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Published plans and annual reports 2020-2021: Ministry of Finance

Plans for 2020-2021, and results and outcomes of all provincial programs delivered by the Ministry of Finance in 2019-2020.

Ministry's vision

The Ministry of Finance supports effective stewardship of the government's finances, as well as a dynamic, innovative and growing economy across five core lines of business: fiscal, tax and economic policy; revenue generation; debt management; intergovernmental fiscal relations; and financial services regulation.

The ministry ensures that spending is directed to the highest priority needs while reducing the debt burden; supports a fair, efficient and competitive tax system; works with the federal government to represent Ontario's interests with respect to fiscal arrangements; and uses a modern and risk-based approach to regulating the financial services sector.

The ministry is also leading the modernization of the alcohol system in order to improve choice and convenience for consumers and enable more opportunities for businesses. It is also looking to modernize gaming, by enabling the expansion of online gambling. The ministry is also working to support the move to an open market for retail cannabis in Ontario.

Ministry of Finance, Total Expense¹, 2017-18 to 2020-21
(\$Millions)

Item	Actual 2017-18	Actual 2018-19	Interim 2019-20	Plan 2020-21
Base	\$843	\$885	\$798	\$862.0
Investment Management Corporation of Ontario	N/A	\$67	\$90	\$161.1
Ontario Municipal Partnership Fund	\$506	\$510	\$505	\$501.9
Power Supply Contract Costs	\$191	\$173	\$124	\$94.1
COVID-19 Response: Support for People and Jobs Fund	N/A	N/A	N/A	\$1,965.6
Total	\$1,540	\$1,636	\$1,517	\$3,584.6

[1] Excludes the Treasury Program

Note: Numbers may not add due to rounding

Based on the requirements of Public Sector Accounting Standards, the Province consolidated the Investment Management Corporation of Ontario into the Ministry of Finance.

COVID-19 response

In early 2020, the COVID-19 outbreak emerged not only as a serious international health concern, but as a threat to economies worldwide. On March 25, 2020, the government of Ontario released *Ontario's Action Plan: Responding to COVID-19*, a one-year economic and fiscal update based on the best information available, outlining the first steps in its plan to tackle the COVID-19 outbreak.

As part of the Action Plan, the government invested \$3.3 billion in health care resources, \$3.7 billion to directly and urgently support people and to protect jobs, and made available \$10 billion in support for people and businesses through tax credits and other deferrals to improve their cash flow.

The Support for People and Jobs Fund was created to support immediate and medium-term recovery efforts. The Fund is held centrally in the Ministry of Finance and is intended to support people by providing direct support to vulnerable groups, communities and families financially impacted by COVID-19, as well as to protect jobs by helping support the economic viability of employers and economic recovery and growth once the spread of the virus is contained.

Specific actions in the plan led by the Ministry of Finance include:

- Doubling the Guaranteed Annual Income System (GAINS) payment for low-income seniors for six months;
- Freeing up to \$6 billion in cash flows for business by providing five months of interest and penalty relief for businesses who are unable to file and make payments for select provincially-administered taxes on time;
- Providing over \$1.8 billion in cash flow relief by deferring the upcoming quarterly (June 30) municipal remittance of education property tax to school boards by 90 days, which will provide municipalities the flexibility to, in turn, provide property tax deferrals to residents and businesses; and,
- Postponing the planned property tax reassessment for 2021, which will also provide an opportunity to better reflect the advice received through the Property Assessment and Taxation Review that is currently underway.

The Ontario Jobs and Recovery Committee, chaired by the Minister of Finance, was established in April 2020. The Committee is focused on driving planning and execution across the Ontario Public Service through the restart and recovery phases of the Province's response to COVID-19.

In April, the government announced it was committing up to \$241.2 million and partnering with the federal government to offer the new Canada Emergency Commercial Rent Assistance Program. The total amount of provincial-federal relief that would be provided is more than \$900 million, helping to ensure small businesses are ready to reopen their doors when the emergency measures are lifted.

The government also announced, in April, significant support for frontline workers fighting COVID-19 through temporary pandemic pay. Ontario secured a federal commitment to provide significant funding for pandemic pay and ensured that the parameters of the federal program supported the Ontario workers in the most critical jobs and sectors. The improved federal program set a strong precedent for future federal engagement and support for key Ontario services and programs.

On April 27, the government released *A Framework for Reopening our Province*, outlining the principles it will use to reopen businesses, services and public spaces in gradual stages. The framework highlights the government's commitment to provide guidance as workplaces prepare to reopen, including businesses deemed essential that voluntarily chose to temporarily shut down.

On May 14, the government announced the retailers, seasonal businesses and health and community service providers who would be permitted to open or expand their services as part of the Province's first stage of reopening, which started the following week. The workplaces opening are well-positioned to put workplace safety measures in place and get more people back to work, while not overburdening other services.

The Ministry of Finance will continue to play a leadership role in the plans for economic recovery, including in the full *2020 Budget* to be released on or before November 15, 2020.

Ministry business lines

Fiscal, tax and economic policy

The ministry provides the government fiscal, economic and tax analysis and advice, and leads development of various public reports including the *Ontario Budget*, *Ontario Economic Outlook and Fiscal Review*, *Quarterly Finances* and *Ontario Economic Accounts*.

Revenue generation

The ministry oversees more than \$157 billion in annual revenues, including those from its operational agencies (e.g., Ontario Lottery and Gaming Corporation, Liquor Control Board of Ontario), and provincially-administered tax statutes. By supporting tax compliance, the ministry is helping to ensure healthcare, education and other key public services have the sustainable funding they need.

Debt management

Through the Ontario Financing Authority, the ministry manages the Province's debt and borrowing program as well as banking and cash management functions on behalf of the government.

Intergovernmental fiscal relations

The ministry advises on intergovernmental fiscal arrangements, and interactions between entitlement programs, to help advance the provincial government's priorities with its federal and municipal counterparts. For example, the ministry supports Ontario's participation at regular Federal-Provincial-Territorial Finance Ministers' Meetings.

