Ontario

2017 Ontario Budget Overview

2017 Ontario Budget

A Stronger, Healthier Ontario

Budget Day Presentation – April 27, 2017

www.ontario.ca/budget

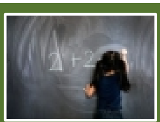
Budget 2017 Narrative Frame

Frame:

Thanks to strong economic growth and prudent fiscal management, the government has balanced the budget for the first time since the 2008 global recession. A balanced budget means more funding for the programs and services people depend on.

Narrative:

The Wynne Government understands what matters most to Ontarians. With a balanced budget, the government is now in a position in Budget 2017 to make significant new investments in health care and education while taking steps to lower costs for important necessities to benefit Ontario families.



2017 ONTARIO BUDGET – A STRONGER, HEALTHIER ONTARIO

Through our plan to balance the budget, 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.

HELPING YOU AND YOUR FAMILY

With a growing economy and a balanced budget, the Ontario government is making investments in key services like health care and education that matter most to people, while at the same time lowering costs for necessities like electricity and child care.

CREATING OPPORTUNITIES AND SECURITY INVESTING IN PEOPLE AND JOBS

The Province is creating opportunities for people to find jobs and for business to grow and prosper in the new economy by developing a highly skilled workforce, investing in infrastructure, supporting business innovation and growth, and expanding exports.

PUBLIC SERVICES YOU CAN COUNT ON

STRENGTHENING HEALTH CARE

Universal access to public health care is part of the social fabric of Ontario that gives everyone a chance to succeed. Ontarians rely on high-quality, publicly funded health care to be there when and where they need it. The government is investing to reduce wait times, improve access to care and enhance the patient experience

INVESTING IN EDUCATION

Ontario's highly educated workforce is one of its greatest strengthens. Ontario's world-class education system provides learners, young and old, with opportunities to access high-quality education and training programs, giving them the knowledge and skills they need for success in the modern economy.

BUILDING TRANSIT & TRANSPORTATION

To ensure Ontario remains a competitive and attractive place to live, work and invest, the Province will continue to build the next generation of transportation infrastructure. The government is working towards its goal of providing a world-class transit and transportation system that moves people and goods safely and efficiently to support a globally competitive economy and a high quality of life.

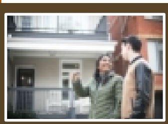
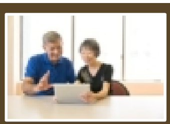
BUILDING INCLUSIVE COMMUNITIES & IMPROVING THE JUSTICE SYSTEM

All Ontarians should have the opportunity to realize their full potential and participate in society. Ontario's social services will be strengthened to help ensure that people have more stable and secure incomes, more affordable and adequate housing, and more support for adults with developmental disabilities. Ontario's justice system transformed to protect the interests of all people – victims, the public and the accused – while keeping communities safe.

RESTORING BALANCE: ONTARIO'S ECONOMIC AND FISCAL STRENGTH

The 2017 Budget plan delivers on the government's 2010 Budget commitment to restore balance in 2017-18. The Province is also projecting balanced budgets in both 2018-19 and 2019-20. A stronger economy, together with a balanced budget, is positioning Ontario for long-term fiscal sustainability.

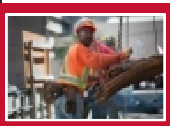
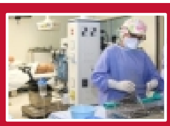
OVERVIEW OF 2017 BUDGET
KEY THEMES

Strengthening Health Care

Frame: People in Ontario deserve high quality publicly funded health care. Patients and their families should expect to get the right care when and where they need it.

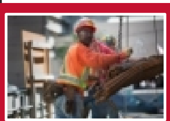
Narrative: With the budget balanced, Ontario will invest an additional **$11.5 billion** in health care over the next three years which includes a **$7 billion** "booster shot" on top of its planned commitments that will expand universal health care, increase access to care, reduce wait times and enhance patient experience.

