

2022

ONTARIO ECONOMIC
OUTLOOK AND
FISCAL REVIEW



ONTARIO'S PLAN TO BUILD A PROGRESS UPDATE

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STATEMENT
CHECK AGAINST DELIVERY

Mr. Speaker, last year, when I delivered the 2021 Fall Economic Statement in this legislature, it was the same day we paid tribute to a great leader and Premier of this province, the Honourable Bill Davis.

Bill Davis is still with us in this legislature, and he casts a long shadow...

From Ontario's college system to health care expansion to seeing the province through economic hardship, he believed in province building and nation building.

Just like Premier Davis, our government is building this great province with *Ontario's Plan to Build*.

Today, it is my privilege to stand before my colleagues, old and new...

To provide an update on the progress we have made on our plan to build Ontario.

Together, we have come so far.

Together, we have invested in Ontario's automotive and manufacturing supply chain...

To become a North American leader in building electric and hybrid vehicles and battery manufacturing.

Together, we are unlocking the economic potential of critical minerals and the Ring of Fire in the North...

And connecting them to our world-class manufacturing capabilities in Southern Ontario.

We're building roads, bridges, subways and highways.

Together, we've trained thousands of workers through significant investments in skills training.

Together, we're keeping costs down for families, for workers and for seniors.

Together, we're expanding Ontario's health workforce with more doctors, nurses and personal support workers.

And, we're well underway on delivering on the largest expansion of long-term care beds in this province's history.

And Mr. Speaker, in our *2022 Ontario Economic Outlook and Fiscal Review*, we are tabling the first-ever Building Ontario Progress Report.

To **Build Ontario's Economy**, we're making progress in attracting investments and good jobs.

Over the last two years, we have attracted more than \$12.5 billion in transformative global automotive investments of Electric Vehicles, or EVs, and EV batteries.

And \$2.5 billion in investments that will help make the province a world-leading producer of low-carbon steel.

We're also investing millions of dollars in a new Life Sciences Innovation Program to help entrepreneurs develop and scale innovative technologies.

To **Build Ontario's Workforce**, we're making progress in training and educating students and workers to succeed today and tomorrow.

The first two rounds of the Skills Development Fund delivered 388 training projects, helping more than 393,000 workers take the next step in their careers.

We've already added over 11,700 health care workers, including nurses and personal support workers to our health care system.

To **Build Infrastructure for Ontario**, we're making progress by getting shovels in the ground on critical projects all across this province.

As I stand here, preliminary field work is already underway for Highway 413 and design contracts have been awarded for the Bradford Bypass.

We have completed construction at the Unionville and Rutherford GO Stations.

And that's not all...

We broke ground and announced the preferred proponent teams for two key contracts on the Ontario Line.

We will soon be moving forward and selecting the proponent to begin the development phase of the Scarborough subway extension.

And, Mr. Speaker, to **keep costs down**, we're making progress...

Our government eliminated licence plate renewal fees as well as licence plate stickers **and** refunded the past two years of fees for eligible vehicles...

Helping make life more affordable for nearly eight million vehicle owners in Ontario.

We've saved, and continue to save, money for Ontario households by temporarily cutting the gas tax and fuel tax starting on July 1, 2022.

And, the Childcare Access and Relief from Expenses tax credit is supporting eligible families with up to 75 per cent of their child care expenses...

Providing, on average, \$1,250 in support for this year.

Mr. Speaker, to secure our long-term prosperity, we must increase supply — that means building hospitals and housing, highways and roads, and manufacturing capacity.

And that is exactly what our government is doing, each and every day, we are getting it done.

We're continuing to...

Build Ontario's economy...

Build Ontario's workforce...

Build Ontario's infrastructure...

And keep costs down for Ontario families and businesses.

But, Mr. Speaker...

These are uncertain economic times...

And Ontario is not immune to the emerging economic challenges that we are seeing all across the globe.

In 2022, Ontario's consumer price inflation reached a near 40-year high.

We are suffering from high inflation because of the consequences of a worldwide pandemic and...

Russia's illegal war on Ukraine, which has caused supply disruptions across various industries.

While inflation eased slightly in September, the Bank of Canada increased interest rates another 50 basis points in October...

And, the cost of groceries and other everyday goods continues to remain stubbornly high.

Taken together, the year ahead is likely to be marked by ongoing economic turbulence and a slowdown in growth.

Understandably, this is putting financial pressure on families, workers and seniors.

This is why our government has a responsible fiscal plan, which will help us navigate these uncertain times.

And no matter what lies ahead, I have confidence in the resilience of Ontario's economy, its workers and its people.

I have confidence in our plan.

Mr. Speaker, our Fall Economic Statement also includes new targeted measures to advance our plan.

Our government is using the strength of our supply chains to support globally competitive, home-grown manufacturing...

And build the next generation of hybrid and electric vehicles and batteries right here in Ontario.

