs of working Ontarians. Fifty-three economists, including two past presidents of the Canadian Economics Association, confirmed that the false Conservative assertion that the minimum wage raise will kill jobs, raise prices and cause businesses to flee Ontario is "fearmongering that is out of line with the latest economic research."

But it's not just about economics.

During my consultations, I met with many good people who simply can't get ahead. Their debt loads are piling up. Their wages are stagnating. They are living paycheque to paycheque. And this is happening at a time when Ontario's economy is growing faster than Canada's and all G7 nations. Our economy is booming — over 840,000 jobs created since the recession and our unemployment rate is the lowest it's been in almost 20 years.

Brown's Conservatives voted against a $15 minimum wage, against paid sick days, more vacation time and equal pay for full-time and parttime workers doing the same work. In doing so, he voted against both the economic evidence and the people who are relying on these changes. Worse, in his platform, he guaranteed his party would roll these changes back.

People who work 35 to 40 hours a week should be able to put food on their table, pay their rent and care for their children. If someone gets sick, they shouldn't have to go to work and get others sick. If someone works full time, they shouldn't be told they're a "contract worker." These are the minimum standards.

As a former small business owner, I know what it's like to pay myself last. But I also know that providing a basic level of fairness to all employees is a reasonable requirement. The Government of Ontario is doing everything in its power to make sure that all businesses, regardless of size, can thrive in Ontario.

But we're also going to make sure that every hard-working Ontarian shares in that success.

Wynne suit a stunt: Brown

ERNEST DOROSZUK/TORONTO SUN
Ontario's Opposition leader is brushing off a defamation lawsuit the premier has launched against him as a political stunt — increasing the likelihood the dispute will drag on through the June election.

Premier Kathleen Wynne sued Progressive Conservative Leader Patrick Brown this week for comments he made in September that her lawyers say wrongly characterized the premier as being on trial.

Wynne said Tuesday that she would drop the lawsuit if he simply said he was sorry.

"This whole situation could be resolved with a simple apology if Patrick Brown just apologized for what everyone has acknowledged was an untrue statement," she said. "But in the absence of that we are simply moving forward in order to be able to continue the process. I still remain hopeful that he will apologize and that will be the end of it."

That outcome seemed unlikely Tuesday, as Brown declined to apologize.

"The only person who should be apologizing is Kathleen Wynne for these stunts, these theatrics," Brown said. "I've made it very clear and abundantly clear that it was her closest adviser who was on trial in Sudbury."

The legal action stems from comments Brown made a day before Wynne testified as a witness at a trial in Sudbury involving two provincial Liberals — including Wynne's deputy chief of staff — facing Election Act bribery charges. The pair was ultimately acquitted.

Province warned hospitals are 'on the brink'

Crowding becoming a crisis as wait times get longer, hospital association says

Toronto Star

13 Dec 2017

THERESA BOYLE HEALTH REPORTER
Overcrowding at Ontario hospitals has become so serious that the sector is

“on the brink” of a “crisis,” warns its umbrella organization, using uncharacteristically alarming language.

Leaders from the Ontario Hospital Association (OHA) plan to go to Queen’s Park to plead their case for more funding on Thursday. They are seeking a 4.55-per-cent increase in operating funding for 2018-19, according to their pre-budget submission, an advanced copy of which has been obtained by the Star.

That amounts to an extra $815 million and would bring the sector’s total operating allocation for the next fiscal year to about $18.8 billion.

“The sector is heaving under enor- mous pressure right now,” OHA president Anthony Dale said. “Hospitals really need significant investment next year to maintain access to existing levels of services.”

The organization’s submission to the province’s finance committee is titled “A Sector on the Brink: The Case for a Significant Investment in Ontario’s Hospitals.” It says patient occupancy at about half of the province’s 143 hospital corporations exceeded 100 per cent this past summer, normally a slower time of year for the sector. Occupancy at some hospitals was as high as 140 per cent while the international standard for safe occupancy is 85 per cent.

Asection of the seven-page submission highlights the “warning signs of an imminent capacity crisis.” Among them: growing wait times, higher emergency department volumes, and infrastructure and equipment that is “run down, at the end of their life, or outdated.”

