FW: FYI - QP Briefing - Cries of cooking the books and electioneering on budget eve - AG pension accounting noted

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FYI – pensions brought up again today

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AG pension accounting differences to deficit mentioned downtext. Highlighted in yellow.

April 26, 2017

Cries of 'cooking the books' and 'electioneering' from PCs on budget eve

By Sabrina Nanji

Finance Minister Charles Sousa fired back Thursday's budget will show a "recipe for success," and achieve fiscal balance.

Waving a Tory-branded flyer bearing an image of him in chef's garb with the accusation he is "cooking the books," Liberal Finance Minister **Charles Sousa** told the house on Wednesday that Thursday's budget will show he has a "recipe for success."

Sousa, who was promptly chided by the Speaker for brandishing a prop in the house, was responding to a charge from Progressive Conservative Leader **Patrick Brown** in question period that the promise Thursday's budget will wipe out Ontario's deficit for the first time in nearly a decade is false.

Brown cited the Financial Accountability Officer's report from January that said that, in order to balance the books, the government would have to cut health-care spending, its largest expense, by $400 million in 2016-17, $900 million in 2017-18, and $1.5 billion in 2018-19. Meanwhile, Sousa has teased a "major booster shot" for health care, and recently told *The Canadian Press* [1] that includes more funding to tackle hospital overcrowding.

Earlier, the Tories ramped up their "Chef Sousa" campaign – which, according to Brown, accuses the Finance Minister of "cooking the books to look good in an election year" – by giving reporters bobblehead versions of the minister in cooking garb[2].

"Who are we to believe, the Financial Accountability Officer or Chef Sousa," Brown said.

To which Sousa quipped: "We have a recipe for success."

"I may say at times their jokes are a bit tasteless, but it's all good," Sousa told reporters later following an announcement in Toronto that the 2017 budget will include $200 million to license 24,000 child care spaces. They are included in the 100,000 being created over five years, as promised in last September's throne speech. Families will also get subsidies for approximately 60 per cent of those spaces to help afford child care.

Brown also pointed to a pension accounting spat with Auditor General **Bonnie Lysyk** over whether the province should count $10.7 billion worth of pension surpluses as an asset despite not having unilateral access as another "red flag."

The Liberals enlisted an expert panel to weigh in on the matter that eventually concluded, as the government tallied, a $3.5-billion deficit last year – a $1.5-billion difference from Lysyk's calculation. The AG said she would not give an unqualified opinion without written permission from the co-sponsors, the Ontario Teachers' Pension Plan Board and the Ontario Public Service Employees Union Pension Plan.

In the fall, the FAO projected a $1.1-billion deficit in 2017-18. Using the AG's accounting, the budget watchdog had predicted a $2.6-billion deficit in 2017-18.

However, chief economist **David West** said at the time that balance "may still be within the government's reach through the sale of public assets, the allocation of new revenues to existing spending or other steps." He added in an interview earlier this year that "they could schedule the timing of asset sales or restrain program spending on a temporary basis in the year."

But Brown seemed unconvinced that some of those measures are in the pipeline. "I'm not sure we're going to see a big tax increase or big cuts to social services, which means it's a fictional, false balance," he said, adding, it "smells like a lot of electioneering."

While Sousa isn't giving much away about his fifth budget, he has hinted at several measures, including a transit tax credit for those aged 65 and up, $20 million for respite care to help people caring for friends or family hire a personal support worker, and housing affordability measures.

"[Over] the last number of years as we recovered through the recession, we did do some stimulus and we did do some investments in infrastructure and programs to maintain a strong economy ... We will continue to have substantive investments going forward while still balancing the budget, while still being fiscally prudent and responsible," Sousa said.

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