Manufacturers are looking for ways to remove emissions from their supply chains.

This is why, we are proposing legislation to launch a voluntary clean energy credit registry, giving Ontario businesses another tool as they compete for global capital.

Mr. Speaker, we must also look for additional ways to make Ontario the destination of choice for global investors.

This is why we are refocusing our approach to cutting red tape to clear up supply chain delays as well as support Ontario's agri-food system...

So we can get goods and services to customers faster and help create more jobs.

Mr. Speaker, this government understands that Main Street Ontario matters.

This is why, we are lowering costs for small businesses by proposing to increase the number of small businesses that could benefit from the small business tax rate.

Mr. Speaker, our province is faced with a historic labour shortage.

There are over 387,000 jobs currently unfilled across the province.

Our government recognizes the incredible potential in each and every person in this province.

Their potential to work. To contribute.

That's why we are proposing to increase the amount a person with a disability on the Ontario Disability Support Program (ODSP) can earn from \$200 to \$1,000 per month...

...without impacting their income support.

This measure would encourage people who want to increase their work hours to do so and promote more participation in the workforce.

It would allow the approximately 25,000 individuals currently in the workforce to keep more of their earnings.

And, could encourage as many as 25,000 more to participate in the workforce.

Our government also recognizes that there are many ODSP recipients who cannot work, and that they need our continued support.

That is why, in August, we announced a five percent increase to ODSP rates.

Going forward, we plan to adjust ODSP rates to inflation, beginning in July 2023...

So when the cost of living increases, income support would increase as well.

And as we increase support for ODSP recipients, reforms are also required to improve access and make sure only those who need the support can get it.

Mr. Speaker...

We want everyone who is able and wants to pursue a job to know that their government is in their corner.

That is why we are investing in skills training.

Through our Skills Development Fund, we have supported ground-breaking programs that connect job seekers...

With the skills and training that they need to pursue a new opportunity.

And, I am pleased to announce that we are investing an additional \$40 million for the latest round of this program...

This brings total funding for the next round to \$145 million.

The skilled trades present an opportunity for a successful career for thousands upon thousands of people.

Especially high school students.

And, I am pleased to share that our government is expanding the Dual Credit program...

Creating direct pathways for high school students seeking a career in the trades or in early childhood education.

This gives students the opportunity to complete credits towards both an Ontario Secondary School Diploma and a college credential or a Certificate of Apprenticeship...

And begin work earlier.

Mr. Speaker, there is a future for young people in the trades.

Mr. Speaker, we know that these are challenging financial times for many in our province...

And it is being felt even more by some of the most vulnerable in our province.

Low-income workers and families who feel the pressure of making ends meet.

Low-income seniors who have seen their grocery bills climb.

This government understands the last thing the people of Ontario need right now is a tax increase at the pumps.

That is why, we are proposing to extend the gas tax and fuel tax cuts for twelve months, until December 31, 2023.

Extending these cuts would mean households of this province would save \$195, on average, between July 1, 2022, and December 31, 2023.

Mr. Speaker, seniors built this province, and we owe them all a debt of gratitude.

But, for too many low-income seniors, covering day-to-day costs has become a source of anxiety.

Our government is proposing to double payments for all senior recipients of the Ontario Guaranteed Annual Income System program for 2023.

This measure would provide a maximum increase of almost \$1,000 per person for low-income seniors for the year.

Mr. Speaker, our government recognizes that we are facing a difficult road ahead.

And an economic slowdown in the near term is very real.

When faced with this degree of uncertainty, governments need to be ready for anything.

They need to be flexible and forward thinking...with a fiscal plan that is ready to support people and businesses when, and if, the time comes.

While at the same time, laying a strong fiscal foundation for future generations.

We're taking a responsible and targeted approach, making record investments in the priorities that matter to the people of this province.

Ontario's projected deficit in 2022–23 is \$12.9 billion...

This is an improvement of \$6.9 billion from the *2022 Budget*.

Mr. Speaker, eliminating Ontario's deficit, while delivering on *Ontario's Plan to Build*, is a critical part of our government's long-term vision for this province.

After unprecedented spending in response to the pandemic, now is the time for governments to show restraint.

More spending today will only make inflation more painful and drag out an economic downturn.

The economic road ahead will not be easy.

And Ontario is not an island, and we will not be immune to it.

But there is nothing that we cannot do together.

No challenge that we cannot meet. No obstacle we cannot overcome.

Whatever the economic uncertainty may bring, our government has a plan.

And just like Bill Davis did so many years ago, under the leadership of Premier Ford, we are building a stronger province...

No matter the challenges that lie ahead, no matter the obstacles we might face...

We are steadfast.

And one thing I am sure of is the strength and resilience of the people of this province.

Together, let's get it done. Let's Build Ontario.

Thank you, Mr. Speaker.