Expanding Universal Health Care

OHIP+: Children and Youth Pharmacare – Launching on January 1, 2018, free prescription medication to all children and youth aged 24 and under, regardless of family income

- No deductible and no co-payment
- Access to 4400 drugs covered under the ODB Program
- Includes medication for cancer treatment and rare diseases
- First program of its kind in Canada

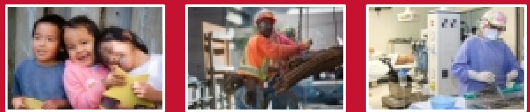




Increasing Access to Care

- **Building New Hospitals** – an additional $9 billion over 10 years to support to support construction of new major hospital projects across the province to address growing demand for services and put in place modern health facilities.

- **Increasing Operating Funding to All Public Hospitals** – An additional $518M in 2017-18 to all hospitals – a 3% increase to the sector - to increase vital services, expand access to complex clinical services, keep wait times low, and maintain access to elective surgery

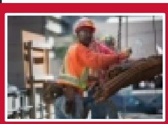
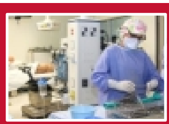
- **Enhancing Interprofessional Primary Care Teams** - $15M investment to enhance access primary care and OHIP funded non-physician specialized health services



Reducing Wait Times

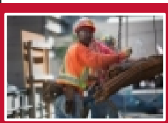
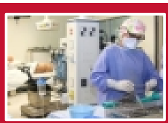
An additional investment of **$1.3B** over the next 3 years to reduce wait times:

- **$245M -** to reduce the time to see a specialized care provider including enhanced referral pathways
- **$890M -** to reduce wait times for keys services like foot, knee, hip and cataract surgeries and other priorities
- **$85M -** to expand home and community care programs such as home nursing, personal support and physiotherapy as well as respite care services
- **$74M -** to provide faster access to mental health services including new supportive housing units and structured psychotherapy

Enhancing the Patient Experience

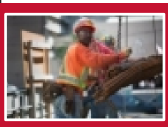
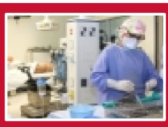
- **Ontario's Dementia Strategy -** More than $100M over three years to improve and better coordinate services between patients and caregivers.
- **Northern Health Travel Grant Program -** $10M enhancement to help northern patients with costs associated with receiving care outside their communities.
- **Helping People Live Well at Home -** $18M in new funding for community programs such as Meals on Wheels
- **Improving Maternal Care** – Funding breast pumps for mothers of premature babies and enhanced newborn screening and more midwifery services

Investing in Education

Frame: From learning ABC's to completing college, university or an apprenticeship, education is the foundation for building a better life

Narrative: Ontario continues to build a strong education system through an additional $4.6 billion investment over three years to help students succeed today and in the years to come

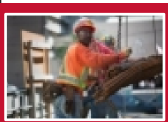
Primary and Secondary Education

New initiatives/expansions

- **Building Schools** - $16B over 10 years to build new schools in areas of high growth and improve the condition of existing schools.
  - As part of this investment, $1.2B for school repairs and renewal over the next two school years to ensure more students have access to safe and modern places to learn.
- **Promoting Student Well-Being** - $49M over three years to develop and strengthen programs to improve students' cognitive, emotional, social and physical development.
- **Helping Indigenous Education** - $200M over three years to help more First Nation, Métis and Inuit learners access high-quality postsecondary education and training opportunities.
- **Reducing Class Sizes** – To enhance the learning experience, making investments to help ensure that all school boards move to an average class size of 25 students in Grades 4-8

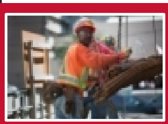
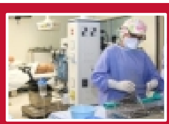
Re-announced

- Strengthening **supports for students with special needs** by keeping all provincial and demonstration schools open to those in need and piloting intensive reading intervention projects.
- **Enhancing autism supports** in schools to help children transition to, and continue in, full-time school.


