

Unsettled waters ahead for McGuinty

Successful use of skill, timing, good fortune may be at end

BY LEE GREENBERG, THE OTTAWA CITIZEN SEPTEMBER 14, 2009

After cruising to successive, historic majorities, Liberal Premier Dalton McGuinty returns to the legislature today with his back against the ropes, fighting off successive scandals while implementing an unpopular new tax regime.

The situation is a unique one for McGuinty, a 54-year-old Ottawa native, who, since breaking a key election promise by raising taxes in 2004, has cruised through the last five years at Ontario's helm without any major glitches.

His success along the way has involved a combination of political skill, timing and good fortune.

All that may have changed, however.

Only days before the legislature at Queen's Park rose in June, details about suspicious single-sourced contracts at eHealth Ontario surfaced. The revelations resulted in the firing of the agency's CEO, Sarah Kramer, and led to a raft of embarrassing stories for the Liberals.

More recently, the McGuinty government was forced to defend claims of lax spending controls at the scandal-plagued provincial gaming agency OLG. They responded by firing the agency's CEO and replacing the entire board of directors.

More revelations about suspect procurement practices and lax spending controls are expected in the coming months, as opposition parties attempt to portray the Liberals as bad managers of the public purse.

At the same time, the McGuinty Liberals risk losing some of their strongest performers.

Deputy Premier George Smitherman is contemplating a run for Toronto's mayoralty and could soon bid adieu to Queen's Park. Municipal Affairs Minister Jim Watson is rumoured to be mulling a similar run in Ottawa.

(Skilled political pitchman Michael Bryant -- who now faces criminal charges stemming from a fatal incident involving a Toronto cyclist -- left his cabinet post in May.)

"I think they're more vulnerable than they've ever been in the past," says political science professor David Docherty, who teaches at Wilfrid Laurier University in Waterloo. "EHealth and OLG have given the opposition a target they've never had before. They're also going to have some tough budgetary decisions to make. And at some point in time they're going to try to balance the books."

Pollster Greg Lyle, who tracks the government's popularity in a monthly private poll, says the Liberals have so far had luck on their side. Although the recent spate of scandals has been the worst they've encountered in six years, it has come during the summer, when voters are tuned out.

He says Liberal approval ratings have yet to take a hit.

However, he adds: "If the spotlight can go on and stay on the issues during the session, that's potentially very damaging for the government."

Meanwhile, the government's efforts to harmonize the provincial sales tax with the federal GST could be hugely unpopular, says Lyle.

The change will increase costs to a range of goods and services currently exempt from PST, like haircuts, newspaper subscriptions and utility bills. The new Harmonized Sales Tax (HST) comes into effect next summer.

"HST takes money out of your pocket," says Lyle. "In 10 months, you're going to see that every time you go to buy something."

Predictably, both New Democratic leader Andrea Horwath and newly-minted Conservative leader Tim Hudak are attempting to cash in on the government's vulnerability.

Horwath called the McGuinty regime "arrogant" Friday, while Hudak said the Liberals have become "far too fat and comfortable after six years in office."

Both pledged to oppose the implementation of the HST, despite the government's claim it will ultimately result in lower-cost goods as businesses pass on savings to consumers.

"This kind of massive tax grab is never a good idea and this is the worst possible time for an unaffordable tax hike on the items we need and use everyday," said Hudak.

To counteract the negative attention, the McGuinty-led Liberals will try to push a positive agenda. The government's Green Energy Act, bold legislation that has garnered praise from environmental groups, will take form through regulations to be announced during the session.

The government will outline its plan to create 50,000 new green jobs through that legislation. The Liberals will also roll out plans to implement full-day learning for four and five year olds.

Finance Minister Dwight Duncan will introduce reforms to pension legislation. And Peter Fonseca, Minister of Labour, will also introduce legislation governing foreign-born caregivers.

"Whether it's health reform or education reform or something on the environment, they need to change the channel," said Greg Lyle, "and move on to another issue."