

The Premier
of Ontario

Legislative Building
Queen's Park
Toronto, Ontario
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La première ministre
de l'Ontario

Édifice de l'Assemblée législative
Queen's Park
Toronto (Ontario)
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September 25, 2014

The Honourable Charles Sousa
Minister of Finance
7 Queen's Park Crescent
Seventh Floor, Frost Building South
Toronto, Ontario
M7A 1Y7

Dear Minister Sousa:

I am honoured to welcome you back to your role as Minister of Finance. We have a strong Cabinet in place, and I am confident that together we will build Ontario up, create new opportunities and champion a secure future for people across our province. The people of Ontario have entrusted their government to be a force for good, and we will reward that trust by working every day in the best interests of every person in this province.

As we implement a balanced and comprehensive plan for Ontario, we will lead from the activist centre. We will place emphasis on partnerships with businesses, communities and people to help foster continued economic growth and make a positive impact on the lives of every Ontarian. This collaborative approach will shape all the work we do. It will ensure we engage people on the issues that matter the most to them, and that we implement meaningful solutions to our shared challenges.

Our government's most recent Speech from the Throne outlined a number of key priorities that will guide your work as minister. Growing the economy and helping to create good jobs are fundamental to building more opportunity and security, now and in the future. That critical priority is supported by strategic investments in the talent and skills of our people, from childhood to retirement. It is supported through the building of modern infrastructure, transit and a seamless transportation network. It is supported by a dynamic business climate that thrives on innovation, creativity and partnerships to foster greater prosperity. And it is reflected across all of our government, in every area, and will extensively inform our programs and policies.

As we move forward with our plan to grow the economy and create jobs, we will do so through the lens of fiscal prudence. Our 2014 Budget reinforces our commitment to balancing the budget by 2017-18; it is essential that every area adheres to the program-spending objectives established in it. We will choose to invest wisely in initiatives that strengthen Ontario's competitive advantage, create jobs and provide vital public services to our families. The President of the Treasury Board, collaborating with you as the Minister of Finance, will work closely with you and your fellow Cabinet members to ensure that our government meets its fiscal targets. The President of the Treasury Board will also lead the government's efforts on accountability, openness and modernization as we implement new accountability measures across government.

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We are committed to taking the necessary steps to balancing the budget. You will make fiscal discipline a priority, while continuing to make the investments needed to strengthen Ontario's economy, support critical investments and protect public services for all Ontarians. You will work with the President of the Treasury Board to eliminate the deficit by 2017-18 through the effective management of Ontario's revenue and expenditures and the province's borrowing program. You will table an annual budget that aligns with the government's fiscal objectives and key priorities.

Your ministry's specific priorities include:

Maintaining a Modern and Affordable Financial System

- Providing strong oversight of Ontario's regulatory system for pensions, insurance, financial services and capital markets. Your goal is to ensure that the financial system is modern, affordable, protects investors and consumers, and supports economic growth.
- Delivering on our commitment to reduce automobile insurance rates. You will continue to work with the Financial Services Commission of Ontario and stakeholders to drive the necessary regulatory reforms and fraud prevention measures to ensure that the auto insurance system is fair and affordable and that consumers are protected.
- Working with the Attorney General to establish a Serious-Fraud Unit, whose mandate will include addressing automobile insurance fraud.
- Taking a leadership role in developing a co-operative capital markets regulatory system that will ensure consistent, fair and transparent rules for investors, issuers and other capital market participants. I ask that you continue to work with other provinces and the federal government to seek a national consensus on a single regime that also recognizes Toronto's key role in the financial services sector.
- Continuing to pursue pension reform that increases the sustainability of Ontario's public-sector pension plans. Consult with the Minister of Energy and the Minister of Training, Colleges and Universities on pension reforms in the electricity and postsecondary education sectors. I ask that these reforms include moving toward an equal cost-sharing model, increased risk-sharing and the establishment of sector-wide strategies.
- Continuing to review and provide advice and regulatory oversight related to privately and publicly held pensions. Your goal is to ensure the affordability and sustainability of these plans.

