

**Pension Asset Expert Advisory Panel Report –
Release Recommendation**

Communications Approach

- A **proactive, low to medium profile** communications approach is recommended.
- Approach must not jeopardize **the independent and neutral nature of the PAEAP**.
- Messaging should remain **neutral and factual**, balancing the need for the gov't to state its position, **while demonstrating respect for all parties involved**, i.e. Auditor General, members of the PAEAP, **and independent standard setters**.
- Continue to position government as **cooperative and diligent** and acting with **integrity** in its attempt to resolve the issue and ensure that the f/s of the Province support transparency and accountability.
- Continue to put forward **Minister Sandals and Minister Sousa** as primary spokespersons to deliver government's key messages (e.g. via press conference).
- Communications tactics will be **adjustable and flexible** to give the government the ability to accommodate PAEAP's findings.
- Continue to **engage the QP Press Gallery, particularly print media**, in an effort to carry the gov'ts message to a broad spectrum of Ontarians.
- Provide a **technical briefing** led by PAEAP for opposition and media to better explain this complex topic.

Commented [np1]: They will be assessing pension standards. The Panel's report also speaks to some ambiguity/need for clarity in the standards.

Considerations:

- Coordination with the MOF & OFA.
- Outreach to Auditor General, PSAB, OPSEU and OTPPB.
- FAO's position on the pension asset matter.
- Credit rating agencies perception of Ontario's financial position.
- Production timelines for 25,000 word document:
 - Translation & proofreading: 8 business days
 - Formatting & HTML: 5 business days English, 5 business days French

Announcement Options

Option A: Proactive, high-profile

- PAEAP media event led by PAEAP Chair with Ministers Sandals and Sousa present. Recommend event be held in neutral location i.e. boardroom in MacDonald Block, consistent with fall 2016 technical briefing for media.
 - PAEAP Chair submits report to Minister Sandals and holds press conference.
 - Press conference is followed by media availability by Minister Sandals and Minister Sousa.
 - Possible technical briefings led by PAEAP for media and opposition party.
- TBS issues news release with province-wide email distribution, report posted on Ontario.ca.
- At a later date, TBS issues media bulletin on Newsroom with no email distribution to announce supplemental report is available on Ontario.ca.

Commented [np2]: Consider SCOPA? Briefing?

Commented [CV3]: If there are going to be questions of the Panel, Tricia has requested the actuary and lawyer be present as well. If communication for her is only one-way, the additional members may not be necessary.

Nelson has their schedules re: broad availability.

Commented [CV4]: What is the content of the press briefing and who delivers it

Commented [np5]: Understand that the lawyer will be out of county, but able to call in? Perhaps video conference/skype?

Commented [CV6]: Does this news release articulate the Province's decision along with the fiscal impact for 2016 or does that come later?

Option B: Neutral, medium-profile

- TBS issues news release with province-wide email distribution, with a link to the report posted on Ontario.ca.
- PAEAP holds technical briefings for media and opposition party.
- Minister Sandals and Minister Sousa available for comment on reactive basis.
- At a later date, TBS issues media bulletin on Newsroom with no email distribution to announce supplemental report is available on Ontario.ca.

Option C: Reactive, low-profile

- TBS posts media bulletin to Newsroom with no email distribution, with a link to the report posted on Ontario.ca.
- MO/PO delivers hard copy of bulletin to the QP press gallery and is available for questions.
- PAEAP holds technical briefings for media and opposition party.
- At a later date, TBS issues media bulletin on Newsroom with no email distribution to announce supplemental report is available on Ontario.ca.

Pension Asset Expert Advisory Panel Report –
Release Recommendation

Timeline

Recommended:

Date	Item	Lead
January 25	Final Report submitted to TBS	PAEAP
January 25	Embargoed Final Report shared with MOF & OFA	OPCD
January TBD	Letter from PAEAP Chair to Auditor General, with embargoed Final Report and offer to brief NOTE: Reassess tactics in order to respond to Auditor General's position, if known	OPCD/PAEAP
w/o January 30	PAEAP Chair briefs Auditor General on report findings	PAEAP
w/o February 6	Considerations: - Auditor General is unavailable - MOF releasing its Long-term Fiscal Report February 8 TBD	
w/o February 6	Outreach to PSAB with findings and recommendations	PAEAP
	Outreach to OPSEU, OTPPB with findings and recommendations	OPCD
February 13	Report is ready for public release	Comms
w/o February 13	Public release of report	Comms/OPCD/PAEAP
February 15 TBC	Supplemental report submitted to TBS	PAEAP
February 21	Considerations: House resumes	
February 23 TBC	Supplemental report is ready for public release	Comms
w/o February 27	Considerations: FAO to release their report (TBD)	

Commented [np7]: Check dates. Final received Jan 23?

