

2017 Fall Economic Statement: ***Storyboard and Signature Initiatives***

Office *of the* Budget
MINISTRY *of* FINANCE

October 23, 2017 | 9:30AM

FAIRNESS AND OPPORTUNITY FOR ONTARIO FAMILIES

Through our plan to maintain balance, support economic growth and invest in key public services, we will foster greater opportunity for more individuals and businesses; helping them get ahead and stay ahead. Ontario is committed to ensuring that everyone shares in the prosperity we are building together creating a more fair Ontario.



Creating Fairness and Opportunity

With a growing economy and a balanced budget, Ontario is able to make investments in key services like health care and education that matter most to people. The province will continue to make investments that make everyday life more manageable, like providing free prescription medications for babies, children and youth 24 and under. The government is committed to making life more affordable for people in Ontario, while at the same time building a fairer, more inclusive province.

Signature FES Initiatives and Major Updates

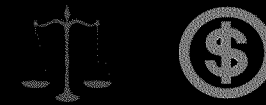
Other Progress on 2017 Budget Initiatives

FAIRNESS FOR FAMILIES

- Supports for Seniors (New Initiatives)
- Fair Housing Plan
- Fair Hydro Plan
- Changing Workplaces: Transition to Minimum Wage
- Health Care
 - OHIP+
 - Mental Health
 - Opioid Strategy
- Supports for Seniors
 - Dementia Strategy
 - Caregiver Organization
 - Seniors Active Living Centres
- Child Care
- Retirement Security
- Basic Income
- Access to Justice
- Consumer Protection
- Auto Insurance

CREATING OPPORTUNITY

- Supports for Small Business (New Initiatives)
- Trade Promotion
- Highly Skilled Workforce
- Other supports for business (BGI, Scale-Up strategy)
- Infrastructure Update: Transit Projects, Hospitals, Broadband & Natural Gas
- Education
 - School Renewal
 - Free Tuition
- Global Trade Strategy
- Jobs and Prosperity Fund
- Financial Technology
- Women's Economic Opportunities
- Low-Carbon Economy



Fiscal and Economic Strength

Ontario's plan to create jobs and grow the economy is working. The plan has strengthened Ontario's economy and restored the Province's finances to balance. The government has achieved this while making strategic investments, in health care, education and other public services that matter most to Ontario families.

Fiscal Sustainability/ Responsible Fiscal Management

- Revenue Integrity Strategy
- Details on Ontario's Finances and Economic Outlook
- Ontario's Balanced Budget
- Borrowing and Debt Management
- Net-Debt to GDP Targets
- Accountability and Transparency
- Ontario's Economic Outlook

Working with Our Partners

Working with municipal, Indigenous and other government partners across the federation, Ontario continues to embrace a collaborative approach to address the complex challenges facing the province. Fair and constructive partnerships are key to achieve lasting solutions to the complex challenges facing all Canadians.

- Working in Partnerships with Municipalities
- Partnerships with Indigenous Communities
- Updates on Federal-Provincial Partnership
 - Early Learning and Child Care
 - Health Care
 - Labour Market Transfers
 - Infrastructure
 - Climate Change
 - Legalization of Cannabis

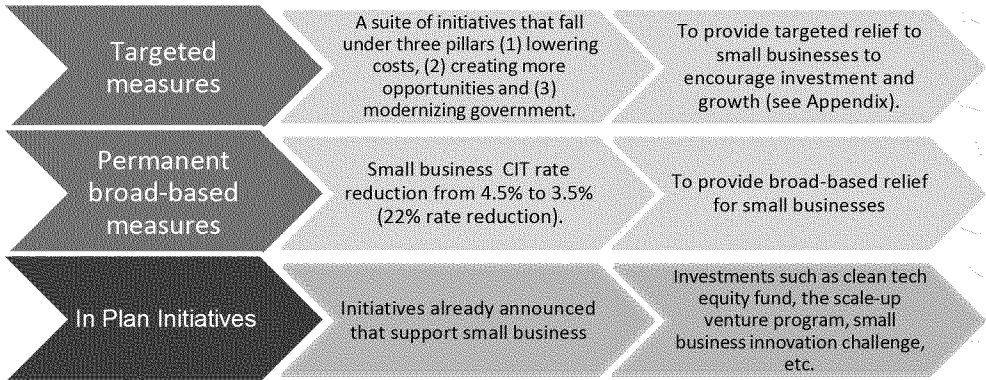
Small Business Strategy

Overview / Narrative

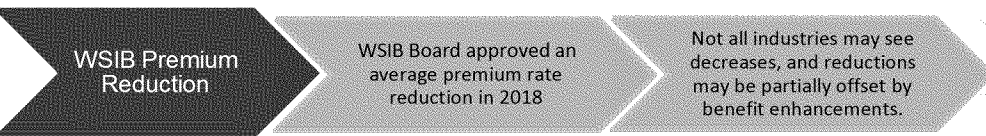
Small businesses are a cornerstone of Ontario’s economy, contributing to a large portion of overall employment and GDP. However, they have not benefitted from the province’s return to economic strength as much as larger firms. There is an opportunity to enhance support for small businesses to ensure their continued vitality and further their contribution to economic growth.

Policy Principles

- I. Support Competitiveness:** The support should provide small businesses with an opportunity to grow and remain competitive in Ontario
- II. Focused:** Ensure the support provided to small businesses is focused and targeted towards workers and sectors most adversely affected by minimum wage increase.
- III. Timely:** Measures should take effect as soon as possible to provide the most direct and immediate support to mitigate impacts of minimum wage increase



Total Relief for Small Business (In-Plan/ Fiscal)



Considerations / Background

Elements of the proposed Strategy reflect the following:

- The ability of companies to pass on cost pressures to customers (e.g., exporters may be less able to pass on costs given a competitive global marketplace);
- If targeting support to specific sectors, avoid any unintended adverse effects on other sectors;
- Minimizing the fiscal cost to the province; and
- Making support time limited, to help companies transition to the new labour requirements.

