Summary of AG's Avail

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Please see below a summary of the press conference from Auditor General Bonnie Lysyk regarding the government's pension asset advisory panel report.

Media in Attendance

- * CBC – Mike Crawley
- * Toronto Star – Robert Benzie, Martin Regg-Cohn
- * CTV – Paul Bliss
- * CP
- * QP Briefing – Sabrina Nanji
- * others

Summary

- Auditor General Bonnie Lsysk presenting
- The provincial government can choose to use the pension surplus as a provincial asset.
- But, what is needed as a letter that shows both the government and Ontario Teachers Federation agree on how this pension surplus of $10B will be used.
- Main point: the Ontario Teachers Federation needs to agree that the province can use the pension surplus and how that surplus will be used.
- The risk of booking the money on financial statement before it is used is it will create a deficit to other partner if the money is decided to used differently than currently expected – like reducing or adding to contributions to the pension.
- If the Ontario Teachers Federation provides a letter acknowledging how this money is to used, then the Auditor will provide a clean opinion for the Pre-Election Report.
- If no letter is provided and this matter is not clarified, she will provided a qualified opinion.

Questions from Media

Q. **Why did you sign off on this last year?**
A. For the first time in the Fall Economic Statement 2016 (p. 284) the government is showing increase in this fund and disclosure on their financial statement.

Q. **You don't agree with Trisha O'Maley?**
A. You need an agreement between the Teachers and government first. The money could be used to increase teachers benefit, contribution holiday, or to use on the government's financial statement. But, it must be clear how this money is being used and by whom and that both parties have signed off on it.

Q. **In previous budgets, the government would contribute $300M to $500M to the Teachers Pension Fund.**

A. The government has minimum contributions that must be made. The government has been doing that even today.

Q. **The increased pension plan contributions during the recession. Are you implying the government could raid the Teacher's Pension Fund?**
A. I am not the person to made that decision or comment on that. It is up to the government and the Teacher's Pension Fund to decide how that money is used?

Q. **Do you think the government could raid the fund?**
A. I will not comment on that.

Q. **Is the government raiding or booking?**
A. We don't know if the money is to be used to reduce contributions, add to the fund, or how the pension asset will be used.

Q. **How could the government could raid the pension fund?**
A. I won't comment on that. That is not my job.

Q. **How could they raid the pension fund?**
A. I will not comment. This is not my area.

Q. **Why didn't previous Auditor General identify this?**
A. You have to look at the trend. You need to look at the materiality and how the reader will understand it. How can they show a revenue on the Teachers Pension Plan? We looked deeper and and had an a-ha moment. This was the first time as a trend upwards of the pension asset and revenue. Increase of $2B, $3B, and upto $10B.

Q. **For the first time in FES 2016 (page 284) the government listed it as revenue for the first time. All you need is the Teachers permission to use the money that way.**
A. Yes, that is all we need is a letter from the Teachers agreeing to use the money to book revenue.

Q. **They cannot unilaterally access the revenue without the Teachers permission?**
A. Yes. This is not my issue. It is between the Teachers Federation and government. All they need is the Teachers to agree to it.

Q. **What happens if you don't get the letter?**
A. Our position is the same. We would not give the stamp of approval of the government booking it on its statement. At the end of the day we represent all members. Accounting principles say you cannot book an asset – as an expectation. What is the money going to be used for?

Q. **What happens if the government doesn't get the stamp of approval?**
A. They can issue their statement. We have a provocative to comment on this – especially in the pre-election report.

Q. If you don't sign off on public accounts?
A. No, I will sign off on it. At the end of the day our office will offer an opinion. If it is resolved and I will issue a clean opinion. If it is not resolved, then I will issue a qualified opinion.

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