Financial services regulation

The ministry ensures efficient, effective regulation of the financial services sector, including insurers, pension plans, credit unions, mortgage brokerages and capital markets, and oversees related regulatory agencies (e.g., Ontario Securities Commission, Financial Services Regulatory Authority).

COVID-19 Response

Prudent financial management over the past two years has positioned the Province to be able to respond to unforeseen events, such as the COVID-19 outbreak. The ministry is committed to supporting the Province's economic recovery efforts, in part through activities announced in the Action Plan.

The Action Plan announced the doubling of the GAINS maximum payment for low-income seniors, for six months, as of April 2020. This increased the maximum payment to \$166 per month for individuals and \$332

per month for couples.

The government also introduced a temporary increase to the Employer Health Tax (EHT) payroll exemption from \$490,000 to \$1,000,000 for the 2020 tax year. This measure provided about \$355 million in EHT relief for about 57,000 eligible private-sector employers, including 30,000 who will no longer pay any EHT for 2020. This accounted for about 90% of all private sector employers not having to pay EHT for 2020. This temporary measure provided additional EHT relief of up to \$9,945 per eligible employer, meaning eligible employers could benefit by up to \$19,500 in total EHT relief for 2020. The EHT exemption will return to \$490,000 as of January 1, 2021.

Beginning April 1, 2020, penalties and interest were not applied to Ontario's businesses that missed filing and / or remittance deadlines under select provincially-administered taxes. This relief will continue through August 31, 2020, and applies to the following provincially-administered tax programs:

- Employer Health Tax;
- Tobacco Tax;
- Fuel Tax;
- Gas Tax;
- Beer, Wine and Spirits Taxes;
- Mining Tax;
- Insurance Premium Tax;
- International Fuel Tax Agreement;
- Retail Sales Tax on Insurance Contracts and Benefit Plans; and,
- Race Tracks Tax.

In addition, all collection activity was suspended for newly defaulted non-filers of the ten statutes eligible for penalty and interest relief until September 2020. Combined with the suspension of penalties and interest, this action will provide an estimated \$25 million in relief. The ministry has also temporarily suspended audit interactions with most Ontario business and representatives.

Working with the Ministry of Colleges and Universities, the ministry suspended defaulted Ontario student loan payments and interest accumulation from March 30, 2020 to September 30, 2020.

The Province's Treasury Program ensures that essential payments to the Province's Broader Public Sector partners including frontline healthcare providers, as well as individual entitlements, are made on a timely basis.

In 2019–20, the Province took advantage of strong demand for its debt and continued low interest rates, to pre-borrow \$7.6 billion. By borrowing a total of \$39.5 billion in 2019–20, the Province was able to reduce the long-term borrowing requirement by \$7.6 billion in 2020–21.

Pre-funding 2020–21 also allowed the Province to maintain its large liquid reserves in order to meet the demands of the government's COVID-19 relief programs and address any unexpected or accelerated requirements. Interest on debt is projected to be lower by \$0.7 billion in 2019–20 and \$0.5 billion in 2020–21, relative to the *2019 Budget* forecast, primarily due to lower-than-forecast interest rates.

The Province has not experienced market challenges in issuing long-term debt, however, there are two Bank of Canada provincial programs that are available in the event market access is curtailed as a result of the current crisis.

The response to the health and economic impacts of COVID-19 required the ministry to engage its partners to ensure ongoing cooperation with the federal government and other provinces and territories.

The ministry provides coordinated oversight and support for its agencies in response to the impacts of COVID-19 on their operations and services. The ministry is working with Ontario's financial services regulatory agencies and industry to ensure that consumers and businesses are protected, supported and receive necessary relief during the COVID-19 outbreak.

2020–21 Strategic plan

The Ministry of Finance has continued to work with its partners to keep people healthy, provide support for the families, individuals and businesses struggling as a result of the necessary measures taken to respond to COVID-19, and to plan for what comes next.

Managing the province's finances in a responsible manner

- Ensuring the government's fiscal policy is aligned with the governing principles of the *Fiscal Sustainability, Transparency and Accountability Act, 2019*.
- Supporting transparency and accountability through the development and timely release of key publications including the *Quarterly Finances*, *Ontario Economic Accounts*, *Ontario's Long-Term Report on the Economy*, and an *Ontario Budget* on or before November 15, 2020.
- Continuously monitoring and reporting on Canada Revenue Agency measures in response to COVID-19 and how these measures may impact Ontario, including digitization of services, benefits program uptake, data management, changes to compliance activities and capacity to support Ontario initiatives.
- Partially pre-borrowing for 2020–21 requirements allowed the Province to maintain large liquid reserve levels in order to meet the demands of the government's COVID-19 relief programs and address unexpected or accelerated requirements.

Making life more affordable

- Doubling the maximum GAINS payment for six months starting in April 2020 for low-income seniors, increasing the maximum payment to \$166 per month for individuals and \$332 per month for couples.
- Deferring the upcoming quarterly (June 30) remittance of education property tax to school boards by 90 days to provide municipalities with the flexibility to, in turn, provide property tax deferrals of over \$1.8 billion to local residents and businesses and deferrals of Provincial Land Tax installment payments for 90 days.
- Postponing the planned property tax reassessment for 2021 to provide stability for Ontario's property taxpayers and municipalities, and to ensure that municipal governments are able to focus their resources on critical public health initiatives and other efforts to manage the local response to the COVID-19 outbreak.
- Providing temporary relief from interest and loan payments for borrowers in default on their Ontario Student Assistance Program (OSAP) loans.
- Making changes to lower auto insurance costs, to give drivers more choice and control over their rates and enable more competition and innovation in the system.
- Allowing automobile insurance companies to provide insurance premium rebates to drivers, and enabling insurers to pass savings onto drivers as a result of fewer vehicles on the road, fewer traffic collisions and less risk in the marketplace during the declared emergency with respect to COVID-19.

