

Radio Transcript: Weekly Ottawa Morning Interview with Rob Benzie (Feb 14, 2017)

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CBC RADIO OTTAWA MORNING INTERVIEW WITH ROBERT BENZIE

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Speaker(s): Robert Benzie, Queen's Park Bureau Chief for the Toronto Star

CBCO: It is an accounting technicality, but a pretty important one because \$11 billion are at stake. Ontario's Auditor General says the money should not be on the books; the Wynne government says it should. Neither side is backing down. And the fallout could have a big impact come budget time. Rob Benzie has been covering this issue. He is the Queen's Park bureau chief for the Toronto Star. Good morning Rob.

ROB BENZIE, QUEEN'S PARK BUREAU CHIEF FOR THE TORONTO STAR: Good morning Robyn. Happy Valentine's Day.

CBCO: And to you. Thank for joining us extra early this morning.

BENZIE: What's not to love?

CBCO: What's not to love about early mornings? What's this dispute all about – because we have talked about this before – but there was some news yesterday.

BENZIE: This is an issue you and I have been speaking about since last fall when it first surfaced, when Bonnie Lysyk, the Auditor General, announced that she could no longer count – Or she didn't consider the jointly sponsored pension fund, \$10.7 billion of government money in these public pensions, she didn't think they should be counted as an asset, and she didn't want to sign off on the province's public accounts because of that. This caused a great deal of consternation because surplus has been counted for the last fourteen years by her and by her processors as auditor generals. This is money that the Ontario government has in the Ontario public service employees' union pension plan and the Ontario teachers' pension plan. And as I said, a \$10.7-billion asset and that is worth the equivalent of \$1.5-billion on the budget each year. So it's a difference of between balancing the budget and running a deficit of, you know, \$1.5-billion. So to counter her findings the government commissioned an expert panel that was independent, it wasn't instructed to come back with this finding, and the person in charge of the panel, Tricia O'Malley, is the Chair of the Canadian Actuarial Standards Oversight Council. So she knows more about this sort of stuff than most of the rest of us including I think the auditor general frankly. Anyway she and her colleagues concluded yesterday that Bonnie Lysyk is incorrect and that this surplus does count as an asset even though the government doesn't have immediate access to the cash. She said the government has money in it and because the government has money in it, that's contributions that the government wouldn't have to pay into the pension plan down the road so it is an asset.

CBCO: So is the panel's findings, is that the final word or who actually gets the final decision on all of this?

BENZIE: Well I mean the auditor general still has to sign-off on the province's public accounts. She wouldn't speak yesterday so I don't know if they're figuring out a climb-down strategy. Apparently in the meeting with this panel she was presented with some evidence that she hadn't seen before about international accounting standards. So I think that they're probably looking for a way for her to save some face. If she doesn't agree to sign-off on the books then I don't know what happens. I think we're going to have a situation where the government will table its books with an asterisk and there'll be a note on it saying well an independent panel says that this is the accounting and then they'll let, you know, Bay Street and the bond rating agencies decide who's right. I mean the government said yesterday that it is going to be proceeding as if the law of the land is what this panel announced which is the, you know, the previous accounting standard. It's a very complicated actuarial thing of evaluating pensions, but I think a lot of people, including myself, were surprised that you could change the standard after doing it in a certain way for so many years. Do you know what I mean?

CBCO: Yeah. Has to be very divisive at Queen's Park?

BENZIE: Well I mean the government has been very worried about this and the opposition parties, the Tories and the New Democrats, have been saying aha we told you so, the books are really not in as good a shape blah blah blah. I think though that that's a bit short-sighted because remember we have an election next year so if the Tories say form government they're going to want that \$10.7-billion asset on the books and that asset was on the books when they were in power up until 2003. So it's a little bit rich to say that this is an 'aha, I told you so moment.' And this is actually one of the things I don't think the government screwed up. This is just an accounting difference of opinion and interpretation that the auditor general for whatever reason has felt it should be one way and experts who know a little bit more than her have said should be another way.

CBCO: But you don't think it's something that the auditor general would step down over say?

BENZIE: I don't think so no. She's giving herself a little bit of wiggle room saying look I would be-- she would be open to their findings. But she's had this report for two weeks Robyn, so I'm surprised that she didn't come out yesterday to issue a statement saying that they'll make an announcement later this week. I don't think this is a thing where she-- a hill where she dies on though, I just don't see that.

CBCO: Let's look at something else; something very personal actually. Yesterday an Ontario MPP and cabinet minister released a pretty raw statement saying that he is stepping down temporarily. Just tell us who this is, what this is all about--

BENZIE: Mike Gravelle is the Northern Affairs and Mining Minister and a really well regarded guy. He's the MPP for Thunder Bay--Superior North and Mike announced yesterday, Minister Gravelle announced yesterday that he's going to step aside temporarily because he's been fighting depression. And we had heard that he might be ill but a lot of us thought it was a return of cancer that he had fought a few years ago and had battled back successfully. And so yesterday's announcement took a lot of us by surprise. You know the Premier issued a statement about it. The leaders of the Conservative Party and the Democratic Party did as well. He's a very popular guy, very well regarded; was a long-time back bencher who kind of got into cabinet late. So he was not-- you know he sort of fought in the trenches and paid his dues. He was caucus chair and those kinds of things. So he's really popular, popular fellow, and it is kind of, well it is very sad that none of us really knew, or few of us knew, what he was going through. And I think it was very brave of him to speak out about this. And I was speaking to Lisa MacLeod, the Conservative MPP for Nepean-Carleton, about this yesterday and Lisa very bravely came forward last year and talked about what she was going through and I think that helped a lot of other people in our little political world talk about depression and talk about mental illness in a way that maybe we don't do or haven't done in the past in this country.

CBCO: Mhmm, so is he-- this is a temporary step down; is he being replaced yet?

BENZIE: Yes. Bill Mauro who is the Municipal Affairs Minister is also from Thunder Bay is going to step into the breach for Minister Gravelle for this little while. It's not clear how long Mr. Gravelle is going to be out of cabinet. He said he's been grappling with the disease privately and now he really needs to get treatment. So it's not clear how long he'll be away. But it's-- I mean he has a lot of people in his corner at Queens Park from all three political parties and from the press gallery as well because he's, as I say, a guy that we've all known for a long time. He's a really decent fellow and we're just very sorry to hear this.

CBCO: Well Rob thanks very much for bringing us the latest from Queen's Park extra early this Valentine's Day.