Post-Secondary Education

- **Making College and University More Affordable** – Free average tuition for 210,000 Ontario students beginning fall 2017
- **Easing Rules for Student Debt Repayment** – increasing the minimum salary requirement to $35K for recent graduates before beginning to repay provincial portion of OSAP Loans
- **Career Kickstart** – Investing nearly $190M to create 40,000 work related learning opportunities for students and recent graduates with employers
- **Supporting Indigenous Education** - $56M to enhance the capacity and sustainability of Ontario’s nine publically funded aboriginal institutes

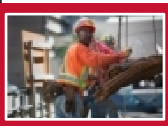
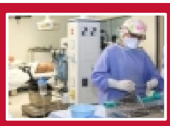
Helping You and Your Family – Reducing Everyday Costs

Frame: Ontarians are working hard to get ahead and stay ahead, but are experiencing rising living costs of living – costs that can stretch monthly budgets to the limit

Narrative: Government is helping to make everyday life more affordable. It is strengthening the public services that Ontarians need most while lowering costs of basic necessities.

Helping With Everyday Costs

- **25% Off Electricity Bills** - Ontario's Fair Hydro Plan will lower electricity bills on average by 25% for eligible residential, farm and small business customers, hold rate increases to the rate of inflation for the next four years, and provide additional relief to low-income families and those living in rural and remote areas.

Helping You and Your Family - Helping Ontario Families

Helping Parents

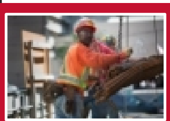
- **Free Pharmacare -** for kids and youth 24 and under so that parents do not have to choose between prescription drugs for their kids and providing for other necessities
- **Affordable Childcare** – As part of its pledge to help 100,000 more children get affordable licensed child care, this year Ontario will support 24,000 more children up to four years old through new subsidy spaces and support.

Helping Students

- **Free average tuition** for 210,000 new students
- **OSAP Debt Repayment Eased** – repayment not to start until earnings exceed $35,000 a year

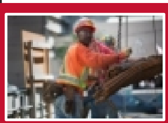
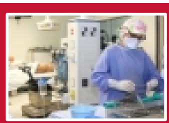
Making Housing More Affordable

- Comprehensive plan to bring stability to real estate market
- 15% Non-Resident Speculation Tax
- Expanding rent control to units built after 1991
- Empower Toronto and other municipalities to tax vacant units and lands
- Measures to increase housing supply


Helping You and Your Family – Supporting Seniors and their Families

- **Dementia Strategy –** over $100M to coordinate services for dementia patients and their families
- **Lowering Transit Costs –** new tax credit that that will make public transit more affordable by providing an annual benefit of on average $130 to about 65,000 seniors.
- **Investing More in Long Term Care -** $58M investment in resident care (2% increase) to support seniors with complex care needs
- **Investing in 40 new Elderly Persons Centres –** offering services which promote the well-being of Ontario's growing seniors population.
- **Extending the Seniors Community Grant Program -** an additional $11M over three years to support social inclusion, learning, volunteerism and community engagement among Ontario'sseniors
- **Supporting Caregivers -** A new Ontario Caregiver Tax Credit so caregivers can focus on helping their loved ones
- **Easing the Burden of Caregivers -** $20M to ease the burden on people caring for loved ones by increasing supports like day programs, respite services and training and education
- **Making Prescription Drugs More Affordable –**Increasing the low income threshold for singles and couples resulting in 30,000 more seniors every year having no annual deductible.
- **Free Shingles Vaccine –** for seniors between ages 65-70, a $170 savings

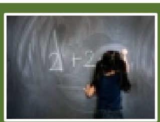




Creating Opportunities and Security

Frame: In order to compete in a 21st century global economy, Ontario must enhance the skills and productivity of its workers and support business ideas that open doors for new markets and jobs

Narrative: The government is creating opportunities for people to find jobs and for businesses to grow and prosper by developing a highly skilled workforce, investing in infrastructure, supporting business innovation and growth and expanding exports