Creating a more competitive business environment

- Doubling the EHT exemption for the 2020 tax year so that businesses can focus on supporting the well-being of their employees and their continued operations during this time of uncertainty caused by

COVID-19 in Ontario.

- Working in partnership with the Government of Canada to provide rent relief to commercial property owners and their tenants under the Canada Emergency Commercial Rent Assistance (CECRA) program.
- Introducing a new 10% refundable Regional Opportunities Investment Tax Credit for businesses.
- Providing tax relief from penalties and interest for a five-month period in response to the COVID-19 pandemic.
- Conducting a review and stakeholder consultations to explore opportunities to enhance the accuracy and stability of property assessments and support a competitive business environment within the property tax system, as well as strengthening the governance and accountability of the Municipal Property Assessment Corporation (MPAC).
- Continuing to support the government's goal of reducing regulatory barriers and red tape by 25% in order to stimulate business growth and investment in Ontario.
- Establishing the Capital Markets Modernization Taskforce to review the capital markets regulatory framework and advise the government on critical areas such as driving competitiveness, regulatory structure, efficient regulation and investor protection.
- Delivering on recommendations identified by the Burden Reduction Task Force, established by the Ontario Securities Commission, to enhance competitiveness for Ontario businesses by saving time and money for the investment industry.
- Protecting families from financial risk by implementing a regulatory framework that would require individuals using the financial planner and financial advisor titles to have an appropriate credential.
- Addressing money laundering, by proactively assisting the Canada Revenue Agency in addressing non-compliance in the real estate sector.
- Continuing to monitor the impacts of corporate income tax cuts, including accelerated write-offs of capital investments.

Making government smarter

- Providing taxpayers with the option of filing with electronic signatures and fax / e-copies during the COVID-19 pandemic to reduce the need for in-person interactions.
- Leading the government's comprehensive review of the beverage alcohol sector to improve choice and convenience for consumers and to provide more opportunities for business.
- Consulting with stakeholders to develop a consumer-focused strategy for legal online gambling that reflects consumer preferences, fosters an exciting gambling experience and minimizes the burden on business while ensuring appropriate protections are in place.
- Working to implement electronic payments and document filing for tax and non-tax programs, reducing red tape for the people of Ontario and promoting digital transformation.
- Working to support the Value Creation Task Force in identifying, assessing and pursuing potential opportunities for value creation across government to generate additional incremental non-tax revenues for the Province.

Highlights for 2019–20

Highlights of the ministry's activities in 2019–20 are provided below.

Managing the province's finances in a responsible manner

- Introduced and passed the *Fiscal Sustainability, Transparency, and Accountability Act, 2019*, the first comprehensive change to Ontario's fiscal planning legislation in 15 years.
- Released Ontario's *Action Plan: Responding to COVID-19*, a one-year economic and fiscal update based

on the best information available, outlining the first steps to tackle the COVID-19 outbreak.

- Released regular quarterly fiscal updates, including *2019–20 First and Third Quarter Finances*, the *2019 Ontario Economic Outlook and Fiscal Review* and the recent Action Plan, which projected a deficit of \$9.2 billion in 2019–20, an improvement of \$1.1 billion relative to the 2019 Budget outlook.
- The Province took advantage of strong demand for its debt and continued low interest rates, to pre-borrow \$7.6 billion in 2019–20 and borrow a total of \$39.5 billion in 2019–20.
- For the first time, the Province issued two Green Bonds in the same fiscal year, with the first Green Bond issued in November for \$750 million and the second in February for \$500 million.
- Protected the Interest on Debt forecast from the impact of possible increases in interest rates over the coming years by extending the term of its debt. Going back to the beginning of 2010–11, to lock in low rates and lower refinancing risks, Ontario issued \$91.1 billion of bonds 30 years or longer, or approximately one-quarter of total debt, including \$12.5 billion in 2019–20.

Making life more affordable

- Implemented the new Ontario child care tax credit, which provided about \$1,250 per family, on average, in child care support to about 300,000 families in 2019. The credit is in addition to the Child Care Expense Deduction and will target tax relief to low- and moderate-income families.
- Implemented the low-income workers tax credit, benefitting about 1.1 million people across the Province and providing Personal Income Tax relief of up to \$850 for individuals and \$1,700 for couples. Combined with existing tax relief, about 90% of all Ontario tax filers with taxable incomes below \$30,000 will pay no Ontario Personal Income Tax.
- Proposed to defer the upcoming quarterly (June 30) remittance of education property tax to school boards by 90 days. This will provide municipalities with the flexibility to, in turn, provide property tax deferrals of over \$1.8 billion to local residents and businesses.
- Reduced the aviation fuel tax rate in Northern Ontario to 2.7 cents per litre from 6.7 cents per litre.
- Reduced and simplified the Estate Administration Tax, eliminating the estate tax on the first \$50,000 of the value of the estate.
- Reversed the previous government's proposed 2018 budget tax increases, saving approximately 1.8 million individuals from an average increase of \$200 in their Personal Income Taxes.
- Maintained the structure of the Ontario Municipal Partnership Fund for 2020, which is providing \$500 million to 389 municipalities across Ontario.

Creating a more competitive business environment

- Introduced the Regional Opportunities Investment Tax Credit to support business investment in regions of the Province where employment growth has significantly lagged the provincial average.
- Reduced the small business Corporate Income Tax rate which delivered up to \$1,500 in annual savings to more than 275,000 businesses – from family-owned shops to innovative start-ups.
- Supported Ontario's horse racing industry through a long-term funding agreement, with the Ontario Lottery and Gaming Corporation providing up to \$115 million annually for up to 19 years.
- Improved choice and convenience for consumers and more opportunities for businesses by expanding sales of beverage alcohol to more than 250 new retail outlets across Ontario.
- Conducted consultations to inform modernization of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, the *Credit Union and Caisses Populaires Act, 1994* and the *Co-operative Corporations Act*.
- Launched the Financial Services Regulatory Authority to help deter fraud, foster competition and innovation, and streamline regulatory processes for consumers and stakeholders, investors and pension plan beneficiaries in Ontario.
- Contributed to the government's goal of reducing regulatory burden to meet the June 2020 target of

saving Ontario businesses \$400 million per year in the cost of complying with regulations.

