FW: Final FAO statement

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Date: Wed, 02 May 2018 08:41:40 -0400

FYI- Final statement with Min and Bevan's edits below.

From: Gallant, Gabrielle (OPO)
Sent: May 2, 2018 8:40 AM
To: Moore, Brynne (MOF); Martin, Jessica (MOF); Koukoulas, Sophia (MOF); Giroux Namian, Orli (MOF)
Cc: Hadisi, Lawvin (TBS); Rubin, Jack (TBS); @OPO-Media Relations and Issues Management
Subject: Final FAO statement

Hi all – here's the final statement. Please send to the gallery at 10am, and use it to inform your Minister's message in the house today. Thank you!
gg

We thank the Financial Accountability Office for their annual Economic and Budget Outlook. We are pleased that he notes that this year the "Ontario economy recorded the strongest pace of growth since the early 2000s," and that "job growth surged last year, with 128,400 net new jobs."

While our economic growth has outpaced that of most countries in Europe and North America, and our unemployment is at a 17 year low, we know that not everyone has benefited from that growth. That is why 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 FAO affirms the importance of investing in these programs, acknowledging that that these investments will provide "significant social and economic benefits for Ontarians."

In the Economic and Budget Outlook, the FAO's analysis reflects the Auditor General's position regarding ongoing technical accounting disputes. These are disagreements that have been reported on by the Auditor General in the past, have been the subject of technical briefings for both media and opposition. Reports by internal and external experts, including opinions by internationally renowned accounting firms and former members of the Canadian Accounting Standards Board, have informed the government's reporting and full disclosure of its fiscal status.

The first item of dispute is the accounting treatment for a portion of the Fair Hydro Plan. We continue to believe that the government's accounting for the Fair Hydro Plan is appropriate, and specifically the use of rate- regulated accounting to account for the component of the plan recoverable from the ratepayers, is supported by United States Generally Accepted Accounting Principles, as Public Sector Accounting Standards are silent on this issue. The second issue is the accounting for the net pension assets of the Province's two jointly sponsored pension plans, which is supported by an expert panel of accountants, actuaries and lawyers. The government's opinion on these two matters has not changed.

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