Understanding the Ford Government and It’s Priorities for the Green Economy

NEW ONTARIO GOVERNMENT, NEW STRATEGIC DIRECTION FOR GREEN BUILDINGS

September 26, 2018
Presentation Overview

- Election 2018 Summary
- Philosophy of the Ford Government
- The Ford Government’s Agenda
- Green Energy and Climate Change Priorities
- The Ford Agenda and Stakeholder Realities
Election 2018 Summary
Election 2018 Results

PCs had big wins in the GTA and performed well in Eastern and Southwestern Ontario
- Support from base
- The right type of change
- Strong team in contrast to the NDP
- Strong GOTV effort

Progressive vote, but support wasn’t broad or “hard” enough

Desire for change and need to rebuild

New voice in Guelph

https://newsinteractives.cbc.ca/onvotes/results/
# Seats Won

<table>
<thead>
<tr>
<th>Party</th>
<th>Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC</td>
<td>76</td>
</tr>
<tr>
<td>NDP</td>
<td>40</td>
</tr>
<tr>
<td>Liberal</td>
<td>7</td>
</tr>
<tr>
<td>Green</td>
<td>1</td>
</tr>
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![Bar chart showing seats won by each party](chart.png)
### Popular Vote Results (Percentage)

<table>
<thead>
<tr>
<th>Party</th>
<th>Popular Vote</th>
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<tbody>
<tr>
<td>ONTARIO PC</td>
<td>40.5%</td>
</tr>
<tr>
<td>NDP</td>
<td>33.6%</td>
</tr>
<tr>
<td>Liberal</td>
<td>19.6%</td>
</tr>
<tr>
<td>Green</td>
<td>4.6%</td>
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The Philosophy of the Ford Government
Philosophy of the Ford Government

• With a strong majority government, Premier Ford and his cabinet are empowered to implement their “For the People” agenda
• The government will continue to move quickly to take action on their largest campaign commitments
• Expect to hear the phrase “promise made, promise kept” a lot from Team Ford
• “Standing up for the little guy,” this isn’t simply a campaign slogan – it’s a guiding philosophy
• Stakeholders should expect to see similar messages carried down through the various ministries by their new Ministers, and Ministers will also be empowered to do deep dives on spending with a focus on expenditure restraint.
Philosophy of the Ford Government

• Ford’s “Ontario Is Open For Business” slogan is a philosophy and policy that will permeate everything the government does
  o Policies and programs will be assessed on this basis – “will this help or hurt our economy?”
• This will also be a government with fewer priorities but one that intends on ensuring they are fully implemented
• Furthermore, Ford and his team relish the opportunity to contrast their style with the Trudeau Liberals in Ottawa
• This, of course, sets up a very interesting scenario for a federal election just over a year away in 2019
The Ford Government’s Agenda
Controlling the Agenda

• Unlike the previous provincial government (and the current federal government which took the practice from the Ontario Liberals), ministerial mandate letters will not be made public
  
  o Similarly, we don’t expect the Premier’s daily schedule to be released like the previous government

• This should be seen through the lens of the centre controlling their own agenda, rather than letting outside interests or the media take control
The Ford Government’s Five Priorities

• **PUT MORE MONEY IN YOUR POCKET**
  - Scrap the carbon tax, reduce gas prices by 10 cents/litre, and provide tax relief to lower and middle class families.

• **CLEAN UP THE HYDRO MESS**
  - Fire the “$6 million man” running Hydro One and, lower hydro bills by 12 per cent.

• **CREATE GOOD JOBS**
  - Send the message that Ontario is “Open for Business,” and bring quality jobs back to the province by lowering taxes, stabilizing hydro bills, and cutting job-killing red tape.

• **RESTORE ACCOUNTABILITY AND TRUST**
  - Order a line-by-line audit of government spending to bring an end to the culture of waste and mismanagement in government.

• **CUT HOSPITAL WAIT TIMES**
  - End hallway health care by creating 15,000 new long-term care beds over the next 5 years, and adding $3.8 billion in new support for mental health
Calendar of Key Events

**Swearing-in of Cabinet and Appointment of PAs**
- **Completed**
- Post June 29th and ahead of any summer session, Cabinet Ministers and PAs will be busy being briefed, hiring staff and learning their files.
- MPPs will be also opening offices and hiring staff.

**Summer Session**
- **Completed**
- Short session beginning on July 12th highlighted by Speech From the Throne and progress on key legislative priorities.

**Late Summer/Early Fall Break**
- **In Progress**
- Legislature to break after a summer session.
- Ministers will be required to delve deeper into expenditure review as well as their files.
- Good opportunity to build key relationships with Ministers and their staff.

**Fall Session/Fall Economic Statement**
- Focused on legislative priorities requiring greater detail.
- Likely to start on September 24th.
- FES (early Nov.) will likely focus on stabilizing spending and outlining the government’s preferred fiscal priorities.