Commented [CV8]: I doubt that we will get any feedback

Commented [np9]: Consider FAO/SCOPA given materiality and implications for 2016/17 and beyond. Timing may align with briefings to OTPP and OPSEUPP?

Commented [CV10]: We will need to determine if we want to provide the findings in writing only, or meet with them – and if we meet with them, does the Chair attend and who do we meet with – the Task Force or the Board.

Commented [np11]: PSAB appeared to be distancing themselves when previously attempted to outreach (to provide background on the issue)..

Commented [CV12]: Suggest OTF as well – may not be OPCD for all of these – e.g. Minister Sandals connected with OTF in the fall

Aggressive:

Date	Item	Lead
January 25	Final Report submitted to TBS	PAEAP
January 25	Embargoed Final Report shared with MOF & OFA	OPCD
January TBD	Letter from PAEAP Chair to Auditor General, with embargoed Final Report and offer to brief NOTE: Reassess tactics in order to respond to Auditor General's position, if known	OPCD/PAEAP
w/o January 30	Outreach to PSAB with findings and recommendations	PAEAP
	Outreach to OPSEU, OTPPB with findings and recommendations	OPCD
	PAEAP Chair briefs Auditor General on report findings	PAEAP
w/o February 6	Considerations: - Auditor General is unavailable - MOF releasing its Long-term Fiscal Report February 8 TBD	
w/o February 6	Public release of report NOTE: This does not allow for production timelines. Alternate resources will need to be allocated.	Comms/OPCD/PAEAP
February 15 TBC	Supplemental report submitted to TBS	PAEAP
February 21	Considerations: House resumes	
February 23 TBC	Supplemental report is ready for public release	Comms
w/o February 27	Considerations: FAO to release their report (TBD)	

Pension Asset Expert Advisory Panel Report –
Release Recommendation

APPENDICES:

Target Audiences

Primary Audiences	Position	Tactic to Reach
FAO	Negative - The FAO has publicly stated the Province’s plan to balance the budget relies on optimistic assumptions for revenue growth and program spending restraint. - The FAO believes there is significant risk the gov’t may not be able to eliminate the deficit in 2017-18, nor maintain a balanced budget going forward. - Stephen LeClair, a Financial Accountability Officer, is quoted that the FAO will not give an opinion on the pension asset matter and that the FAO is only interested in how this affects Ontario’s fiscal position. (TorStar, Oct 6, 2016)	Letter from Deputy Minister with a link to report on Ontario.ca
Auditor General	Negative QP Briefing (Nov 30) reports the AG is wondering if the government is trying to “undermine” her office in releasing unaudited financial statements.	- Letter from panel with embargoed copy of report - Panel briefing
PSAB, OPSEU, OTPPB, HOOPPB, CAATPPB	Neutral TBS has not received correspondence on this issue. It is fair to assume that these stakeholders are waiting for Ontario to clarify their position on the matter.	Letter from panel highlighting report’s findings
Secondary Audiences	Position	Tactic to Reach
Credit rating agencies	Neutral Checking with MOF for any recent inquiries, etc	Letter from OFA head Gadi Mayman with link to report on Ontario.ca
Official opposition and third party	Negative - PC Finance Critic Vic Fedeli has talked about the gov’t’s ‘budget hole’ and says the gov’t is in “full panic mode” (Ottawa Sun Oct 4, Beach Mirror Oct. 3) - NDP Leader Andrea Horwath is quoted on her concern over the relationship between the government and the Auditor General, describing it as a “pattern of behaviour”. (TorStar, TorSun)	Opposition briefing
Tertiary Audiences	Position	Tactic to Reach
General public	Neutral to negative - TBS has not received any correspondence or inquiries on this matter. - It is fair to assume the general public’s opinion will be based on how the media has framed the matter (74% negative coverage, 26% neutral coverage).	- News media coverage - Web content

Commented [np13]: In a one-on-one conversation with the FAO shortly after he took office, he commented that he did not support AB’s position that its Budget needed to be based on PSAB. Further clarification may be useful, even if the AG doesn’t want to provide an opinion on the pension matter.