- Created a securities modernization task force to review the outdated *Securities Act* for the first time in over 15 years.

Making government smarter

- Consulted with Ontario drivers on ways to increase choice and convenience, combat fraud, and increase competition to lower auto insurance system costs.
- Introduced electronic proof of auto insurance, enabling drivers to carry electronic proof of auto insurance on their mobile device, including their smartphones.
- Supported the Value Creation Task Force, which was established to identify and review innovative opportunities to generate recurring non-tax revenues.

Ministry of Finance organizational structure

- The Minister of Finance
 - Parliamentary Assistant
 - Chief of Staff
 - Chair and Chief Executive Officer, Ontario Securities Commission
 - Chair, Financial Services Tribunal
 - Chair, Liquor Control Board of Ontario
 - Chair, Ontario Lottery and Gaming Corporation
 - Chair, Financial Services Regulatory Authority of Ontario
 - Chair, Ontario Cannabis Retail Corporation
 - Chair, Ontario Financing Authority
 - Chief Executive Officer, Ontario Financing Authority
 - Assistant Deputy Minister, Corporate and Electricity Finance Division
 - Chair, Ontario Electricity Financial Corporation
 - Chief Executive Officer and Vice Chair, Ontario Electricity Financial Corporation
 - Deputy Minister of Finance
 - Special Policy Advisor and Executive Assistant
 - Chief Information Officer, Central Agencies Information and Information Technology Cluster (also reports to the Treasury Board Secretariat and Ministry of Government and Consumer Services)
 - Director, Communications Services Branch (also reports to the Assistant Deputy Minister, Central Agency Communications)
 - Director, Legal Services Branch (also reports to the Ministry of the Attorney General)
 - Assistant Deputy Minister, Central Agency Communications (also reports to Cabinet Office and Treasury Board Secretariat)
 - Director, Finance Audit Service Team (Ontario Internal Audit Division) (also reports to the Treasury Board Secretariat and Chief Administrative Officer and Assistant Deputy Minister, Corporate and Quality Service Division)
 - Associate Deputy Minister, Office of Regulatory Policy and Agency Relations
 - Assistant Deputy Minister, Income Security and Pension Policy Division
 - Assistant Deputy Minister, Financial Services Policy Division
 - Assistant Deputy Minister, Government Business Enterprise Division
 - Associate Deputy Minister, Office of Tax, Benefits and Local Finance
 - Executive Lead, Client Services Review
 - Assistant Deputy Minister, Strategy, Stewardship and Program Policy Division

- Assistant Deputy Minister, Tax Compliance and Benefits Division
- Assistant Deputy Minister, Provincial-Local Finance Division
- Assistant Deputy Minister, Taxation Policy Division
- Chief Administrative Officer and Assistant Deputy Minister, Corporate and Quality Service Division
- Assistant Deputy Minister and Chief Economist, Office of Economic Policy
- Assistant Deputy Minister, Office of the Budget

Agencies, Boards and Commissions (ABCs)

Financial Services Regulatory Authority (FSRA) has assumed the regulatory functions of the Financial Services Commission of Ontario and the Deposit Insurance Corporation of Ontario effective June 8, 2019. This new, innovative regulator of the financial services sector will strengthen consumer, investor, pension plan administrators and pension plan beneficiaries' protection, improve regulatory efficiency and reduce burden for businesses.

FSRA is working closely with its regulated entities and the Ministry of Finance to provide relief and support to Ontario's financial services sectors. This includes deferring fees, assessments, and annual reporting, and encouraging sectors to engage FSRA on ways to better support consumers and businesses during the COVID-19 pandemic.

Financial Services Tribunal (FST) is an independent adjudicative body that hears appeals from decisions and holds hearings to review proposed decisions of the Chief Executive Officer of the Financial Services Regulatory Authority, or predecessors, the Superintendent of the Financial Services Commission of Ontario or the Deposit Insurance Corporation of Ontario.

The FST continues to function effectively during the pandemic and make adjustments to respond to an evolving situation.

Investment Management Corporation of Ontario (IMCO) was established by statute as a non-share capital corporation that will operate at arm's length from government. It is a consolidated organization on the government's books and provides investment management services and investment advisory services to its members in accordance with the Act and its regulations. IMCO continues to function effectively during the pandemic.

Liquor Control Board of Ontario (LCBO) is responsible for the importation, distribution and sale of alcohol in Ontario in an efficient and socially responsible manner. Its retail network includes more than 660 retail stores, and more than 380 agency stores as well as online sales through [LCBO.com \(https://lcbo.com\)](https://lcbo.com). LCBO is the exclusive wholesaler for up to 450 grocery stores and services, licensed bars and restaurants.

The ministry has been actively monitoring and providing oversight of LCBO's response efforts to COVID-19. The LCBO has introduced a number of measures to protect the health and well-being of its employees and customers.

Ontario Cannabis Retail Corporation (OCRC) is the exclusive wholesaler and online retailer of recreational cannabis to authorized retail stores.

In order to help mitigate negative impacts on the cannabis retail and distribution system, the OCRC has responded by making its online delivery services more accessible by waiving shipping charges and supporting expanded delivery services, all while following COVID-19 best practices.

Ontario Electricity Financial Corporation (OEFC) is the legal continuation of the former Ontario Hydro, responsible for managing its debt and other liabilities. The OEFC continues to function effectively during the pandemic.