**Adjournment for Christmas**
- The PCs will seek to make tangible progress on key files before rising for the break. If they are successful, they could rise as early as (the currently scheduled end of session) December 13th.
Green Energy and Climate Change Priorities
Ford Agenda: Green Energy

• One of the first actions of the new government was to cancel, or wind down, 758 renewable energy contracts
• While this announcement was largely perceived as fulfilling a key campaign promise, the government will continue to explore “low hanging fruit” to further reduce rates
  • This could include reviewing contracts for breaches of contract, as well as looking to renegotiate contracts where feasible
• Future decisions regarding renewables will consider the risk of costly legal challenges and potential impact on business confidence
• The government has introduced legislation to repeal the *Green Energy and Economy Act*
**Ford Agenda: Green Energy**

- It is perceived that the government feels they have largely fulfilled their promise to cancel renewable energy contracts, and will now move on to other energy-related commitments.

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Fulfillment Level*</th>
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<tbody>
<tr>
<td>Declare a moratorium on new energy contracts</td>
<td>100%</td>
</tr>
<tr>
<td>Cancel sustainable energy contracts that are in pre-construction phase and renegotiate other energy contracts</td>
<td>75%</td>
</tr>
<tr>
<td>Cancel the Green Energy Act</td>
<td>75%</td>
</tr>
<tr>
<td>Cut hydro rates by 12%</td>
<td>5%</td>
</tr>
<tr>
<td>Fire the CEO and the entire board of Hydro One</td>
<td>100%</td>
</tr>
<tr>
<td>Eliminate inflated salaries at Ontario Power Generation and Hydro One</td>
<td>50%</td>
</tr>
<tr>
<td>Stabilize industrial hydro rates through a package of aggressive reforms</td>
<td>1%</td>
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Ford Agenda: Climate Change

- Government has repealed Cap and Trade and is appealing the constitutionality of the carbon tax
- Later this fall, Ontario will be consulting on specific areas of focus that will help it tackle and be more resilient to climate change and release its plan on how it will address this serious challenge
- The Ford government will look to the private sector for ways to reduce emissions, improve energy efficiency and deliver cost savings for consumers
- Minister Phillip’s has re-affirmed the Ontario PC platform included a commitment to “set up an emissions-reduction fund to invest in new technologies to reduce emissions in Ontario”
  - What this fund will look like and its focus areas will be a key consideration as the government looks to develop its plan

“As Ontario’s new government we are committed to striking the right balance -- to be earnest stewards of the environment, while not targeting families with a regressive tax and not incurring unsustainable deficits.”

— Hon. Rod Phillips, Minister of the Environment, Conservation, and Parks
## Ford Agenda: Climate Change

<table>
<thead>
<tr>
<th>Area of Focus</th>
<th>Questions for the Sector</th>
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<tbody>
<tr>
<td>General</td>
<td>• What opportunities exist for new and emerging technologies to accelerate greenhouse gas reductions and move us more quickly towards a carbon free economy?</td>
</tr>
</tbody>
</table>
| Emissions Reduction Fund    | • How should this fund operate?  
• What should it be focused on?  
• How can we ensure we fund the most cost-effective solutions, and how can we leverage private capital and unleash the creativity in the private sector?                                                                                                                                                   |
| Resilience                  | • So, how do we prepare for this?  
• What is the role of the province?  
• What is the role of our municipalities, and how do we ensure our communities and infrastructure is built with this in mind?                                                                                                                                                                                                 |
The Ford Agenda and Stakeholder Realities
The Ford Government’s Approach to Stakeholders

• The question stakeholders will have to answer is, when Doug Ford says he is “for the people”, which “people” does he mean?

• There will be competing interests that stakeholders will have to interpret as to which “people’s” agenda will take priority

• As the government moves aggressively ahead with their agenda, this adversarial approach has sometimes led to conflicts with stakeholders
  o The government has faced multiple lawsuits, and the government recently invoked the notwithstanding clause in order to reduce Toronto city council

• This administration will have limited tolerance for stakeholders who do not “play nice” with the government
  o While some stakeholders found it effective to publicly oppose the former government, to date this approach has not been successful with the Ford government
“The party with the taxpayers’ money is over”

When it comes to working with the Ford government, anything requiring provincial funding will be looked at through a lens of doing more, or the same amount, for less public money. Less work for less public money (i.e. program reductions or eliminations, outsourcing) will also be acceptable in the search for efficiencies.

The government has retained auditors to conduct a line-by-line audit of government spending. Non-essential and elective program spending has been suspended while that takes place.

While the results of the line-by-line audit are expected to be released after September 21st, the government will continue to seek out efficiencies in government services and programs for the duration of their mandate.
Fiscal realities for stakeholders

• Less work for less public money (i.e., program reductions or eliminations) will also be acceptable in the search for efficiencies.

• Those proposing the status quo will have to tread carefully.

• Language around “investment” is simply not a tenable position.
Working with the Ford Government

• At the political level, stakeholders will need to:
  
  o Be extremely **focused** in their approach to the government
  
  o Be circumspect and **prioritize** any financial asks
  
  o Demonstrate that the work they are doing **fits** within the Ford mantras of “efficiencies, reducing red tape, and helping the ‘little guy’” and/or “Ontario is open for business”
  
  o Establish their **raison d’etre** within a **framework** of making life more affordable for people and creating new economic opportunities

• Any asks of government that do not fit within their priorities will start with an answer of “no”

• All stakeholders dealing with the provincial government will need to analyze, prioritize and strategically position their needs and asks of government.
Questions or More Information Required?

• We would be pleased to provide a more in-depth briefing or analysis of opportunities in dealing with the new government.

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