

A Plan for Care and Opportunity



Ontario's Economic and Fiscal Focus

Ontario's economy grew in 2017 despite an uncertain and challenging global environment due to the contributions of people and businesses across the province. Economic growth and sound fiscal management is leading to Ontario delivering on its commitment to balance the budget in 2017–18, with a projected surplus of over \$600 million. Beginning in 2018–19, the province is projecting modest deficits of less than one per cent of GDP and is committed to a balanced budget plan that weighs important investments in public services with fiscal responsibility — with a balanced budget projected in 2024–25.



Solid Economic Performance

Real GDP growing faster than Canada and all other G7 countries since 2014.



Balanced Budget

Forecasting a surplus of more than \$600 million in 2017–18, beating Ontario's fiscal target for the ninth year in a row.



Employment Gains

More than 800,000 net new jobs since the recession and the lowest unemployment rate in 17 years. Last year, 500 new jobs were created, on average, each day.

Ontario's fiscal picture

Ontario is:

- Making new investments of \$20.3 billion over three years in health care, home care, mental health, child care and more to deliver the care and services people depend on.
- Making these investments, which will result in projected deficits of \$6.7 billion in 2018–19, \$6.6 billion in 2019–20 and \$6.5 billion in 2020–21, and a planned return to a balanced budget in 2024–25, building on the province's track record of responsible fiscal management.
- Expected to remain the province with the lowest program spending per capita in 2017–18.
- Projecting total revenue to grow from \$152.5 billion in 2018–19 to \$163.8 billion in 2020–21, driven by the forecast for continued economic growth.

- Forecasting the province's program expense to grow from \$145.9 billion to \$155.8 billion between 2018–19 and 2020–21, supporting strong and vital public services.
- Harmonizing program delivery and reallocating existing resources to reduce duplication across services, while using innovative approaches for delivering services to make programs more people-focussed.
- Projecting 1.9 per cent average real GDP growth until 2021.
- Expecting exports and business investment to be important contributors to Ontario's economic growth.

Ontario's approach to debt management

Interest on debt expense is now at 8 cents on every dollar of revenue, compared with 15 cents in 2000.

To maintain responsible debt management, Ontario is:

- Achieving the lowest interest on debt-to-revenue ratio in 25 years, enabling the province to spend more revenue dollars on programs that directly benefit the people of Ontario.
- Helping the province meet its financial obligations, now and in the future, by maintaining an average level of cash reserves over \$30 billion.
- Capitalizing on low interest rates and a strong demand for Ontario bonds to maintain a long average term of the province's debt portfolio.
- Committing to the Green Bond program, a part of Ontario's borrowing program, as an important tool to help Ontario finance transit and other environmentally friendly projects across the province.