

Pension Asset Expert Advisory Panel Report
Release Recommendations

Communications Approach

- Comms approach must not jeopardize **independent and neutral nature of PAEAP**.
- Messaging should remain **neutral and factual**, balancing need for gov't to state its position, **while demonstrating respect for all parties involved**, i.e. Auditor General, 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 its financial statements 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 gov't the ability to accommodate PAEAP's findings.
- Continue to **engage QP Press Gallery, particularly print media**, in an effort to carry the gov'ts message to a broad spectrum of Ontarians.
- Provide **pre-briefings** led by PAEAP for opposition and media to better explain this complex topic. Consideration should be given to PAEAP briefing SCOPA.

Considerations:

- **Coordination with** MOF and OFA, and **outreach to** Auditor General, PSAB, OPSEU, OTPPB, OTF and FAO.
- **Availability** of AG and panel members:
 - AG away w/o Jan. 23 & w/o Feb. 6
 - Murray Gold (lawyer) not available Feb. 2; Uros Karadzic (actuary) not available Jan. 30 or Feb. 2
- **Production timelines** for 25,000 word document: translation & proofreading: 8 business days (TBC), formatting & HTML: 2 business days English, 2 business days French
- **Public release options:** February 2; week of February 6; week of February 13

Announcement Details

Proactive, high-profile release:

- PAEAP Chair and members hold embargoed pre-briefs for:
 - Opposition
 - Media
- Immediately following PAEAP-led media briefing, hold press conference with Ministers Sandals and Sousa. Recommend event be held in neutral location, i.e. boardroom in MacDonald Block, consistent with fall 2016 technical briefing for media.
- TBS issues province-wide news release and posts report on Ontario.ca.
- At a later date, TBS issues media bulletin on Newsroom with no email distribution to announce supplemental report (HOOPP & CAAT) available on Ontario.ca.

Timeline Option 1 – February 2 Release

Date	Item	Lead
January 23	Final Report submitted to TBS	PAEAP
January 25 (TBC)	Embargoed Final Report shared with MOF & OFA	OPCD
January 27 (TBC)	Letter from PAEAP Chair to Auditor General, with embargoed Final Report and offer to brief OR offer for SOC to brief AG during Feb. 1 meeting NOTE: Reassess comms tactics in order to respond to Auditor General's position, if known	OPCD/PAEAP
Early w/o January 30	Outreach to PSAB with findings and recommendations	PAEAP
	Outreach to OPSEU, OTPPB, OTF & FAO with findings and recommendations	OPCD
	PAEAP Chair briefs Auditor General on report findings OR SOC briefs AG during Feb. 1 meeting	PAEAP
February 2	Public release of report	Comms/OPCD/PAEAP
Considerations: • w/o January 30 – Murray Gold (lawyer) not available Feb. 2; Uros Karadzic (actuary) not available Jan. 30 or Feb. 2 • w/o February 6 – MOF releasing Long-term Fiscal Report • w/o February 13 – MOF releasing Q3 report • w/o February 27 – FAO to release its report (TBC)		

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Timeline Option 2 – Week of February 6 Release

Date	Item	Lead
January 23	Final Report submitted to TBS	PAEAP
January 25 (TBC)	Embargoed Final Report shared with MOF & OFA	OPCD
January 27 (TBC)	Letter from PAEAP Chair to Auditor General, with embargoed Final Report and offer to brief OR offer for SOC to brief AG during Feb. 1 meeting NOTE: Reassess comms 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, OTF & FAO with findings and recommendations	OPCD
	PAEAP Chair briefs Auditor General on report findings OR SOC briefs AG during Feb. 1 meeting	PAEAP
w/o February 6	Public release of report	Comms/OPCD/PAEAP
Considerations: • w/o February 6 – Auditor General away • w/o February 6 – MOF releasing Long-term Fiscal Report • w/o February 13 – MOF releasing Q3 report • Feb. 20 – Family Day • Feb. 21 – House resumes • w/o February 27 – FAO to release its report (TBC)		

Timeline Option 3 – Week of February 13 Release

Date	Item	Lead
January 23	Final Report submitted to TBS	PAEAP
January 25 (TBC)	Embargoed Final Report shared with MOF & OFA	OPCD
January (TBC)	Letter from PAEAP Chair to Auditor General, with embargoed Final Report and offer to brief NOTE: Reassess comms 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	Outreach to PSAB, OTF & FAO with findings and recommendations	PAEAP
	Outreach to OPSEU, OTPPB with findings and recommendations	OPCD
February 13	Report ready for public release	Comms
w/o Feb 13	Public release of report	Comms/OPCD/PAEAP
Considerations: • w/o February 6 – MOF releasing Long-term Fiscal Report • w/o February 13 – MOF releasing Q3 report • Feb. 20 – Family Day • Feb. 21 – House resumes • w/o February 27 – FAO to release its report (TBC)		

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APPENDICES:

Target Audiences

Primary Audiences	Position	Tactic to Reach
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 or OPCD highlighting report’s findings
FAO	Negative - 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. - Financial Accountability Officer Stephen LeClair 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
Secondary Audiences	Position	Tactic to Reach
Credit rating agencies	Neutral Checking with MOF & OFA 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 “<i>full panic mode</i>” (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 “<i>pattern of behaviour</i>”. (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

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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. Discussion questions: - Do we keep qualified opinion? If so, do we need more messaging that explains basis and what this means? - Do we do this as part of Report Release as part of 2016-17 public Accounts?	TBC
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 billion increase to 2015-16 annual deficit.	- Clarify Ontario's course of action on this issue. Discussion questions: - 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 lower deficit projection numbers (pre-reg) or need to wait for formal readjustment?	TBC