Fiscal Details (\$M)

2017-18	2018-19	2019-20	3-Year Total
57	94	93	245
30	80	145	255*
199	117	110	426
286	291	348	926
2018	2019	2020	3-Year Total
265	276	288	828

Note: The Federal Small Business Rate Reduction Impact for Ontario small businesses are \$20 million in 2018, \$188 million in 2019 and \$284 million in 2020.

* Estimates may change as a result of further information in the Federal Fall Statement expected this week.

Fairness for Seniors

Overview / Narrative

In Ontario, seniors deserve to be celebrated as the positive force they have always been — a true strength of the province. The government is committed to ensuring that seniors are able to participate and achieve as they have always done, that those who are vulnerable are supported, and that all of Ontario can continue to benefit from their wisdom and experience. Ontario is committed to supporting seniors so they can remain independent, healthy and active, safe and socially-connected.

Policy Principles

- I. Support Equity and Inclusion:** All seniors deserve to be involved and included in their communities. Any physical, social, attitudinal and system barriers to that involvement, especially for those who are marginalized, should be addressed.
- II. Acknowledge Diversity:** Programs and services for seniors should recognize Ontario's diversity, and be culturally appropriate.
- III. Promote Choice:** Seniors deserve to make choices for themselves, based on the presumption of ability and their desire to do as much for themselves as possible.
- IV. Foster Safety and Security:** Programs and supports across Ontario's health, social, community, financial and justice systems should protect vulnerable older adults from exploitation.

All Seniors Regardless of Need	Actions are designed to help all older people, no matter where they live in the province, age confidently and well.	Better community transportation, easy-to-find information, high-dose flu vaccine, etc.
Seniors Living Independently	Actions to help seniors remain active, healthy and socially-connected.	More Seniors Active Living Centres, more community activities, engaging through the arts, learning about technology, etc.
Seniors Requiring Enhanced Supports	Actions to help seniors age safely and independently at home with enhanced assistance.	More grassroots retirement communities, increased in-home health care, more home care hours, etc.
Seniors Requiring Intensive Supports	Actions to help seniors that may become highly dependent with complex needs.	Protecting vulnerable seniors, long-term care, more staffing support, etc.
Total Support for Seniors (In-plan/fiscal)		

Fiscal Details (\$M)

2017-18	2018-19	2019-20	3-Year Total
22	55	56	133
5	14	13	32
89	38	66	152
250	358	285	893
366	465	420	1,211

Note: Support for seniors include proposed new investments totaling \$13 million in 2017-18, \$68 million in 2018-19 and \$76 million in 2019-20.

Total support does not include new investments for long-term care.

Appendix

Small Business Strategy – Targeted Measures

Small Business Strategy – Targeted Measures

Lowering Costs

Ministry	Initiatives	Description
OMAFRA	Edible Horticulture Support Program	Provide an annual payment for two years to eligible horticulture farmers to provide support for these businesses to adapt to an evolving small business climate
MOF	Reduced Property Tax rate for Small-Scale Agri-Food business on farms	Provide municipalities the option to incentivize on-farm innovation through a reduced property tax rate on a portion of the assessment attributable to small-scale value-added or commercial activities.

Modernizing Government

Ministry	Initiatives	Description
MEDG	Small Business Access	Provide a centralized, coordinated suite of services to promote and enhance small business offerings, included website, call centre support, and an education and awareness campaign working with the Ontario Chamber of Commerce.
MEDG	Risk-based Inspections by Default	Identify and adopt an OPS-wide risk framework that will guide risk-based approaches
MEDG	Coordinated Inspections Pilot	Implement a coordinated inspections pilot for the restaurant and bar sector
MEDG	Equivalency	Facilitate alternative compliance approaches where businesses can demonstrate they meet regulatory requirements, where appropriate.

Small Business Strategy – Targeted Measures

Small Business Strategy – Targeted Measures

Creating Opportunity		
Ministry	Initiatives	Description
MEDG	Access to capital	Develop lending program for small businesses enabled by FinTech, such as P2P loans. Target pilot project for Jan. 1.
MGCS	Procurement	Designate 33% of government procurement spend to SMEs and Eliminate bidding fees.
OMAFRA	Main Street Improvement	Establish a \$40 million fund (\$20 million per year) to support enhancements to main street/traditional town centres and to promote cost-savings and digital opportunities.
MAESD	Youth Employment	Provide employers with incentive payments to recruit and retain youth clients.
MAESD	Canada-Ontario job grant	A stream of the new program will focus on employers who face greater barriers to investing in training (i.e., small businesses).
MAESD	Group Sponsorship for Apprentices	Enhance group sponsorship model to help small businesses attract, support and train apprentices.
MAESD	Graduated Apprenticeship Grant for Employers	Support apprenticeship completions, as well as increasing participation rates from underrepresented groups (i.e., Hairstylists, cooks, horticulture technicians, bakers and appliance service technicians).
MIT	Global trade strategy (including Magnet, Exporter marketing, AIM)	To help companies export to global markets, creating jobs in Ontario. The Strategy sets out Ontario's approach to expand and advance international trade in Ontario.
MOHLTC	Training for age-restricted products	Enhance and align supports already in place for training and enforcement with tobacco retailers, along with other age-restricted products.