

### What's Inside

Financial Accountability Office Review of Ontario's Economic Performance in 2024

StatsCan Report Finds Inflation Rate Declines in July

Todd Smith Unexpectedly Resigns

Minister Smith's Resignation Causes Cabinet Shuffle

Fall Election Not Likely Now – Spring Election Possible

PCs Will Not Extend the Per Vote Subsidy

Does Ontario Need a Ministry of Homelessness?

## FINANCIAL ACCOUNTABILITY OFFICE REVIEW OF ONTARIO'S ECONOMIC PERFORMANCE IN 2024

The Financial Accountability Office (FAO) published its "Ontario Economic Monitor: January to June 2024" on August 14th. Here is the summary copied from that report:

- This report describes Ontario's recent economic performance based on the latest economic indicators.
- In the first quarter of 2024, Ontario's real Gross Domestic Product (GDP), the broadest measure of economic activity, increased 0.7% with widespread gains across most spending categories. The solid rise in real GDP followed several quarters of weak growth.
- The latest economic indicators suggest mixed results for Ontario's economy in the second quarter of 2024, with gains in employment and

wholesale trade, but weakness in retail sales, housing market activity, manufacturing sales and net exports.

- The solid growth in the first quarter of 2024, combined with the mixed results in the second quarter, suggest that there is modest upside risk to the FAO's latest forecast for real GDP growth of 1.1% in 2024.[1] Recent economic developments are broadly consistent with the FAO's outlook for nominal GDP growth of 4.3% in 2024.

For the FAO's full assessment of the province's economic performance in the first half of 2024, click on the following link: [Ontario Economic Monitor: January to June 2024 \(fao-on.org\)](https://www.fao.on.org/monitor/2024-06)

## STATSCAN REPORT FINDS INFLATION RATE DECLINES IN JULY

Here are the highlights copied from Statistics Canada's "Consumer Price Index, July 2024" report which was released on August 20, 2024:

- The Consumer Price Index (CPI) rose 2.5% on a year-over-year basis in July, increasing at the slowest pace since March 2021 and down from a 2.7% gain in June 2024. Deceleration in headline inflation was broad-based, stemming from lower prices for travel tours, passenger vehicles and electricity.
- On a monthly basis, the CPI rose 0.4% in July, after falling 0.1% in June. Gasoline prices increased month over month in July (+2.4%), putting upward pressure on the

monthly CPI figure. On a seasonally adjusted monthly basis, the CPI rose 0.3% in July.

- Lower prices for travel-related services compared with a year ago
- Prices for passenger vehicles continue to decline
- Gasoline prices rise at a faster pace
- Slower year-over-year growth in shelter prices

For the full details, click on the following link: <https://www150.statcan.gc.ca/n1/daily-quotidien/240820/dq240820a-eng.htm?indid=3665-1&indgeo=0>

## TODD SMITH UNEXPECTEDLY RESIGNS

Only two months after he was shifted out of the ministry that he loved, Energy, to the one ministry that he probably didn't want, Education, (his wife is an educator), Todd Smith unexpectedly tendered his immediate resignation as Minister of Education and MPP for the electoral district of Bay of Quinte on August 16th.

- Smith hails from New Brunswick, moved to Belleville to attend Loyalist College and stayed in that eastern Ontario city working in radio for 16 years
- He was first elected in the Ontario general election held in October 2011 defeating the 12-year Liberal incumbent who had been minister of education prior to that election; he served actively on the Opposition benches
- He was re-elected in 2014, again serving actively in Opposition
- Re-elected again in 2018 in the PC sweep.
- He has served as Government House Leader, Minister of Government and Consumer Services, Minister of Economic Development Job Creation and Trade, Minister of Children, Community and Social Services, Minister of Energy and Minister of Education

- Surprised/not surprised at Smith's resignation – early in his political career he once said privately that he didn't intend to be a career politician
- In a radio interview following his resignation Smith said he had been thinking about leaving politics since late last year
- Ontario's MPPs don't have a pension plan so like his former colleague Monte McNaughton he may have left politics to look after his family and prepare for retirement
- After being named Minister of Education, we've been told Smith took no orientation briefings
- He's expected to land a position in the energy sector which he knows well

Premier Ford was gracious in his remarks about his friend Smitty and about Smith's accomplishments serving the people of the Bay of Quinte and Ontario

The people in the Bay of Quinte riding will go to the polls on September 19th to select their new MPP.

Todd was a good friend and supporter of COCA and we wish him and his family the very best in whatever the next chapter brings.

