

BUILDING ONTARIO UP FOR EVERYONE



2016 ONTARIO ECONOMIC OUTLOOK AND FISCAL REVIEW



The Honourable
CHARLES SOUSA
Minister of Finance

Statement

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STATEMENT

For general inquiries regarding the *Building Ontario Up for Everyone: 2016 Ontario Economic Outlook and Fiscal Review, Statement*, please call:

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Introduction

Mr. Speaker, I rise to present the *2016 Ontario Economic Outlook and Fiscal Review*.

All of us in this Chamber seek to improve the lives of people across Ontario.

To respect their hard work.

Our actions today are building a better future.

People across our province got up this morning ...

Went to school or work or volunteer ...

They're making a difference.

And they're doing their part to make our Province stronger.



Our Plan

Mr. Speaker ... people from all over our great province are building Ontario up, but not alone.

They expect government to do its part, too.

Our role in this legislature is to foster more opportunity for them.

When we support one person, it makes their life a little bit easier.

And when we do that ... in the lives of 14 million Ontarians ...

It makes our economy stronger — it makes our future more prosperous.

Mr. Speaker, our plan is about helping everyone to succeed.

It's about helping moms and dads get to work and back home, safely and quickly ...

It's about helping businesses to grow our economy and create jobs.

It's about offering kids a promising future with great schools, colleges and universities.

It's about ensuring that everyone has high-quality health care at a hospital or at home.

Mr. Speaker, all of us share a desire to improve Ontarians' quality of life.

It is why we support the public services and programs that they rely on.

And, Mr. Speaker, in order to afford those critical services and programs, we must remain on track and be disciplined in balancing the budget next year ... and thereafter.



Fostering a More Innovative and Dynamic Business Environment

Mr. Speaker ...

Our role is to help create the conditions for our businesses to be competitive.

To enable them to create an innovation-driven, entrepreneurial economy.

To help Ontario firms become global leaders and exporters.

To help companies take advantage of expanding export markets and the emerging low-carbon economy.

Clean tech is one of many sectors of Ontario's growing and diversified economy.

Many of our clean tech companies got their start when Ontario cut coal and switched to clean electricity, becoming a world leader in emissions-free power.

Ontario's Climate Change Action Plan will invest proceeds from cap-and-trade directly to green projects ... helping more businesses and households save on energy.

From advanced manufacturing to food processing to mining to biotechnology ...

Ontario has many great success stories, and we want more of them.

So today, in keeping with our Business Growth Initiative, we are announcing \$32.4 million over four years to help more small and medium-sized enterprises grow into larger, export-oriented firms under Ontario's scale-up voucher program that tailors support for high-impact companies.

Because we know that strengthening our companies results in more jobs and opportunities.



Mr. Speaker, we are also staying at the forefront of financial technology. It is reshaping Ontario's traditional financial services sector, our second largest industry.

By embracing fintech and its disruptive technologies, we can maintain our position as a global leader in the financial services sector.

We recognize that our regulatory bodies need to evolve to ensure companies are not unduly burdened, while protecting consumers and investors.

So today, we are also announcing further details of our plan to establish the new Financial Services Regulatory Authority.

This will be an independent regulator that will modernize regulation of financial services and pensions. It will be more consumer-focused and offer improved protection for customers, investors and pension-plan beneficiaries.



Building Tomorrow's Infrastructure Now

Mr. Speaker, Ontarians lead busy lives.

Parents rush in the morning to get their kids ready for school or child care.

And many fight traffic on their way to work.

We want to help them get to work and back home faster and safely.

Some start their commute on local roads or at their neighbourhood bus stop.

Many rely on the 400-series highways.

In a few years, many Ontarians will have easier commutes thanks to our investments in Moving Ontario Forward.

In the Greater Toronto and Hamilton Area, they'll be able to use new subways, LRT and expanded GO services — all closer to home.

In the meantime, new construction continues to improve the 401 ... the new 407 extension is underway ... and Highway 69 between Sudbury and Parry Sound is being expanded.

In small and rural communities, we're building and repairing roads, bridges and other critical infrastructure.

Helping goods get to market quickly is key.

It's part of our plan to make the largest public infrastructure investment in our province's history.

More than \$160 billion is being invested over 12 years ... supporting more than 110,000 jobs on average each year.

From Windsor to Stratford to Cornwall.

From Thunder Bay to Sault Ste. Marie to Niagara.



Investing in People's Talents and Skills

Mr. Speaker ...

This morning, 260,000 kids went to full-day kindergarten — right across our province.

My three kids are older now, but I remember how at times it was not always easy to get them out the door.

I am sure it wasn't easy for some parents.

No doubt, someone didn't want to get up.

Or felt that their sweater was too itchy.

Or worse ... one of them forgot their item for show and tell.

But when they got to school ... and saw their friends ... and their teachers ... their day got better.

And so did their parents' day.

Full-day kindergarten is giving them a stronger start in school and in life.

And to help even more families give their kids a great start in their early years, we will be creating 100,000 new licensed child care spaces within the next five years.

In fact, Mr. Speaker, we are proud to announce today that \$65.5 million will be invested in this school year to support the creation of 3,400 spaces to get it started.

Mr. Speaker, we are committed to supporting all children.



That is why we increased support for families living with autism in the *2016 Budget*.

Ontario's new autism program will provide all children, regardless of age, with more flexible services based on their unique needs.

As well, Mr. Speaker, over 150,000 students will head to college or university next September without worrying about tuition costs.

Whether at La Cité collégiale in Ottawa or Lakehead University in Thunder Bay.

From St. Clair College in Windsor to Queen's University in Kingston

Thanks to the new Ontario Student Grant, their tuition will be more affordable ...

And for many, it will be free.