Ontario Financing Authority (OFA) performs borrowing, investment, cash management and risk management activities for the Province. It also offers financial advice and services to other parts of the government, including the OEFC and Infrastructure Ontario.

The OFA continues to function effectively during the pandemic and continues to ensure that essential payments to the Province's Broader Public Sector partners including healthcare providers as well as individual entitlements are made on a timely basis.

Ontario Lottery and Gaming Corporation (OLG) conducts and manages gaming in Ontario, including casinos, lottery operations, internet gaming through PlayOLG and electronic products in charitable gaming centres. It also provides support to the horseracing industry.

In March 2020, in response to recommendations from the Province's Chief Medical Officer of Health related to safety measures for COVID-19, OLG worked with its casino service providers to close all casinos across Ontario, electronic charitable gaming centres and its lottery Prize Centre.

Ontario Securities Commission (OSC) regulates the Province's capital markets, including equities, fixed-income and derivatives markets. The OSC continues to function effectively during the pandemic.

Detailed financial information

Table 1: Ministry Planned
Expenditures 2020–21

Item	Amount (\$M)
Operating	16,774.1
Capital	9.8
Total	16,783.9

Table 2: Combined Operating and Capital Summary by Vote
Operating Expense

Votes / Programs	Estimates 2020–21 \$	Change from 2019–20 Estimates \$	Change from 2019–20 Estimates %	Estimates ¹ 2019–20	Interim Actuals ² 2019–20 \$	Actual ³ 2018–19 \$
Ministry Administration	36,820,200	(3,112,900)	(7.8)	39,933,100	45,705,800	34,298,596
Total Operating Expense Including Consolidation & Other Adjustments	16,774,142,714	2,002,226,500	13.6	14,771,916,214	14,105,369,914	14,011,318,871

Votes / Programs	Estimates 2020–21 \$	Change from 2019–20 Estimates \$	Change from 2019–20 Estimates %	Estimates ¹ 2019–20	Interim Actuals ² 2019–20 \$	Actual ³ 2018–19 \$
Regulatory Policy and Agency Relations	22,234,000	(1,018,600)	(4.4)	23,252,600	19,700,800	113,942,889
Economic, Fiscal and Financial Policy	261,558,800	(83,299,500)	(24.2)	344,858,300	312,769,800	15,982,288
Tax, Benefits and Local Finance	984,683,000	26,008,400	2.7	958,674,600	927,818,800	949,572,076
Support for People and Jobs	1,965,600,000	1,965,600,000	N/A	N/A	N/A	N/A
Financial Services Industry Regulation	N/A	(2,327,600)	(100.0)	2,327,600	444,300	1,273,720
Total Operating Expense to be Voted	3,270,896,000	1,901,849,800	138.9	1,369,046,200	1,306,439,500	1,115,069,569
Statutory Appropriations — Treasury Program	12,407,133,000	(268,313,400)	(2.1)	12,675,446,400	11,967,659,500	11,419,283,525
Statutory Appropriations — Other Statutory Appropriations	50,783,914	N/A	N/A	50,783,914	77,879,914	78,181,973
Total Operating Expense	15,728,812,914	1,633,536,400	11.6	14,095,276,514	13,351,978,914	12,612,535,067
Total Operating Expense Including Consolidation & Other Adjustments	16,774,142,714	2,002,226,500	13.6	14,771,916,214	14,105,369,914	14,011,318,871

Votes / Programs	Estimates 2020–21 \$	Change from 2019–20 Estimates \$	Change from 2019–20 Estimates %	Estimates ¹ 2019–20	Interim Actuals ² 2019–20 \$	Actual ³ 2018–19 \$
Consolidation Adjustment — Investment Management Corporation of Ontario	160,089,900	160,089,900	N/A	N/A	89,100,800	66,814,139
Consolidation Adjustment — Ontario Financing Authority	27,211,300	N/A	N/A	27,211,300	27,211,300	23,741,737
Consolidation Adjustment — Ontario Electricity Financial Corporation	(144,902,900)	51,547,300	(26.2)	(196,450,200)	(166,183,200)	178,139,605
Consolidation Adjustment — Ontario Securities Commission	118,530,700	6,071,100	5.4	112,459,600	117,040,000	107,217,091
Other Adjustments — Financial Services Commission of Ontario	N/A	N/A	N/A	N/A	N/A	59,218,225
Consolidation Adjustment — General Real Estate Portfolio	N/A	11,524,500	(100.0)	(11,524,500)	(11,524,500)	(12,394,707)
Total Operating Expense Including Consolidation & Other Adjustments	16,774,142,714	2,002,226,500	13.6	14,771,916,214	14,105,369,914	14,011,318,871

Votes / Programs	Estimates 2020–21 \$	Change from 2019–20 Estimates \$	Change from 2019–20 Estimates %	Estimates ¹ 2019–20	Interim Actuals ² 2019–20 \$	Actual ³ 2018–19 \$
Consolidation Adjustment — Ontario Financing Authority General Real Estate Portfolio	(2,169,500)	(42,500)	2.0	(2,127,000)	(2,127,000)	N/A
Consolidation Adjustment — Financial Services Regulatory Authority of Ontario	94,375,000	6,858,100	7.8	87,516,900	68,225,000	11,915,220
Consolidation Adjustment — Ontario Infrastructure and Lands Corporation	N/A	N/A	N/A	N/A	N/A	(579,409)
Consolidation Adjustment — Treasury Program	979,042,700	(80,833,900)	(7.6)	1,059,876,600	1,034,816,100	1,037,064,514
Consolidation Adjustment — Treasury Program — Interest Capitalization for Other Sectors	(186,847,400)	213,475,600	(53.3)	(400,323,000)	(403,167,500)	(72,352,611)
Total Operating Expense Including Consolidation & Other Adjustments	16,774,142,714	2,002,226,500	13.6	14,771,916,214	14,105,369,914	14,011,318,871

[1], [2], [3] Estimates, Interim Actuals and Actuals for prior fiscal years are re-stated to reflect any changes in

ministry organization and/or program structure. Interim Actuals reflect the numbers presented in the March 2020 Economic and Fiscal Update.

