Pre-Election Report Considerations: Potential Option to Deem FAO Reports Meeting the Statutory Requirement

- FTAA legislation **does not require a pre-election report** to be released by the government and reviewed by the AG – this is a choice of government.
    - The decision on releasing a Pre-election report is by the issuing of a government regulation: *"In such circumstances as may be prescribed by regulation, the Ministry of Finance shall release a pre-election report about Ontario's finances and shall do so before the deadline established by regulation".*
- The FTAA provision for a pre-election report preceded the establishment of the FAO – and ensured there was an independent analysis of the Province's finances in advance of a general election.
    - The FAO now performs an independent analysis function.
    - In fact, the FAO's ongoing work in producing independent analysis goes further than any previous AG review of the government's finances as part of a Pre-Election report.
        - The AG's review of the PER only opines on the "reasonableness" of the government's fiscal plan (i.e. provides commentary on whether the fiscal assumptions are achievable). It does not provide an alternative detailed forecast or basis for planning.
        - The FAO produces detailed alternative and independent economic and fiscal forecasts which can then be compared to the government's forecasts. The FAO does this for the economic outlook, other drivers of revenue, and key drivers of spending.

        - The FAO has recently also taken on the accounting interpretations of the AG – so that the forecasts produced by the FAO are in alignment with the AG's recommended accounting interpretation for items such as pension assets and the Fair Hydro Plan.

- The government needs to decide soon if it still will proceed with a Pre-Election Report and then subject it to the AG's review.
    - The AG has already expressed concern that the timing may be tight between now and the May writ.

- With FAO's next report on the Province's economic and fiscal outlook expected in the next two weeks (before the House rises for Christmas), the government could take the opportunity to **publicly deem the FAO's Economic and Fiscal Outlook (Fall update) as a pre-election report.**
    - The FAO's Update will meet all the legislative requirements for a Pre-Election report – an independent analysis of the Province's economic and fiscal outlook, including the projection for net debt.
    - The FAO will have consulted with the AG on the interpretation of key accounting measures.
    - The government could then say that it will respond to the FAO's pre-election assessment of the Province's finances with the 2018 Budget, and that it welcomes/encourages the FAO to continue to provide ongoing assessments of the Province's finances, consistent with its mandate, in the lead-up to the writ period in May.