- **Investing in New Technologies** – Investing more than $650M over five years to help scale-up small businesses, create jobs and invest in transformative technologies such as artificial intelligence, fifth generation (5G) telecommunications, quantum science, advanced computing and autonomous vehicles.
- **Launching Career Kick-Start Strategy -** to create 40,000 new opportunities for students and recent graduates to gain experience to help them make an effective transition into the working world.
- **Expanding Trade Opportunities -** Investing nearly $50M over three years to expand in key international markets, help companies become exporters and assist firms to reach new markets.
- **Investing more than $190B in public infrastructure over 13 years -** Largest infrastructure plan in Ontario's history, building schools, hospitals, roads and transit, creating 120,000 jobs per year and positioning the province to succeed in a 21st century economy

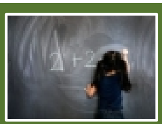

Building Transit and Transportation

Frame: to ensure Ontario remains a competitive and attractive place to live, work and invest, continued investment is necessary to build the next generation of transportation infrastructure.

Narrative: Ontario is investing about **$84B over 10 years** in the transportation sector and **supporting 50,000 jobs** on average each year.

- **$56B in public transit**:
  - **Rapid transit projects** in Waterloo, Hamilton, Peel Region, Ottawa, Toronto and York Region.
  - Transforming the GO rail system through the **GO Regional Express Rail** (GO RER) initiative which will quadruple the number of weekly trips from about 1,500 to nearly 6,000 by 2024-25
  - Includes $13.5B for Moving Ontario Forward and $7.8B for state of good repair, optimization and expansion across the largest commuter rail system in Canada – total $21.3 B investment
- $**26B in highways** - Building or repairing about 5,000 kilometres of highways and more than 750 bridges across the province by 2021-22.

- **Doubling the municipal share of the provincial gas tax**, which will provide municipalities with an estimated $642M by 2021-22 to invest in local transit priorities.
- Proceeding to **draw down the Trillium Trust** to help support priority infrastructure initiatives such as GO RER, light rail transit along the Hurontario corridor, and the Ontario Community Infrastructure Fund that supports critical projects in small, rural and northern communities.

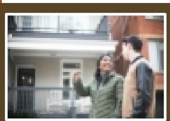
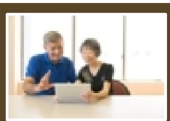




Building Inclusive Communities and Improving the Justice System

Frame: All Ontarians should have the opportunity to realize their full potential and participate in society

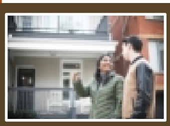
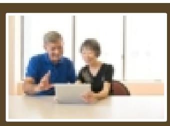
Narrative: Ontario's social services will be strengthened to help ensure that people have more stable and secure incomes, more affordable and adequate housing and more support for adults with developmental disabilities

- **Supporting Adults with Developmental Disabilities** – Investing $677M over four years to keep people out of crisis and give more people the supports they need, including specialized residential and clinical services.
- **Leveraging Provincial Lands to Build Affordable housing** - Leveraging $70-100M in land to develop up to 2,000 new housing units, including 800 affordable units at multiple sites in the GTHA.
- **Social Assistance -** increasing rates by 2 per cent in 2017 and investing $480M to raise limits benefitting 900,00 children and adults
- **Establishing the Multicultural Community Capacity Grant -** $3M to help immigrants, refugees and ethno-cultural communities advance towards full integration and participation in Ontario's society.
- **Moving forward with the Basic Income Pilot in three locations** – Hamilton, Lindsay and Thunder Bay – to test if a basic income would provide greater income security and opportunity and to examine outcomes.
- **Reforming Ontario's Corrections System** – Undertaking broad reforms based on a progressive and collaborative approach to individual rehabilitation and reintegration

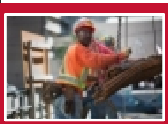




Provincial Taxes

- No changes to personal income tax rates
- No changes to corporate income tax rates
- No changes to the HST
- Increase of tobacco tax by $10 per carton/3 years
  - $2 per carton in 2017/18
  - $4 per carton in 2018/19
  - $4 per carton in 2019/20

