Updated Materials

From: "Schuurman, Tim (MOF)" <tim.schuurman@ontario.ca>
To: "Ghiassi, Ali (MOF)" <ali.ghiassi@ontario.ca>, "Mendes, Elizabeth (MOF)" <elizabeth.mendes@ontario.ca>, "Thompson, Scott (MOF)" <scott.thompson@ontario.ca>
Cc: "McLean, David (MOF)" <david.mclean@ontario.ca>, "Esmail, Selena (MOF)" <selena.esmail@ontario.ca>, "Birks, Ryan (MOF)" <ryan.birks@ontario.ca>
Date: Thu, 09 Feb 2017 09:21:15 -0500

Just wanted to provide a brief update on what we changed in the decks last night travelling to MMP today so everyone is on the same page.

- In the previous version of the deck that went to FPC, we maintained a “placeholder” amount for electricity relief of $1B in 17-18, and $2B in the out-years. This was not based on any option or proposal under consideration – it was mainly a placeholder. This has caused some issues in the discussion since it was considered a random number – and likely either too large, or too small.

- In today’s version of the deck tracking to the meeting, we have removed the “placeholder” and built in the estimated fiscal impact of the measures that would be covered by the fiscal plan – assuming the Global Adjustment is covered off on the borrowing side (with no fiscal impact). This essentially means the placeholder is around $0.7B a year beginning in 2017-18, which also has the benefit of reducing the overall gap and remaining tools to be found.

It was thought that by incorporating this approach, that at least the gap is representative of the options being considered by the ministers at the meeting today. Obviously the gap would grow if the GA cannot be covered by borrowing and has a fiscal impact – but it is unlikely the gap will get smaller.

Happy to drop by for a chat if necessary. The details on the assumptions can be found in the appendix of the Fiscal Plan Strategy Update deck (slide 12).

Tim Schuurman
Assistant Deputy Minister
Office of the Budget, Ministry of Finance
7 Queen’s Park Cres.
Toronto ON M7A 1Z1
Tel: 416-327-0173
Office of the Budget
MINISTRY of FINANCE