Minister Sandals Speaking Points –
October 24, 2016, MM&P Meeting

I'm happy to have the opportunity to meet today to work towards a shared understanding of our approach for the Fall Economic Statement and the path it lays out to the 2017 Document and a balanced budget.

- There have been many developments since we last met. The 2015-16 Public Accounts were released showing a deficit that is $3.5 billion lower than projected. This marks the seventh year in a row that Ontario has beaten its deficit target.

- While these results are promising taken as a whole, the 2015-16 Public Accounts also presented some significant challenges as we strive to balance the books.

- The results showed that the improved performance came on the revenue side, while expenses exceeded what we budgeted at the beginning of the year.

- This year's Public Accounts also surfaced the Auditor General's new position regarding the accounting treatment for jointly sponsored pension plans. This difference of opinion resulted in an immediate impact in 2015-16 and creates significant risks for future years.

- Although we are working towards a fair and defensible solution, we cannot lose sight of the fact that even without the pension dilemma we face a major challenge to achieve balance.

- Recent expenditure decisions combined with higher risks and growing pressure to respond with additional funding present a growing challenge in our ability to manage expenditures. This has widened the gap we need to close to achieve and sustain a balanced budget beyond 2017-18.

- Through the budgeting process, levers will be needed to create room to fund any additional priority initiatives.

- We will need to carefully weigh the expenditure management and other tools at our disposal against the government's priorities, with a full understanding of the inherent trade-offs. We need to be doing this now, and we have to be realistic about our options.

- With discipline and hard work with our colleagues, I believe we can achieve balance. But getting there will require tough decisions about what we can and cannot do and a willingness to transform and look at all options at our disposal.

- The Fall Statement provides an excellent opportunity for us to signal these intentions in a reasonable and meaningful way while continuing along the path to balance.