States the document: “Emergency departments, for example, are a critical barometer for how the health care system is functioning — and the warning alarm is sounding loudly.”

When wait times for the month of September are compared for the past seven years, they hit their highest level this year for patients admitted to hospitals through emergency departments. Ten per cent of patients waited about 32 hours before being moved to in-patient beds.

For most of the past decade, hospitals have willingly taken a back seat to other health-care sectors, such as home and community health care, at budget time. For many of these years, hospital budgets were essentially

flatlined. But hospitals can no longer absorb growing costs by finding new efficiencies, the OHA says.

Dale acknowledges the language in this year's submission is the strongest in a decade, underscoring the urgency of the funding squeeze.

"An increase of 4.55 per cent in hospital funding in 2018-19 will ensure that hospitals have the resources needed to avoid a significant capacity crisis in Ontario's health care system," it states.

In addition, the OHA is seeking $180 million in capital funding. The submission notes that hospitals are required by the province to make major upgrades to their pharmacies that will cost on average $1 million per hospital. Without the upgrades, smaller hospitals will have to stop providing chemotherapy treatments, forcing cancer patients to travel farther for their care, the submission warns.

A Star feature published earlier this year described how hospitals have become so full that they are housing patients in "unconventional spaces" such as lounges, staff classrooms and even storage rooms.

The provincial government has made a number of recent announce-- ments aimed at taking pressure off hospitals, including:

The opening of an extra 1,235 hospital beds over the flu season at a cost of $100 million.

An investment of $40 million in home care to prevent people from being admitted to a hospital in the first place and to care for those who have been discharged from a hospital.

The opening of 5,000 new longterm care beds over the next four years.

Dale said the announcements are welcome, but that hospitals will need bridging support until the long-term care and home-and-community care sectors are more fully built up.

Meantime, thousands of patients — most of them frail and elderly — are occupying hospital beds even though they no longer require hospital care. Their numbers have actually grown by 16 per cent over the past two years and now stand at almost 4,500.

Queen's Park green-lights cannabis legislation

Toronto Star
Published: **December 13th, 2017**

Byline : Robert Benzie and Rob Ferguson Toronto Star

The trillium is Ontario's official flower and marijuana could now be considered the province's official weed with the passage of the Cannabis Act.

Liberals and New Democrats voted 63-27 in favour of the legislation Tuesday with the Progressive Conservatives opposed as the province now begins work in earnest on how to split pot tax revenues with municipalities.

The new law gives Queen's Park a monopoly on recreational marijuana when the federal government's legalization takes effect July 1, 2018.

Weed will only be sold by the Ontario Cannabis Retail Corporation (OCRC), a subsidiary of the Liquor Control Board of Ontario.

Starting next summer, the OCRC will operate 40 stand-alone cannabis shops, increasing to 150 stores by 2020. Illegal dispensaries will be forced to close.

With Ottawa pledging to give provinces and territories 75 per cent of the estimated $450 million in annual pot tax revenue, Ontario will work on a share of its portion with municipalities for enforcement.

"We have to be mindful what costs are being borne," Finance Minister Charles Sousa told reporters, declining to specify how the 75 per cent will be split.

"Not all municipalities are being treated the same," Sousa added.

Toronto Mayor John Tory said the city will need funding to cover policing, social services and zoning enforcement.

“I will be looking to recover all of our costs once we calculate them,” he told reporters.

“I’m happy with the arrangement. The provinces and municipalities will have many more costs than the federal government,” Kathleen Wynne said at a confederation conference in Toronto.

With files from David Rider

Ontario probes alleged money laundering in B.C. casino

The Globe and Mail
Published: December 13th, 2017

Byline : KAREN HOWLETT

Ontario’s gambling regulator is probing allegations of money laundering at the British Columbia flagship operation of the company awarded a lucrative contract to run casinos in the Greater Toronto Area.

The Alcohol and Gaming Commission of Ontario (AGCO) says it has contacted law enforcement agencies in British Columbia, including the RCMP, and B.C.‘s gambling regulator.

Officials at the AGCO, including officers with its Ontario Provincial Police bureau, launched the regulatory review as a result of information in reports done for the B.C. government about the operations of Great Canadian Gaming Corp.‘s River Rock Casino in Richmond, B.C., spokesman Ray Kahnert said in an e-mail to The Globe and Mail. “That review is ongoing.”