Optimizing Government Assets

- Advising the Premier's Advisory Council on Government Assets on ways to maximize the value of Ontario Power Generation, Hydro One and the Liquor Control Board of Ontario (LCBO). You will engage with the public and stakeholders to communicate and implement the government's decisions with respect to these assets.

Building Retirement Security

- Building a strong and secure retirement income system to ensure that Ontarians enjoy their retirement years. You will continue to seek an enhancement to the Canada Pension Plan, but also recognize the need to act now to provide greater retirement income security to Ontarians.
- Working in partnership with the Associate Minister of Finance to develop the Ontario Retirement Pension Plan (ORPP) so that it can be implemented in January 2017. The goal of the pension plan is to support working people who do not already participate in a comparable workplace pension plan. It should be similar to the Canada Pension Plan and provide a predictable stream of income in retirement, require contributions to be shared equally between employees and employers — and target a replacement rate of 15 per cent, up to an annual earnings threshold of \$90,000.
- Consulting and collaborating with the Minister of Economic Development, Employment and Infrastructure, the Minister of Labour, the Attorney General and the President of the Treasury Board during the development of the ORPP. I ask that you —in partnership with the Associate Minister of Finance — update Cabinet on your progress during the implementation of this important file.

Supporting a Dynamic Business Climate

- Maintaining and administering the tax system. You will need to balance the benefits of an internationally competitive tax system with the need to raise revenue to fund Ontario's essential programs and services.
- Continuing efforts to modernize Ontario's tax system so that it supports key sectors of the economy appropriately and treats taxpayers fairly.
- Ensuring taxes are collected efficiently and that minimal revenue is lost because of non-compliance or the underground economy. You will implement the raw-leaf tobacco reforms and take action on illegal tobacco sales, while working with partner ministers and First Nations to support First Nation economic development goals.
- Providing oversight of Ontario revenue agencies, such as the LCBO and the Ontario Lottery and Gaming Corporation. You will maintain strong partnerships with these agencies to ensure that they embrace the government's commitment to social responsibility.
- Improving the province's existing beer retailing system by reducing red tape and allowing new opportunities for retailing.

Collaborating on Shared Responsibilities across Government

- Providing advice to other ministries on fiscal planning and economic policy that supports effective budgetary and financial planning decisions.

- Establishing dedicated and substantial funding for public transit and transportation infrastructure. You will work closely with the Minister of Transportation, the Minister of Economic Development, Employment and Infrastructure, and the Treasury Board Secretariat to establish and report on two dedicated funds and the Trillium Trust — which will make nearly \$29 billion available over the next 10 years for investments in infrastructure projects across the province.

Working with Other Levels of Government

- Maintaining strong partnerships with other orders of government.
- Continuing to engage the federal government to make the case for equitable funding treatment for Ontarians. You will work to ensure the federal government preserves the integrity of our shared tax base and does not unilaterally impose measures that have a significant fiscal impact on Ontario.
- Supporting Ontario's relationship with municipalities. You will work with partner ministries to establish appropriate levels of funding support — recognizing that municipalities have benefitted from the uploading of services that has allowed them to remove these costs from the municipal property tax base.

We have an ambitious agenda for the next four years. I know that, by working together in partnership, we can be successful. The above list of priority initiatives is not meant to be exhaustive, as there are many other responsibilities that you and your ministry will need to carry out. To that end, this mandate letter is to be used by your ministry to develop more detailed plans for implementation of the initiatives above, in addition to other initiatives not highlighted in this letter.

I ask that you continue to build on the strong relationships we have with the Ontario Public Service, the broader public sector, other levels of government, and the private, non-profit and voluntary sectors. We want to be the most open and transparent government in the country. We want to be a government that works for the people of this province — and with them. It is of the utmost importance that we lead responsibly, act with integrity, manage spending wisely and are accountable for every action we take.

I look forward to working together with you in building opportunity today, and securing the future for all Ontarians.

Sincerely,



Kathleen Wynne
Premier