Table 2: Combined Operating and Capital Summary by Vote
Operating Assets

Votes / Programs	Estimates 2020–21 \$	Change from 2019–20 Estimates \$	Change from 2019–20 Estimates %	Estimates ¹ 2019–20	Interim Actuals ² 2019–20 \$	Actual ³ 2018–19 \$
Ministry Administration	1,000	N/A	N/A	1,000	N/A	N/A
Regulatory Policy and Agency Relations	20,000,000	20,000,000	N/A	N/A	N/A	800,000
Tax, Benefits and Local Finance	650,000	200,000	44.4	450,000	450,000	400,000
Financial Services Industry Regulation	N/A	(1,000)	(100.0)	1,000	N/A	N/A
Total Operating Assets to be Voted	20,651,000	20,199,000	N/A	452,000	450,000	1,200,000
Statutory Appropriations	37,200,000	(48,000,000)	(56.3)	85,200,000	42,673,400	52,145,111
Total Operating Assets	57,851,000	(27,801,000)	(32.5)	85,652,000	43,123,400	53,345,111

[1], [2], [3] Estimates, Interim Actuals and Actuals for prior fiscal years are re-stated to reflect any changes in ministry organization and/or program structure. Interim Actuals reflect the numbers presented in the March 2020 Economic and Fiscal Update.

Table 2: Combined Operating and Capital Summary by Vote
Capital Expense

Votes / Programs	Estimates 2020–21 \$	Change from 2019–20 Estimates \$	Change from 2019–20 Estimates %	Estimates ¹ 2019–20	Interim Actuals ² 2019–20 \$	Actual ³ 2018–19 \$
Economic, Fiscal, and Financial Policy	1,000	N/A	N/A	1,000	N/A	N/A
Tax, Benefits and Local Finance	1,000	N/A	N/A	1,000	N/A	N/A
Financial Services Industry Regulation	N/A	(1,000)	(100.0)	1,000	N/A	N/A
Ministry Total Capital Expense to be Voted	2,000	(1,000)	(33.3)	3,000	N/A	N/A
Statutory Appropriations — Trillium Trust Program	N/A	N/A	N/A	N/A	N/A	244,042,959
Total Capital Expense Including Consolidation & Other Adjustments	9,797,200	(1,223,100)	(11.1)	11,020,300	10,567,200	8,295,353

Votes / Programs	Estimates 2020–21 \$	Change from 2019–20 Estimates \$	Change from 2019–20 Estimates %	Estimates ¹ 2019–20	Interim Actuals ² 2019–20 \$	Actual ³ 2018–19 \$
Statutory Appropriations — Other Statutory Appropriations	1,000	(2,638,600)	(100.0)	2,639,600	2,637,600	2,637,610
Total Capital Expense	3,000	(2,639,600)	(99.9)	2,642,600	2,637,600	246,680,569
Consolidation Adjustment — Investment Management Corporation of Ontario	1,000,000	1,000,000	N/A	N/A	427,500	570,000
Consolidation Adjustment — Ontario Financing Authority	645,000	(7,000)	(1.1)	652,000	627,000	698,000
Consolidation Adjustment — Ontario Securities Commission	5,836,200	873,100	17.6	4,963,100	5,635,100	3,862,384
Other Adjustments — Financial Services Commission of Ontario	N/A	N/A	N/A	N/A	N/A	829,749
Consolidation Adjustment — Financial Services Regulatory Authority of Ontario	2,313,000	(449,600)	(16.3)	2,762,600	1,240,000	N/A
Consolidation Adjustment — General Real Estate Portfolio	N/A	N/A	N/A	N/A	N/A	(302,390)
Capital Expense Adjustment — Trillium Trust Reclassification	N/A	N/A	N/A	N/A	N/A	(244,042,959)
Total Capital Expense Including Consolidation & Other Adjustments	9,797,200	(1,223,100)	(11.1)	11,020,300	10,567,200	8,295,353

[1], [2], [3] Estimates, Interim Actuals and Actuals for prior fiscal years are re-stated to reflect any changes in ministry organization and/or program structure. Interim Actuals reflect the numbers presented in the March 2020 Economic and Fiscal Update.

Table 2: Combined Operating and Capital Summary by Vote
Capital Assets

Votes / Programs	Estimates 2020–21 \$	Change from 2019–20 Estimates \$	Change from 2019–20 Estimates %	Estimates ¹ 2019–20	Interim Actuals ² 2019–20 \$	Actual ³ 2018–19 \$
Economic, Fiscal, and Financial Policy	1,000	N/A	N/A	1,000	N/A	N/A
Tax, Benefits and Local Finance	1,000	N/A	N/A	1,000	N/A	N/A
Financial Services Industry Regulation	N/A	(550,000)	(100.0)	550,000	N/A	683,075
Total Capital Assets Including Adjustments	2,000	(550,000)	(99.6)	552,000	N/A	683,075

Votes / Programs	Estimates 2020–21 \$	Change from 2019–20 Estimates \$	Change from 2019–20 Estimates %	Estimates ¹ 2019–20	Interim Actuals ² 2019–20 \$	Actual ³ 2018–19 \$
Ministry Total Capital Assets to be Voted	2,000	(550,000)	(99.6)	552,000	N/A	683,075
Statutory Appropriations — Trillium Trust Program	N/A	N/A	N/A	N/A	N/A	25,851,675
Total Capital Assets	2,000	(550,000)	(99.6)	552,000	N/A	26,534,750
Capital Asset Adjustment — Trillium Trust Reclassification	N/A	N/A	N/A	N/A	N/A	(25,851,675)
Total Capital Assets Including Adjustments	2,000	(550,000)	(99.6)	552,000	N/A	683,075

[1], [2], [3] Estimates, Interim Actuals and Actuals for prior fiscal years are re-stated to reflect any changes in ministry organization and/or program structure. Interim Actuals reflect the numbers presented in the March 2020 Economic and Fiscal Update.

