

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. PRRT, Budget)
- Could include review of legislative framework for fiscal planning, reporting, and budgeting requirements (e.g. FTAA, FAA, 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

AB 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

MB commissioned a review to identify areas for efficiency/cost savings in 2016 also similar to CROPS

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
- Mark Stabile, University of Toronto
- The review could also consider former provincial or federal Finance Ministers (e.g., Janet Ecker, Dwight Duncan, Joe Oliver, John Manley).