## MINISTER SMITH'S RESIGNATION CAUSES CABINET SHUFFLE

Todd Smith's surprising resignation as Minister of Education and MPP for Bay of Quinte forced Premier Ford to shuffle the chairs around the cabinet table and add a record 37th minister. Here are the changes:

- Jill Dunlop moved from Colleges and Universities to fill the vacancy created by Smith's resignation at Education
- Nolan Quinn was promoted from Associate Minister of Forestry to succeed Dunlop at

Colleges and Universities

- Kevin Holland was moved from the back benches into cabinet as the new Associate Minister of Forestry replacing Quinn
- Graham McGregor is another rookie to cabinet taking the new role of Minister for Auto Theft and Bail Reform under the aegis of the Solicitor General

## FALL ELECTION NOT LIKELY NOW – SPRING ELECTION POSSIBLE

---

A fall election seems unlikely now. Here's why:

- When asked recently by the media if there would be a fall election, Premier Ford said “no”
- The byelection in the electoral district of Bay of Quinte was called only days after the resignation of Todd Smith. It's scheduled for September 19th. Had a fall election been in the plans, no byelection would have been called and the seat would have remained vacant until the fall general election.

A spring election is possible, maybe even likely. Here's why:

- According to the polls at the federal level, Pierre Poilievre and the Conservative Party of Canada are very likely to form the government after the next federal election which is scheduled for October 2025. It's rare that the Ontario provincial government is of the same stripe as the federal government. For example, we currently have a PC provincial government and a Liberal (with support from the NDP) federal government. So, the Doug Ford Tories would like to call the provincial election before the next federal election when Poilievre and the CPC are predicted to form the federal government
- Premier Ford and the Tories would like to seek re-election before the RCMP's investigation into the Greenbelt scandal is completed. The investigation's findings could be embarrassing for them
- It was reported that Todd Smith in a media interview said that he believes a spring election is likely

Parties have already begun nominating candidates.

---

## PCS WILL NOT EXTEND THE PER VOTE SUBSIDY

---

As a result of campaign finance reform legislation put in place by the former Kathleen Wynne Liberal government (Bill 254 in 2017), only individuals are allowed to make contributions to political parties, riding associations and candidates. Unions and corporations are not allowed under the law to contribute. To make up for the funding that was lost by the outlawing of union and corporate contributions, the parties were given a per vote subsidy paid out of the government coffers.

The PCs get \$4.8 million, the NDP and Libs about \$2.8 million and the Greens a little over \$710,000.

Despite promising to eliminate the per vote subsidy, because of the pressures of the pandemic, Doug Ford extended it in 2021 for the general election in 2022. However, there will not be another extension for the subsidy, and it will end on December 31, 2024.

Some believe the elimination of the per vote subsidy favours the Tories because of their superior fundraising machine.

Some believe the per vote subsidy is a more democratic way to finance elections, out of the public purse rather than through individual contributions where the party that proposes policies that favour the wealthy have an advantage.

You can expect more aggressive political fundraising in the years to come.

## DOES ONTARIO NEED A MINISTRY OF HOMELESSNESS?

In a TVO today article published on August 22nd, Matt Gurney discusses the pros and cons of a Ministry of Homelessness in the Ontario Government. Certainly, homelessness is one of the major challenges facing our society and our governments. It's estimated that there are almost 250,000 Ontarians who are homeless, most of whom are living in encampments. Homelessness is visible across the province and the problem seems to be getting worse. So why not a Ministry of Homelessness:

### Cons:

- Leaner governments with fewer ministries and greater accountability work best. The Ford government is already over-sized and bloated with a record 37 ministers/ministries each with specific challenges to address. If more ministers and ministries was the solution, all our other problems would be getting better instead of worse
- Homelessness is a complex issue and multi-causal with many overlapping causes but in general it is driven by the high cost of housing and untreated mental health and/or substance abuse issues. There are already multiple ministries charged with addressing some of the causes including the Ministries of Health, Mental Health and Addictions, Housing, Solicitor General (public safety) and Attorney General (justice) but homelessness is an expanding reality

### Pros:

- The issue of homelessness is visible and getting worse across the province and something has to be done
- A Minister and Ministry of Homelessness with the specific challenge of addressing the issue, developing and implementing a strategy specifically addressing homelessness is needed
- Gurney is open to listening to a compelling case for such a Ministry but so far is unconvinced.

For the article, click on: [Does Ontario really need a homelessness minister? | TVO Today](#)



**RESOLVE DISPUTES FASTER!**  
Payment delays and disputes can cost your business a LOT of time and money.  
Ontario has added Prompt payment and Adjudication to the Construction Act.