Table 2: Combined Operating and Capital Summary by Vote
Ministry Total

Votes / Programs	Estimates 2020–21 \$	Change from 2019–20 Estimates \$	Change from 2019–20 Estimates %	Estimates ¹ 2019–20	Interim Actuals ² 2019–20 \$	Actual ³ 2018–19 \$
Ministry Total Operating & Capital Including Consolidation and Other Adjustments (not including assets)	16,783,939,914	2,001,003,400	13.5	14,782,936,514	14,115,937,114	14,019,614,224

[1], [2], [3] Estimates, Interim Actuals and Actuals for prior fiscal years are re-stated to reflect any changes in ministry organization and/or program structure. Interim Actuals reflect the numbers presented in the March 2020 Economic and Fiscal Update.

Contact us

If you have questions about the programs and/or services of the Ministry of Finance, visit www.ontario.ca/finance (<http://www.ontario.ca/finance>) or contact the Ministry by:

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Appendix: 2019–20 Annual Report

2019–20 results

Managing the province's finances in a responsible manner

- Released the *March 2020 Economic and Fiscal Update*, a one-year economic and fiscal update based on the best information available, to create certainty and stability in the Province by outlining the government's first steps to respond to the COVID-19 outbreak.
- For 2019–20 the government is projecting a deficit of \$9.2 billion which represents an improvement of \$1.1 billion relative to the *2019 Budget*.
- Released the *2019 Ontario Economic Outlook and Fiscal Review*, *2019–20 First Quarter Finances* and *2019–20 Third Quarter Finances*, and the *Ontario Economic Accounts* within legislative requirements.
- Introduced and passed the *Fiscal Sustainability, Transparency, and Accountability Act, 2019*, the first comprehensive change to Ontario's fiscal planning legislation in 15 years.
- Required that the government prepare an annual debt burden reduction strategy to responsibly manage its debt.
- The Province's credit ratings have been confirmed by all four credit rating agencies (i.e., Moody's, DBRS, S&P and Fitch), and Fitch also improved the outlook on the Province's rating to Stable from Negative.
- Worked to advance Ontario's priorities in the federation, including developing consensus positions and approaches with other provinces on fiscal stabilization reform, and with the federal government and provinces to ensure alignment and collaboration on the response to the COVID-19 crisis.
- Reduced projected interest on debt expense by \$750 million lower in 2019–20 than forecasted in the *2019 Budget*.
- Issued \$750 million in Green Bonds on November 20, 2019, and \$500 million on February 12, 2020. Green Bonds are an important tool to help finance public transit initiatives, extreme weather resistant infrastructure and energy efficiency and conservation projects. Ontario is currently the largest issuer of Canadian dollar Green Bonds.
- Completed the government's annual borrowing program, borrowing \$39.5 billion, including pre-borrowing of \$7.6 billion and maintaining its cash reserves to fund upcoming large maturities. During the latter part of March 2020, the Province's Treasury Program continued to function effectively and ensured that essential Provincial payments to both Broader Public Sector partners including healthcare providers as well as individual entitlements were made on a timely basis.
- Issued \$12.5 billion in debt with maturities of 30 years or longer to provide greater certainty with respect to interest payments over the longer term.
- Recovered over \$1.74 billion targeting unreported or underreported income since 2013–14 through an agreement with the Canada Revenue Agency, a 5.2:1 return on investment (as of December 31, 2019).
- As of February 29, 2020, collected over \$913.9 million in outstanding tax and non-tax debts owed to the Province, and as of March 31, 2020, has assessed more than \$234 million via audit and inspection activities.
- As of March 31, 2020, seized more than 34 million grams of illegal tobacco products, with an

approximate tax value of \$6.3 million.

- Supported the development of the *Fixing the Hydro Mess Act, 2019*, provisions of which ensure continued payments for legacy Fair Hydro Trust debt obligations while removing debt servicing obligations from future ratepayers.

Making life more affordable

- Implemented the low-income individuals and families tax credit, benefitting about 1.1 million people across the Province and providing Personal Income Tax relief of up to \$850 for individuals and \$1,700 for couples. Combined with existing tax relief, about 90% of all Ontario tax filers with taxable incomes below \$30,000 will pay no Ontario Personal Income Tax.
- Implemented the new Ontario child care tax credit — one of the most flexible child care initiatives ever introduced in Ontario.
- Reduced and simplified the Estate Administration Tax, eliminating the estate tax on the first \$50,000 of the value of the estate.
- Froze alcohol tax and mark-up rates for beer and wine, resulting in about \$60 million in reduced costs for consumers in 2019–20.
- Reversed the previous government's proposed 2018 budget tax increases, saving approximately 1.8 million individuals from an average increase of \$200 in their Personal Income Taxes.
- Maintained the structure of the Ontario Municipal Partnership Fund (OMPF) for the 2020 municipal budget year, and committed to maintain the \$500 million funding envelope for the 2021 OMPF.
- Began consulting with municipal representatives from across Ontario to discuss how the 2021 OMPF can better focus on small, northern and rural municipalities that need this funding most.
- Announced the deferral of the upcoming quarterly (June 30) remittance of education property tax to school boards by 90 days. This will provide municipalities with the flexibility to, in turn, provide property tax deferrals of over \$1.8 billion to local residents and businesses. As of May 8, 70% of municipalities representing 97% of all municipal property tax levied in the Province have implemented property tax deferrals.
- Announced the postponement of the planned property tax reassessment for 2021 to provide stability for Ontario's property taxpayers and municipalities, and to ensure that municipal governments are able to focus their resources on critical public health initiatives and other efforts to manage the local response to the COVID-19 outbreak.
- Strengthened education property tax revenue integrity by ensuring province-wide data is available and accessible for detailed analysis.
- Reduced the aviation fuel tax rate in Northern Ontario to 2.7 cents per litre from 6.7 cents per litre.
- Delivered income-testing services to the Seniors' Dental Program on schedule.

