

2019 ONTARIO BUDGET: ONTARIO'S PLAN TO PROTECT WHAT MATTERS MOST

Building a sustainable future while protecting frontline services

April 11, 2019

In its first *Budget*, Ontario's Government for the People has introduced a comprehensive and sustainable plan that sets out a five-year path to a balanced budget to protect critical public services such as health care and education.

"We are restoring sustainability to government finances in order to protect what matters most," said Minister of Finance Vic Fedeli. "The previous government was spending about \$40 million a day more than it was collecting in revenue. Our plan will make every dollar count so we can continue to invest in the critical programs like health care, education, and other services that the people of Ontario rely upon each and every day while protecting frontline workers."

Balancing the budget responsibly

The government is ensuring value for money and prioritizing spending that is projected to generate average savings and cost avoidance of about eight cents for every dollar spent over the path to balance. The *2019 Ontario Budget* introduces no new taxes and, along with measures announced to date, will allow the government to provide a projected \$26 billion in much-needed relief to individuals, families and businesses over six years, and eliminate the deficit.

In the nine short months since taking office, the government has already reduced the deficit by \$3.3 billion, going from \$15 billion to a projected \$11.7 billion for the 2018–19 fiscal year. The government is planning to further reduce the deficit by \$1.4 billion in the 2019–20 fiscal year, lowering it to \$10.3 billion. The government is projecting a modest surplus in 2023–24.

In addition, the government is announcing a responsible debt burden reduction strategy to responsibly manage Ontario's more than \$343,000,000,000 debt. The proposed Fiscal Sustainability, Transparency and Accountability Act would, if passed, require the government to present a debt burden reduction strategy and report on progress annually.

The government is introducing the Premier and Minister's Accountability Guarantee, which would require both the Premier and the Minister of Finance to give up 10 per cent of their premier and ministerial salaries for failing to make public financial and economic reports by the legislated deadline.

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Protecting what matters most

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, not the government, at the centre of the child care decision-making process.

The CARE tax credit would be on top of the existing Child Care Expense Deduction and focus benefits on families with low and moderate incomes. Families could receive up to \$6,000 for eligible child care expenses per child under seven, up to \$3,750 per child between the ages of seven and 16, and up to \$8,250 per child with a severe disability. This new CARE tax credit would provide about 300,000 families with up to 75 per cent of their eligible child care expense, and allow families to access a broad range of child care options, including care in centres, homes and camps.

The *2019 Ontario Budget* will also build on the government's ongoing efforts to end hallway health care and put patients first by accelerating the development of 30,000 long-term care beds and delivering on mental health and addictions supports.

In addition, the *Budget* includes several measures designed to improve the dignity and quality of life of Ontario's seniors. At least two-thirds of low-income seniors do not have access to dental insurance. This is why the government is investing \$90 million in a new dental program for seniors that will start by late summer 2019. This initiative will benefit individual seniors with annual incomes of \$19,300 or less and senior couples with combined annual incomes of less than \$32,300.

The death of a loved one is a difficult time for families. This is why the government is also proposing to provide tax relief for families when they need it most. 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.

Putting people first

As part of a renewed people-focused approach to government, the Province is introducing a new blueprint entitled Putting Drivers First to improve Ontario's broken auto insurance system. Drivers will have more choice when deciding which auto insurance coverage suits their needs and will give them more control over their rates. The government is also introducing a Driver Care Card, which would streamline access to care and make claims processing easier.

NEWS RELEASE

The Province is improving choice and convenience for consumers, and opportunities for businesses, as part of its ongoing alcohol modernization process that will treat adults like adults. This is why the government plans to expand the sale of beer and wine to corner stores, big box stores and more grocery stores. The government is moving forward with early wins for the people, such as creating a tailgating permit for eligible sporting events, introducing legislation to let municipalities make rules about alcohol consumption in public spaces, such as parks, and extending hours of alcohol service at licensed establishments, allowing them to start serving alcohol at 9 a.m.

The government is making the single largest capital contribution to new subway builds and extensions in Ontario's history. It is committing \$11.2 billion of the total estimated \$28.5 billion cost to support four rapid transit projects in the Greater Toronto Area (GTA), significantly over-delivering on the government's initial commitment to inject an additional \$5 billion in capital funds into subway extensions. The four projects include the Yonge North Subway Extension, the Scarborough Subway Extension, the Eglinton Crosstown West Extension, and a new subway, the Ontario Line.

In addition, the government is introducing the largest increase in GO Transit rail service in five years.

Open for business, open for jobs

Actions taken by Ontario's Government for the People to cancel the cap-and-trade carbon tax, keep the minimum wage at \$14 per hour, support the reduction of WSIB premiums and provide Corporate Income Tax relief will save Ontario businesses approximately \$5 billion in 2019.

The government is delivering on its commitment to reduce business taxes earlier than promised by providing \$3.8 billion in Ontario Corporate Income Tax relief over six years to support business investment through the Ontario Job Creation Investment Incentive. The incentive will help businesses make investments in machinery upgrades and expansions to help them grow and stimulate job creation.

As part of its plan, the Province set a target to reduce red tape barriers to business growth by 25 per cent. Once fully implemented, these changes are expected to provide Ontario businesses with over \$400 million in ongoing savings on their compliance costs.

With its Open for Jobs agenda, the government will introduce transparency measures that would show the people of Ontario the true costs of the federal government's job-killing carbon tax. Ontario already leads Canada in greenhouse gas reductions, and the tax threatens manufacturing jobs and small businesses in the province and hurts hard-working families.

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Quick Facts

- The government is implementing a plan to achieve a balanced budget by 2023–24.
- Ontario's economy is expected to grow at a steady pace from 2019 to 2024.
- Ontario's employment is forecast to rise at an average annual pace of 1.1 per cent over the same period.

Learn More

- *2019 Ontario Budget* (<http://budget.ontario.ca/>)
- Highlights of the *2019 Ontario Budget*
- Restoring Respect for Taxpayers by Balancing the Budget and Reducing the Debt Burden
- Giving Parents Flexible and Affordable Child Care Choices
- Creating Jobs and Fighting for Ontario Workers
- Putting People First
- Protecting What Matters Most
- Improving Choice and Convenience for Alcohol Consumers
- Putting Seniors and Their Families First
- Historic Funding for Public Transit
- The Blueprint for Putting Drivers First
- Supporting Northern Ontario

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