FW: PER statement - for urgent review

From:	"Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
To:	"Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date:	Wed, 25 Apr 2018 09:27:04 -0400
Attachments:	PER draft language.docx (16.08 kB)

Will come by to discuss

From: Miller, Amanda (TBS)
Sent: April 25, 2018 9:24 AM
To: Hosick, Sarah (TBS); Skoberne, Vivienne (TBS)
Cc: Sullivan, Bryant (TBS); Laughton, Patrick (TBS); Nelson, Dane (TBS)
Subject: PER statement - for urgent review
Importance: High

Hi, Vivienne and Sarah,

We have received firm direction to land a phrase for the PER statement, asap (ideally before 10:00). I have inserted the current version below. I have also attached a Word doc, which includes three sections:

1. SCOPA language on the market accounts/IESO/OPA issue
2. The MO/PO phrase highlighted in the body of this email
3. A starting point I've written for how we might position the issue

We need to land something that works—isn't too long, is factually accurate, and communicates a message that by making the changes to its books, the additional $17B now appears and brings greater transparency to these transactions. As I've written it, my phrase is too wordy, but I am not sure how to shorten without losing critical detail.

Sarah—can you please coordinate with Cindy to land that language **before 10:00 this morning**, and then share back with the group on this email chain? We really appreciate your support. Vivienne is also watching closely to help keep this item moving, and we're in touch with MO for their support too.

Thanks everyone!

CURRENT DRAFT STATEMENT:

We thank the Auditor General for her response to the Pre-Election Report. The Treasury Board Secretariat and Ministry of Finance work closely with the Auditor General of Ontario on a wide variety of issues on a regular basis, and her oversight and insight is welcomed both during our regular interactions and during the release of special reports, including this one.

Our government introduced the Fiscal Transparency and Accountability Act in 2004, which sets out the principles governing fiscal planning and public reporting requirements in Ontario. The Act is reflective of our commitment to openness and transparency. Through the Pre-Election Report and the Office of the Auditor General's (OAG's) analysis, Ontarians are given the information they need to make an informed decision ahead of a provincial election.

The 2018 Pre-Election Report on Ontario's Finances presented the fiscal plan for 2018–19 to 2020–21 fiscal years. As verified by the Auditor General, the majority of the province's estimates regarding revenue, program expenses and interest on debt are based on prudent and cautious assumptions, as required by the Fiscal Transparency and Accountability Act. Ontario's fiscal policy also recognizes the need for flexibility to respond to an ever changing world. The Auditor General concluded overall that " the Pre-Election Report provides a reasonable and somewhat cautious underpinning for the medium-term fiscal forecasts."

We know Ontario's economy has grown steadily in recent years, but we know that more must be done to encourage increased growth and create more jobs in an uncertain global economy. As we move forward, we must also ensure that the benefits from this growth are equally shared. The government has made a deliberate decision to invest in people – in high quality childcare, homecare, support for seniors and pharmacare, with OHIP+, for children, youth and seniors.

The Auditor General mentions two specific topics that represent ongoing conversations and technical accounting disputes between government and her office, and these two disputes have in turn led to a difference of opinion regarding deficit numbers.

The government's position regarding the accounting for net pension assets of the Province's two jointly sponsored pension plans is supported by a panel of well-known experts, and we continue to believe the application of the United States Generally Accepted Accounting Principles on the topic of rate-regulated accounting is appropriate as the Public Sector Accounting Board's standards are silent. The government's opinion on these matters has not changed.

Changes made to the IESO's accounting practices hinge on a technical disagreement regarding the agency's use of rate regulated accounting. As the change has brought greater transparency to $17b worth of transactions, and is consistent with the accounting practices of the IESO's predecessor, the OPA, the government believes the current accounting treatment is the most appropriate and transparent.

Amanda Miller
Executive Communications Coordinator
Communications Branch, Treasury Board Secretariat

Tel: 416-326-8538