

Independent Fiscal Review

Issue

The government could consider an independent review of Ontario's fiscal position.

Purpose/Scope of Independent Review

An independent review could be broad reaching or could focus on a specific element of Ontario's fiscal position.

➤ Review of existing fiscal plan assumptions and reporting:

- Review underlying assumptions of the Ministry of Finance's revenue outlook, and expense plans for key ministries/sectors or spending areas
 - Could include a review fiscal planning processes (e.g. Budget)
- Could include review of legislative framework for fiscal planning, reporting, and budgeting requirements (e.g. Fiscal Transparency and Accountability Act, Financial Administration Act, etc)
- Could potentially include the development of an alternative baseline scenario(s) from which to base future fiscal planning/budgeting

*Similar to Ontario's
2003 Erik Peters
Review*

➤ Review of long-term fiscal sustainability:

- Assess the fiscal implications of future demographic and economic changes in Ontario, and fiscal impact of government mandate/agenda
- Could include the review of debt levels, development of alternative long-term fiscal scenarios and recommendations about policy levers or legislative changes to maintain fiscal sustainability

*Similar to Ontario's
2013 Commission on
the Reform of
Ontario's Public
Services (CROPS)*

➤ Review of Ontario's capital plan:

- Assess the viability of existing capital plan to meet the infrastructure/ economic needs of the Province
- Could potentially include the development of a new capital plan, and advice on financing the plan

*Alberta
commissioned a
capital plan review in
June 2015*

➤ Review of Agencies and/or consolidated entities:

- Assess financial accountability, governance and reporting of agencies/entities
- Could include recommendations about changes to information gathering and reporting, fiscal planning, and performance monitoring

*BC commissioned a
review of specific
Crown corps and
schools, universities,
colleges and
hospitals in 2017*

➤ Assess opportunities for transformation of services:

- Government-wide or sector specific review of opportunities to improve efficiency and effectiveness of programs and services
- Could include estimates for potential savings from transformation, as well as framework for ongoing review and performance management

*Manitoba
commissioned a
review to identify
areas for efficiency/
cost savings in 2016
also similar to*

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Recent Independent Reviews/Reports

- *Fiscal Outlook:* The FAO produces semi-annual assessments of Ontario's economic and fiscal outlook, and in 2017 produced a long-term budget outlook.
 - The FAO also produces reports assessing the fiscal impact of key government programs/initiatives, for example: Cap and Trade, Fair Hydro Plan, Sale of Hydro One.
- *Fiscal Sustainability:* The Parliamentary Budgetary Officer (PBO) released a report in October 2017 on the sustainability of the federal government compared to subnational government finances over the long-term. Similarly in November 2017, the Institute for Fiscal Studies and Democracy (IFSD) produced a report on the impact of different demographic projections and economic forecasts specifically on the Finances of the Government of Ontario and Canada.
- *Revenue:* In 2014, the Ministry of Finance had Don Drummond review the revenue forecast. Economic experts also review the economic assumptions upon which the revenue forecast is built.

Potential Panel Members

- Craig Alexander, Conference Board of Canada
- Don Drummond, Fellow at Queen's University, former TD Bank Chief Economist
- Mike Horgan, Bennett Jones and former Finance Canada Deputy Minister
- Kevin Page, IFSD and former Parliamentary Budget Officer
- Bill Robson, C.D. Howe Institute
- Sean Speer, Munk Senior Fellow for Fiscal Policy at Macdonald-Laurier Institute
- The review could also consider former provincial or federal Finance Ministers (e.g., Janet Ecker, Dwight Duncan, Joe Oliver, John Manley).