ONTARIO'S ECONOMIC OUTLOOK

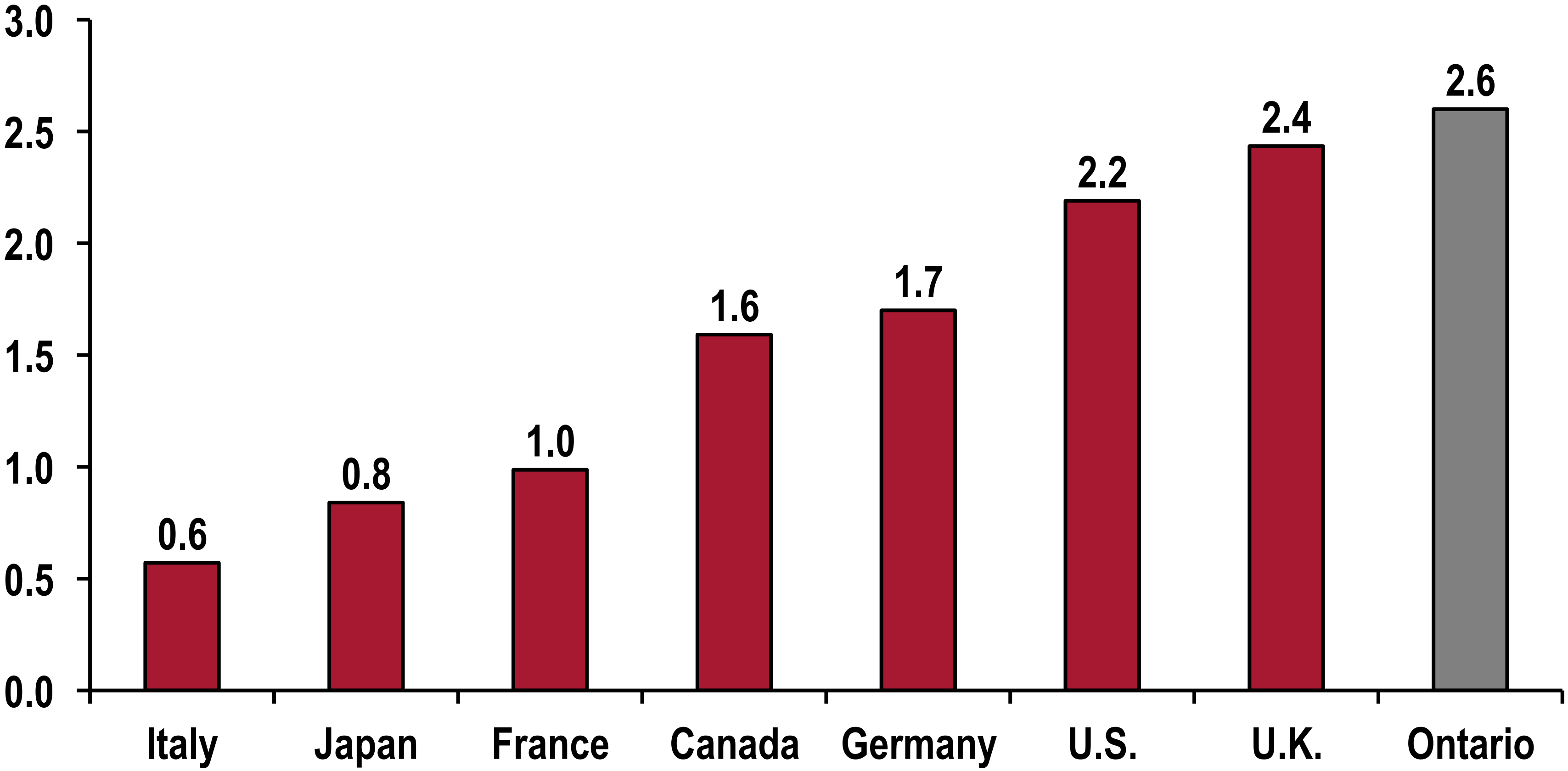




Ontario Economic Outlook



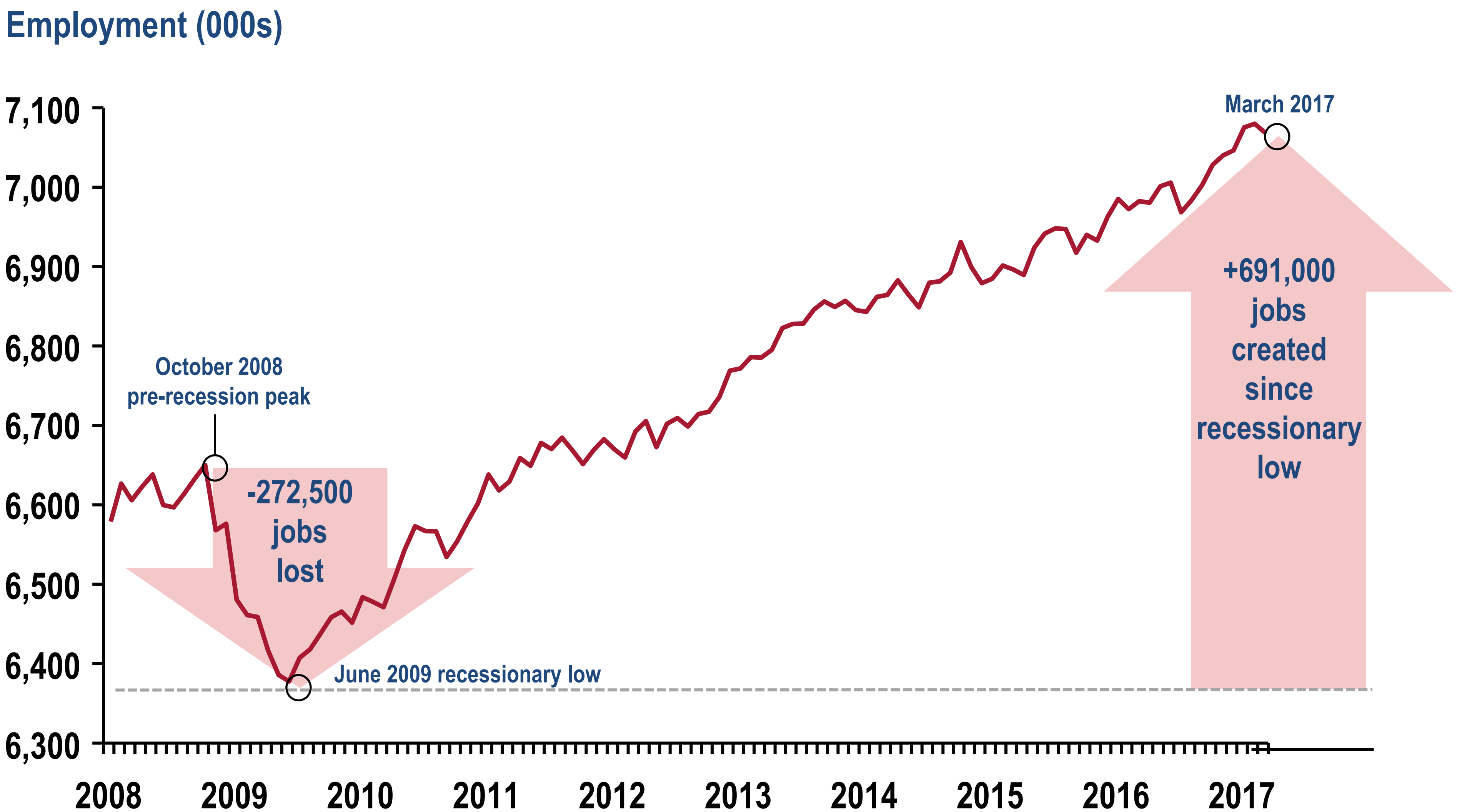
Ontario’s Economic Growth Outpacing G7

Real GDP Growth 2014–16,
Average Annual Per Cent

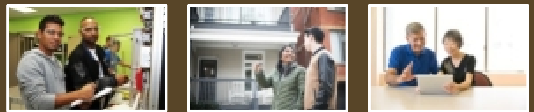


Sources: Organisation for Economic Co-operation and Development, Statistics Canada and Ontario Ministry of Finance.

