FW: The FAO's Fall Economic and Fiscal Outlook Report

From: "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date: Wed, 12 Oct 2016 18:40:50 -0400
Attachments: Fiscal Outlook - MoF_Comments.docx (522.24 kB); Economic Outlook - MoFcomments.docx (3.71 MB)

FYI – this was shared with the other ADMs.

The first bullet below is in reference to the pension assets.

From: Birks, Ryan (MOF)
Sent: October-12-16 6:35 PM
To: Arbabzadeh, Nina (TBS); Zhang, Christina (OFA); Bugajski, Tomasz (OFA); Law, Rex (TBS); Hosick, Sarah (TBS)
Subject: FW: The FAO's Fall Economic and Fiscal Outlook Report

FYI, the comments that were shared with the FAO.

From: Schuurman, Tim (MOF)
Sent: October-12-16 6:20 PM
To: David West
Cc: Tarin, Ghufran (MOF); Birks, Ryan (MOF); Laughton, Patrick (TBS); Hughes, Karen (TBS); Lewis, Brian (MOF); Duran-Schneider, Maria (TBS); Arruda, Artur (TBS)
Subject: RE: The FAO's Fall Economic and Fiscal Outlook Report

David

Thanks again for the opportunity to have an early review of your upcoming EFO report. We've collectively reviewed the document(s) and as you'll see from the attached, we have a number of edits, comments and fact-checks that we're passing long.

A few things are worth highlighting:

- The language around the accounting change on pension assets included in the 15-16 Public Accounts needs to be carefully crafted. We've made attempts to fix it where we could, but if you want a more detailed conversation about how best to approach it, we can set up a follow-up phone conversation. Key point to make is that the government legislated the accounting change for 15-16 only, and its not based on an agreement with the AG or anything like that – it was a government choice to legislate the accounting for one year.

- Some inconsistencies within the report – for example, the way the electricity rebate commitment is described – on one page you suggest its for households, on another page you indicate its for households, industry, farms, etc. Probably best to be internally consistent. Another major inconsistency is between the table on page 2 (factors contributing to the fiscal changes) and the list of speech from the throne spending commitments - - the totals don't seem to align and its not clear why. If there is a rationale for the difference, you might want to explain it - - and if it's an error, we wouldn't mind knowing that you'll fix it and how it'll change the numbers.

- For the detailed tables that will appear as an appendix to the EFO, it might be good to show the program spending and overall fiscal projections with and without the accounting change in the out-years. That way its easier to map to the stacked bars in the report.

The rest I think are self-explanatory. Again, if a follow-up conversation is warranted, please let us know, otherwise, we'll cancel the meeting we had tentatively set up for tomorrow.

Cheers

Tim Schuurman
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Office of the Budget
MINISTRY of FINANCE

From: David West [mailto:dwest@fao-on.org]
Sent: October-07-16 3:04 PM
To: Schuurman, Tim (MOF); Hughes, Karen (TBS); Lewis, Brian (MOF)
Cc: Tarin, Ghufran (MOF); Birks, Ryan (MOF); Laughton, Patrick (TBS)
Subject: RE: The FAO's Fall Economic and Fiscal Outlook Report

As promised, please find attached drafts of the 2 main chapters of our upcoming Economic and Fiscal Outlook report.
I have also attached a spreadsheet with the detailed appendix tables that we will include in the report.

We will also be drafting an Executive Summary that, along with these two chapters, will form the report.
I would hope to be able to provide you with the Executive Summary by end of day Tuesday.

As I mentioned below, we are hoping that you will be able to provide us with any comments by end of day on Wednesday, October 12.
I apologize for the tight schedule.

As I noted below, we ask that you treat these documents as confidential and restrict distribution to OPS staff.

The documents are password protected (which I'll provide separately).

Hopefully, you can enjoy the long weekend.

Thanks,

David West
416-579-1465

From: David West
Sent: October 6, 2016 8:50 AM
To: Tim Schuurman (Tim.Schuurman@ontario.ca) <Tim.Schuurman@ontario.ca>; 'karen.hughes@ontario.ca' <karen.hughes@ontario.ca>; Lewis, Brian (MOF) <Brian.Lewis@Ontario.ca>

Cc: Tarin, Ghufran (MOF) <Ghufran.Tarin@ontario.ca>; 'ryan.birks@ontario.ca' <ryan.birks@ontario.ca>; 'patrick.laughton@ontario.ca' <patrick.laughton@ontario.ca>
Subject: The FAO's Fall Economic and Fiscal Outlook Report

Good morning Tim, Karen and Brian,

As you know, the FAO will be releasing a fall economic and fiscal outlook (EFO) report, updating our projections from the spring.

The fall report will incorporate economic and fiscal information released since our spring report. The new information includes recently released economic data, updated economic projections of external forecasters as well as the new spending commitments included in the September Throne speech and the recent release of unaudited public accounts for 2015-16.

Our plan (and hope) is to release our report in advance of the Government's fall economic statement, to provide the Legislature with some context that may help in interpreting the government's updated fiscal outlook. As a result, and because of the delayed release of the public accounts, we have had to condense the schedule for our work.

<u>I plan to provide you with a draft of the main content of our report on Friday.</u> That is, I'll send you drafts of the economic outlook and fiscal outlook chapters, as well as the appendix with the detailed economic and fiscal projections. Early next week, I'll also send you an executive summary chapter that will accompany the economic and fiscal chapters.

We would ask for your comments by end of day Wednesday, October 12. We would be available to meet with MoF and TBS staff on Thursday morning to discuss the draft if you think that would be helpful.

As in the past, we are sharing these drafts to allow for comments at a staff level and to facilitate the preparation of any internal government briefing materials that may be required. We ask that you treat the document as confidential and restrict distribution to OPS staff.

As always, we greatly appreciate your assistance and support for the work of the FAO.

Best regards,
David

David West
Chief Economist

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