

FW: PER statement - for urgent final approval

From: "Scott, Adrienne (CAB)" <adrienne.scott@ontario.ca>
To: "Betzner, Lynn (CAB)" <lynn.betzner@ontario.ca>
Date: Wed, 25 Apr 2018 10:21:43 -0400

Looks much better to me - do you need me to send anywhere or are you sending to MJ?

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From: Heitshu, Tania (CAB) <Tania.Heitshu2@ontario.ca>
Date: Wednesday, Apr 25, 2018, 10:14 AM
To: Betzner, Lynn (CAB) <Lynn.Betzner@ontario.ca>
Cc: Scott, Adrienne (CAB) <Adrienne.Scott@ontario.ca>, Farrow, Alicia (CAB) <Alicia.Farrow@ontario.ca>
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Includes CO edits to paragraph 3 to remove "majority" language:

We thank the Auditor General for her response to the Pre-Election Report. The Treasury Board Secretariat and Ministry of Finance work closely with the Auditor General of Ontario on a wide variety of issues on a regular basis, and her oversight and insight is welcomed both during our regular interactions and during the release of special reports, including this one.

Our government introduced the Fiscal Transparency and Accountability Act in 2004, which sets out the principles governing fiscal planning and public reporting requirements in Ontario. The Act is reflective of our commitment to openness and transparency. Through the Pre-Election Report and the Office of the Auditor General's (OAG's) analysis, Ontarians are given the information they need to make an informed decision ahead of a provincial election.

The 2018 Pre-Election Report on Ontario's Finances presented the fiscal plan for 2018–19 to 2020–21 fiscal years. The Auditor General concluded overall that "the Pre-Election Report provides a reasonable and somewhat cautious underpinning for the medium-term fiscal forecasts."

We know Ontario's economy has grown steadily in recent years, but we know that more must be done to encourage increased growth and create more jobs in an uncertain global economy. As we move forward, we must also ensure that the benefits from this growth are equally shared. The government has made a deliberate decision to invest in people – in high quality childcare, homecare, support for seniors and pharmacare, with OHIP+, for children, youth and seniors.

The Auditor General mentions two specific topics that represent ongoing conversations and technical accounting disputes between government and her office, and these two disputes have in turn led to a difference of opinion regarding deficit numbers.

The first item of dispute is the accounting treatment for a portion of the Fair Hydro Plan. We continue to believe that the government's accounting for the Fair Hydro Plan is appropriate, and specifically the use of rate-regulated accounting to account for the component of the plan recoverable from the ratepayers, is supported by United States Generally Accepted Accounting Principles, as Public Sector Accounting Standards are silent on this issue. The second issue is the accounting for the net pension assets of the Province's two jointly sponsored pension plans, which is supported by an expert panel of accountants, actuaries and lawyers. The government's opinion on these two matters has not changed.