This is an investment in our future, building opportunity for more people.

Mr. Speaker, we choose to invest in our children and in our schools.

That's why, just this year, we are opening 29 new schools ... creating stronger communities and serving the needs of Ontario families.

We chose to prepare people of all ages for success in a changing workforce.

It's critical to Ontario's growth and competitiveness.

That includes Ontario's new Highly Skilled Workforce Strategy to help our people get the skills and credentials they need for the jobs they want ...

And further attract more businesses to invest in Ontario, confident that we have the best and the brightest.



Health Care

Mr. Speaker, one of Ontario's strengths and a priority for families is our publicly funded, high-quality health care system.

We introduced our Patients First legislation to ensure that our health care continues to improve.

We are supporting our dedicated teams to tackle mental health and addictions with increased resources.

We are proud of our caring practitioners who are helping to expand immunization protection and extending support for pregnancy and infant loss.

We understand the importance of specialized care for families in need.

That's why we improved access to high-quality cardiac services through a \$162 million investment in the University of Ottawa Heart Institute.

Universal health care is critical to all of us.

And that's why ... today, Mr. Speaker ... we are announcing that Ontario's public hospitals will receive an additional \$140 million in funding this year.

That means that every public hospital in the province will have more resources to better support patients and reduce wait times.

This is above the \$345 million announced in the *2016 Budget* for hospital operating costs.

Furthermore, Mr. Speaker, we are building new hospitals.

To better serve local communities right across the province, we are building, expanding or renovating 37 hospitals on top of the 20 projects that have been completed since 2013.

Mr. Speaker, building modern hospitals is key to meet the demands of today and tomorrow.



Strengthening Retirement Security

Mr. Speaker, tens of thousands of young people across the province are at the beginning of their careers.

Many are on contract or at small businesses and they don't benefit from a workplace pension plan.

For many, it's hard to start saving for the future.

That's why we are strengthening retirement security.

And taking steps to modernize existing pension plans.

Our work on the Ontario Retirement Pension Plan was the catalyst in reaching a national consensus to enhance the Canada Pension Plan this past summer.

This extraordinary national agreement would not have been possible without the inspired leadership and the tenacity of our Premier, Kathleen Wynne.

Her efforts will significantly improve retirement security for future generations.



Improving Housing Affordability

While retirement may not be top of mind for many young people today, their ability to own a home is becoming a concern in today's real estate market.

Purchasing your very first home is one of the most exciting decisions in a young person's life.

But many are worried about how they will be able to afford their first condo or house.

So Mr. Speaker, we're announcing today that, as of January 1, 2017... we are proposing to double the maximum Land Transfer Tax refund for first-time homebuyers to \$4,000.

For many, this will mean no Land Transfer Tax on the purchase of their first home.

We will also be modernizing the Land Transfer Tax system for the first time in a generation.

The housing market is an important source of economic growth and employment in Ontario.

And improving housing affordability will help more Ontarians to participate.



A Fair Society and Helping People in their Everyday Lives

Changing times are impacting how Ontarians work, live and conduct business.

Our commitment to building a fair society is also about inspiring growth that is more inclusive.

To lift people out of poverty...

And ensure we all reach our full potential.

That is why we are developing a Basic Income Pilot...

As well as addressing the gender wage gap.

It is why we are helping refugees settle in Ontario.

It is why we support reconciliation with Indigenous peoples.

Taking action to help people in their everyday lives is important to all of us, Mr. Speaker.

We are all concerned about rising costs.

So we took action.

Starting in January 2017, we will rebate an amount equal to the eight per cent provincial portion of the HST on residential electricity bills ... helping five million families, small businesses and farms.



Path to Balance

Mr. Speaker, those are just some of the aspects of our plan to grow the economy and create jobs.

Our plan is working.

Over the last two years, our economy has grown by 5.3 per cent.

Last year, our growth was double the national average.

In fact, for the first quarter of this year, Ontario's growth was faster than that of the United States and the G7.

More than 641,000 net new jobs have been created since the depths of the 2008 global recession.

The majority of these jobs are full time, in the private sector, and in above-average wage industries.

The unemployment rate is at an eight-year low.

These are positive signs of economic growth, but we know global challenges continue to exist.

And we must continue to be prepared.

But our goal has always been clear.

We have never wavered from our fiscal plan ... to balance the budget.

The *2015–16 Public Accounts of Ontario* confirmed that the deficit projection was a \$3.5 billion improvement compared to the 2015 Budget plan.



It was the seventh year in a row that we have beaten our deficit target.

And, Mr. Speaker ... I am pleased to confirm today that, consistent with the *2016 Budget*, Ontario's deficit for 2016–17 is projected to be \$4.3 billion ... on target — on plan.

We will balance the budget in 2017–18 and remain balanced in 2018–19, as scheduled.

It's not going to be easy.

But we will continue to make strategic investments to grow our economy ...

And we will make the right choices to bring Ontario to balance.

Conclusion

Mr. Speaker... I began this speech by talking about our common desire to ensure a bright future for all Ontarians.

I believe if we go around this room ...

Or go outside ...

And we ask the people of Ontario ...

What are your hopes?

What are your dreams for your children or your grandchildren?

What is most important to you?

I think we would hear a common theme.



No matter your faith ...

No matter your culture ...

Or your heritage, or your party ...

We all want the same things.

Jobs that fulfil us.

Universal health care when we need it.

Strong public education that enables us.

A good quality of life for our families.

We may disagree on the means ... and in this Chamber, we often do robustly.

But for each of us, the ends are the same.

People go about their business across this province to better their lives.

And improve the lives of those they love.

So every day, in this place, we will work to support them.

To support each other ...

In building Ontario up.

Thank you, Mr. Speaker.