Commented [np14]: Might AG have expected outreach earlier?

Commented [CV15]: We also have to consider how we (public service) communicate with her, and should consider if the Ministers will want to have a conversation with her

Commented [CV16]: I don’t think the Panel sends the report to any of these parties with the exception, perhaps, of PSAB. The Panel has no relationship with these plans. See previous comment re: discussion with PSAB – we need to consider who and when.

Pension Asset Expert Advisory Panel Report –
Release Recommendation

Issues & Mitigation

Issue/Consideration	Mitigation Strategy	Key Messages
Stakeholder uncertainty about Ontario's fiscal situation.	Proactive outreach to key stakeholders (e.g. credit rating agencies, FAO) to deliver positive messaging on Ontario's financial position.	- Our intention is to move forward and continue to present the province's finances fairly and accurately. - We remain committed to balancing the Budget by 2017-18 and remaining balanced in 2018-19.
Perception that Ontario has paid for a third party opinion.	Reactive messaging in Qs&As reinforcing independent nature of Panel of professional experts.	- Since the release of the Public Accounts, the government established an independent advisory panel. - The Pension Asset Expert Advisory Panel has provided their neutral advice on the interpretation of the accounting standards to Ontario's defined benefit pension plans.
Auditor General continues to disagree with Ontario's position on pension assets, given Panel's findings are not binding.	- Proactive outreach to Auditor General's Office by Panel to provide briefing and embargoed report. - Reactive messaging in Qs&As	- The government respects the oversight and recommendations provided by all independent officers of the Legislative Assembly of Ontario, including the Auditor General. - The Panel's advice will help inform discussions with the Auditor General as we work toward agreement on how the accounting standard is applied to future financial statements.
Address Recommendation #1 in Auditor General's 2016 Report: "We recommend that the TBS and the MOF finalize their position on the pension asset issue."	- Proactive outreach to Auditor General's Office by government to finalize position on pension asset issue. - Messaging in Qs&As. QUESTIONS TO BE DISCUSSED: - Do we keep qualified opinion? If so, do we need more messaging that explains basis and what this means? - Through what method will the government finalize its position? Do we do this as part of Report Release as part of 2016-17 public Accounts?	
For 2015-16 Public Accounts, government filed time-limited regulatory amendment in order to adopt the Auditor General's accounting interpretation for the treatment of net pension assets for 2015-16. This resulted in \$10.7 billion added to the net debt and accumulated deficit and \$1.5	- Clarify Ontario's course of action on this issue. QUESTIONS TO BE DISCUSSED: - Is Ontario lifting the amendment and re-stating 2015-16 Public Accounts numbers? If so, how and what is the timing? Will this be done prior to 2017 Budget? - Can we claim the lower deficit projection numbers (pre-	

Commented [CV17]: Suspect there will be a push to confirm impact on 16-17.

Commented [np18]: Part of TOR relates to input to PSAB's current project on pensions. Accounting standards for public sector are independently set through due process.

Commented [np19]: Opportunity to brief SCOPA directly (as demonstrated respect for the Committee and to ensure that references to the facts are complete).

Commented [CV20]: We may not get agreement – this sentence implies that agreement trumps following the Panel's recommendations, which will not be the case.

Commented [CV21]: We won't know this until the 2016-17 public accounts, unless the AG makes a statement. She will not be under any obligation to make a statement.

Commented [CV22]: We will update our position paper now that we have the Panel's report – we will provide that to the AG during the next few weeks (after the public release of the report and before the end of March)

Commented [CV23]: We need to work with legal to confirm that we can restate the prior year when we issue the 2016-17 public accounts.

We should reflect the Panel's recommendations in the 2017 Budget.

**Pension Asset Expert Advisory Panel Report –
Release Recommendation**

billions increase to 2015-16 annual deficit.	reg) or do we need to wait for a formal readjustment?	
--	---	--