The AGCO regulates the province’s alcohol, horse racing and gambling sectors. Mr. Kahnert said the regulator routinely undertakes reviews “to determine whether reports about [a company’s] activities have any factual support.”

Terrance Doyle, chief operating officer at Great Canadian, said in an e-mail to The Globe on Tuesday that the company “has a culture of integrity and transparency founded on our strict compliance with the regulations in

all jurisdictions where we do business, including Ontario."

The company engages regularly with Ontario's gambling regulator as well as the Ontario Lottery and Gaming Corp. (OLG), which operates the province's gambling operations, as part of its operations in the province, Mr. Doyle said.

"To be clear, to our knowledge our company is not under investigation in any jurisdiction," he said. "With respect to reports in BC, our employees followed all procedures required of them by BCLC [BC Lottery Corporation] and we do not believe our company's actions would give cause to initiate any investigation."

The allegations that large volumes of suspicious cash are swirling around casinos in B.C.'s Lower Mainland have cast a cloud over the modernization of Ontario's gambling agency, which is in the process of awarding contracts to the private sector to build more casinos. The contracts, which the OLG calls "gaming bundles," cover specific regions of the province. Great Canadian, which is based in Coquitlam, B.C., has ambitions to further expand its operations in Ontario.

The OLG said last year that it plans to announce the winning bidder for the West GTA bundle in the fall of 2017. It includes a casino in Brantford, slots at Flamboro Downs and Grand River Raceway, and Mohawk Racetrack.

Great Canadian has disclosed that it is on the short-list of bidders. Industry sources said the company is the leading contender for the West GTA contract.

"We submitted a bid in July 2017 and are awaiting the outcome of the OLG's process," Mr. Doyle said.

Tony Bitonti, a spokesman for the OLG, declined to comment beyond saying, "I can confirm we are in the final stages of selecting the service provider for the West GTA gaming bundle."

The sources said the OLG could make an announcement on the West GTA bundle as early as this week. But since B.C. Attorney-General David Eby

launched a separate probe into suspicious cash transactions in casinos in the Lower Mainland, the sources said they are perplexed as to how the OLG can move ahead until the B.C. probe is completed.

As well, one of the sources said, the regulatory review in Ontario is by no means a routine, minor undertaking.

The B.C. investigation has prompted opposition members in Ontario to call on the government to put the modernization on hold.

Concerns about money laundering in British Columbia were sparked by a report from the province's Gaming Policy and Enforcement Branch that $13.5million in $20 bills was accepted at Great Canadian's River Rock Casino in July, 2015. The department discovered that money from unknown persons that could not be traced was dropped off for patrons at the casino or just outside casino property at odd times, generally late at night.

An independent expert retained by B.C.'s Attorney-General confirmed last week that casinos in the Lower Mainland are conduits for large, suspicious cash transactions. But the scale of the problem and where the money is coming from are still under investigation.

The report that triggered the probes in the two provinces was completed in July, 2016, and delivered to the former Liberal government in British Columbia that same month. But the report was not publicly released until September of 2017 - more than six weeks after Ontario's lottery agency announced that Great Canadian and Brookfield Business Partners LP were chosen to operate three casinos in the GTA. Mr. Doyle told The Globe the company had no knowledge of the conclusions of the report until it was publicly disclosed.

The deal in the GTA would allow the partners to redevelop three sites, including Woodbine Racetrack, and give them an effective monopoly on gambling in the region for at least the next 22 years. All are subject to municipal approval.

Progressive Conservative finance critic Victor Fedeli demanded in October that the Ontario government put its deal with Great Canadian on

hold while the investigation into alleged money laundering continues in British Columbia. On Monday, New Democrat finance critic John Vanthof said the government must stop the modernization of the OLG immediately.

Great Canadian is also evaluating whether to bid on the Niagara gaming bundle. As well as British Columbia and Ontario, the company operates gambling, entertainment and hospitality facilities in New Brunswick, Nova Scotia and Washington State. It owns five properties in Ontario, including casinos in Gananoque and Belleville, and slots at Kawartha Downs. The River Rock Casino in B.C. is its largest operation, accounting for 31 per cent of consolidated revenues in 2016.