

BACKGROUND

HIGHLIGHTS OF THE *2019 ONTARIO BUDGET*

April 11, 2019

Balancing the budget responsibly

Ontario's Government for the People is committed to balancing the budget in a responsible manner – restoring trust, transparency and accountability in the Province's finances. Balancing the budget will help protect what matters most – health care, education and other critical public services – and will ensure that people have the funding they need for generations to come. The government is:

- Projecting a deficit of \$11.7 billion in 2018–19, a \$3.3 billion improvement from the deficit of \$15 billion inherited from the previous government.
- Charting a responsible path back to balanced budgets by 2023–24 while creating jobs and protecting what matters most — critical public services, including Ontario's world-class health care and education system — and providing much-needed relief to individuals, families and businesses.
- Tackling the \$343,000,000,000 public debt with a responsible debt burden reduction strategy that will restore fiscal health, preserve critical services and lower Ontario's net debt-to-GDP ratio by 2022–23 to less than the 40.8 per cent inherited from the previous government.
- Showing the people of Ontario that the government is accountable by introducing the proposed Fiscal Sustainability, Transparency and Accountability Act (FSTAA). Among other important new accountability measures, the proposed FSTAA would include a Premier and Minister's Accountability Guarantee that would require them to pay a penalty of 10 per cent of their premier and ministerial salaries for each missed public reporting deadline. The Minister would also need to publicly explain why the deadline was missed and when the report would be released.

Protecting what matters most

The government of Ontario recognizes that to protect world-class health care and education systems in the province, people must always be at the centre of government decision-making. The government is:

- Proposing a new Ontario Childcare Access and Relief from Expenses (CARE) tax credit. The CARE tax credit would be one of the most flexible child care initiatives ever introduced in Ontario. It is a plan that would put parents, and not the government, at the centre of the child care decision-making process. The new CARE tax credit would provide about 300,000 families with up to 75 per cent of their eligible child care expenses and allow families to access a broad range of child care options, including care in centres, homes and camps.
- Committing up to \$1 billion over the next five years to create up to 30,000 child care spaces in schools, including approximately 10,000 spaces in new schools, making life easier for parents and families by helping them find more affordable child care.

BACKGROUND

- Investing an additional \$384 million in hospitals and an additional \$267 million in home and community care. This is essential to end hallway health care and direct more health care spending to where it's needed the most. As well, to improve transitions in care and reduce wait times for services, the government is creating Ontario Health Teams to move towards an integrated health care delivery model.
- Investing \$3.8 billion for mental health, addictions and housing supports over 10 years, beginning with the creation of a mental health and addictions system.
- Introducing a new dental program for low-income seniors who lack benefits. Individual seniors with annual incomes of \$19,300 or less, or senior couples with combined annual incomes of less than \$32,300, will be able to receive dental services in public health units, community health centres and Aboriginal Health Access Centres across the province.
- Creating 15,000 new long-term care beds over the next five years and upgrading 15,000 older long-term care beds to provide more appropriate care to patients with complex health conditions.
- Improving the condition of schools to support better learning and keep children and students safe by investing \$1.4 billion in school renewal in the 2019–20 school year.
- Strengthening Ontario's education curriculum with particular emphasis on math and science, as well as job skills such as trades and coding, and life skills such as financial literacy.
- Lowering tuition rates by 10 per cent for students at every publicly funded college and university starting in the 2019–20 school year and freezing tuition fees for the 2020–21 school year. Students enrolled in a college program will see an average tuition reduction of approximately \$340, and students enrolled in an undergraduate arts and science degree will see an average tuition reduction of \$660.
- Making home ownership and renting more affordable by helping to increase the supply of housing that people need through the forthcoming Housing Supply Action Plan.

Putting people first

The government is committed to making life easier and improving choice and convenience for people by:

- Adopting a digital first strategy to make more services available online and easier to use, moving away from in-person and paper-based transactions, helping to reduce costs.
- Making the single largest capital contribution to new subway builds and extensions in Ontario's history by committing \$11.2 billion of the total estimated \$28.5 billion cost to support four rapid transit projects in the Greater Toronto Area. This includes a proposed new Ontario Line, the Yonge North Subway Extension to Richmond Hill and Markham, the Eglinton Crosstown West Extension into Etobicoke and completing the Scarborough Subway Extension by 2029–30.
- Improving service through the largest increase in GO Transit rail service in five years, including more trips per day, introducing route expansion and looking at the feasibility of providing flexible food and beverage services across the GO Transit rail network.

BACKGROUND

- Making it easier to buy auto insurance, including giving drivers more choice when deciding which auto insurance coverage suits their needs and gives them more control over their rates.
- Improving choice and convenience for adult consumers and opportunities for businesses by introducing legislation that lets municipalities make their own rules about drinking alcohol in public places, such as parks, and allowing fans to drink at tailgating parties at eligible sporting events.
- Proposing to provide tax relief for families when they need it most. The death of a loved one is a difficult time for families. Effective January 1, 2020, the Estate Administration Tax would be eliminated for taxable estates with assets of \$50,000 or less, and would be reduced by \$250 for larger taxable estates.

Open for business, open for jobs

The government is making Ontario open for business and open for jobs by reducing red tape, lowering business costs and connecting more workers to local jobs. The government is:

- Providing \$3.8 billion in provincial corporate income tax relief over six years through faster write offs of capital investments under the Ontario Job Creation Investment Incentive.
- Cutting red tape by 25 per cent by 2020. Once fully implemented, these changes are expected to provide Ontario businesses with over \$400 million in ongoing savings on their compliance costs.
- Implementing Driving Prosperity, a plan to strengthen competitiveness, innovation and talent in Ontario's automotive sector.
- Supporting the reduction of the Workplace Safety and Insurance Board's (WSIB) average premium rates from \$2.35 to \$1.65 on every \$100 of insurable payroll effective January 1, 2019, which will save employers \$1.45 billion in 2019.
- Establishing programs that encourage the people of Ontario to enter skilled trades, get retrained and become aware of the benefits of jobs in the trades.
- Launching a pilot initiative to bring highly skilled immigrants to smaller communities.
- Creating a new Northern Ontario Internship Program that will remove a requirement that internship applicants be recent university or college graduates, allowing new workers, people starting a new career, the unemployed and the underemployed to be eligible for the program.
- Fighting the federal government's job-killing carbon tax, which will increase costs for automotive, manufacturing, transportation, mining and forestry activities, and put thousands of jobs at risk.