Creating a more competitive business environment

- Introduced the Regional Opportunities Investment Tax Credit to support business investment in regions of the Province where employment growth has significantly lagged the provincial average.
- Reduced the small business Corporate Income Tax rate by 8.7% by reducing the rate to 3.2% effective January 1, 2020. This tax cut delivered up to \$1,500 in annual savings to more than 275,000 businesses — from family-owned shops to innovative start-ups.
- Amended the *Taxation Act, 2007* to recognize the importance of freelance labour within the film and television industry for the Ontario Production Services Tax Credit.
- Launched the Financial Services Regulatory Authority (FSRA), a new independent and self-funded regulator of financial services and pensions. FSRA will tackle key priorities that will reduce regulatory burden for the regulated sectors.

- Created a securities modernization task force to review the outdated *Securities Act* for the first time in over 15 years. The task force will consult with investors, financial services professionals, businesses and the public on critical areas such as competitiveness, regulatory structure, efficient regulation, and investor and consumer protections.
- Supported a comprehensive review of all business support programs to determine their effectiveness, value for money and sustainability.
- Contributed to the government's goal of reducing regulatory burdens to meet the June 2020 target of saving Ontario businesses \$400 million per year in the cost of complying with regulations.
- Extended time-limited tax relief measures to encourage private sector involvement in the consolidation of Ontario's electricity distribution sector to reduce electricity rates and improve services for customers through innovation and efficiency gains.
- Conducted consultations to inform modernization of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and the *Credit Union and Caisses Populaires Act, 1994*.
- Supported the development of the Ontario Securities Commission's Burden Reduction Task Force to enhance the competitiveness of Ontario's business environment.
- Informed government responses to issues including tax policy, trade relations, business supports, regulatory burden, and housing, and implemented new ways to deliver data and statistical services that are efficient, cost-effective and transparent.
- Improved transparency and accountability through enhanced economic reporting, including a new subscription email service and expanded public reports on the economy, labour markets and demographics.
- Supported the restructuring of Essar Steel Algoma by providing regulatory relief from certain pension obligations for the company sponsored pension plans.
- Supported Ontario's horse racing industry through a long-term funding agreement, with the Ontario Lottery and Gaming Corporation providing up to \$115 million annually for up to 19 years.
- Provided \$10 million annually to support breeding and industry development programs for Ontario-bred horses, and implemented the Optional Slots at Racetracks Program to provide additional support to eligible racetracks.
- Protected titles for financial planners and financial advisors in Ontario by introducing a new framework for the financial services industry to require that individuals using the financial planner and financial advisor titles have an appropriate credential.
- Implemented legislative amendments and regulations to reduce red tape that will result in over \$90 million of one-time and annual administrative cost savings for the pension and financial services sectors.
- Improved choice and convenience for consumers and more opportunities for businesses by expanding sales of beverage alcohol to more than 250 new retail outlets across Ontario, including 87 new grocery stores and 170 LCBO Convenience Outlets.
- Passed legislation to modernize the legal framework for the sale, service and delivery of beverage alcohol that, if proclaimed, would make it easier for businesses and consumers to understand the rules and provide the legislative groundwork to expand alcohol sales.
- Supported the equity investment by 24 First Nations in the Wataynikaneyap transmission project by providing a loan guarantee under the Aboriginal Loan Guarantee Program.

Making government smarter

- Introduced electronic proof of auto insurance, enabling drivers to carry electronic proof of auto insurance on their mobile device, including their smartphones.
- Announced the intention to make the auto insurance experience simpler for consumers by facilitating the use of electronic communications and electronic commerce by insurance companies in doing business with their customers.

- Consulted with Ontario drivers on ways to increase choice and convenience, combat fraud, and increase competition to lower auto insurance system costs.
- Advanced a Digital First strategy that will deliver simpler, faster and better services across Ontario by eliminating outdated processes and lowering administrative burdens and costs.
- Initiated a review and stakeholder consultations to explore opportunities to enhance the accuracy and stability of property assessments, support a competitive business environment, and strengthen the governance and accountability of the Municipal Property Assessment Corporation (MPAC).
- Called on the federal government to legalize single event sports wagering as part of a broader consumer-focused strategy for gambling.
- Worked with the Ministry of the Attorney General to implement a tightly-regulated private cannabis retail store model with rules aimed at protecting children and youth, safeguarding communities and combatting the illegal market.
- Through the Ontario Cannabis Legalization Implementation Fund (OCLIF), provided municipalities with \$36.72 million in direct funding to help with the implementation costs of recreational cannabis legalization.
- Supported the Value Creation Task Force, which was established to identify and review innovative opportunities to generate recurring non-tax revenues. These revenues can be re-invested back into critical government services like healthcare, education, roads and transit.
- Rolled out a lean initiative with a focus on white belt training for over 100 staff and identifying lean initiatives to improve the customer / client experience and increase productivity by eliminating unnecessary steps.

Table 3: Ministry Interim Actual Expenditures 2019–20¹

Item	Amount ²
Operating and Capital (\$M)	798
Investment Management Corporation of Ontario³ (\$M)	90
Ontario Municipal Partnership Fund (\$M)	505
Power Supply Contract Costs (\$M)	124
Interest on Debt (\$M)	12,599
Staff Strength as of March 31⁴	1,441.1

[1] [2] Refer to page(s) 36, 37 of the March 2020 Economic and Fiscal Update

[3] Based on the requirements of the Public Sector Accounting Standards, the Province consolidated the Investment Management Corporation of Ontario into the Ministry of Finance

[4] Ontario Public Service Full-time Equivalent positions

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