Employment Gains since 2009

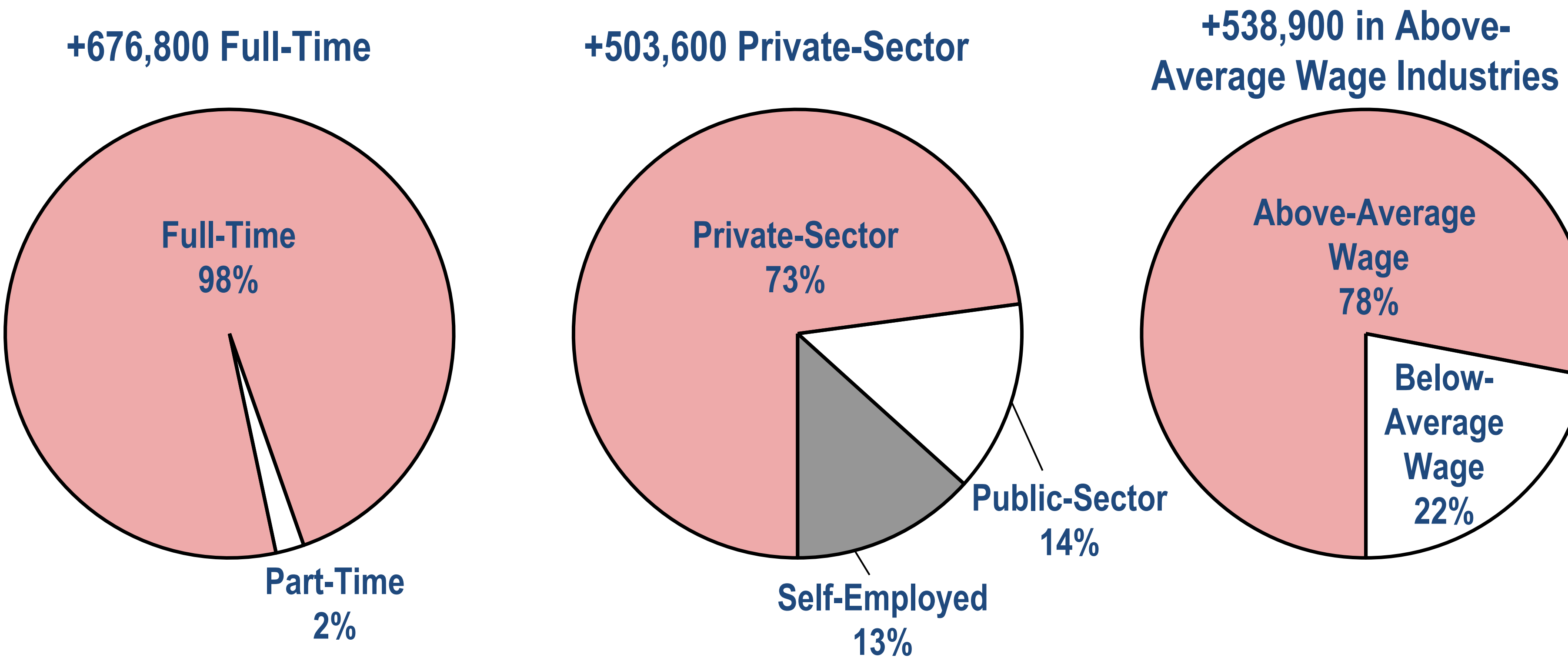


Sources: Statistics Canada and Ontario Ministry of Finance.

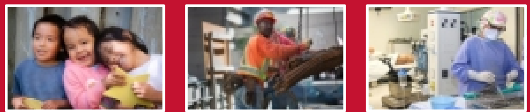


Employment Gains Concentrated in Full-Time and Private-Sector Positions

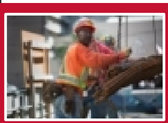
Composition of Job Gains



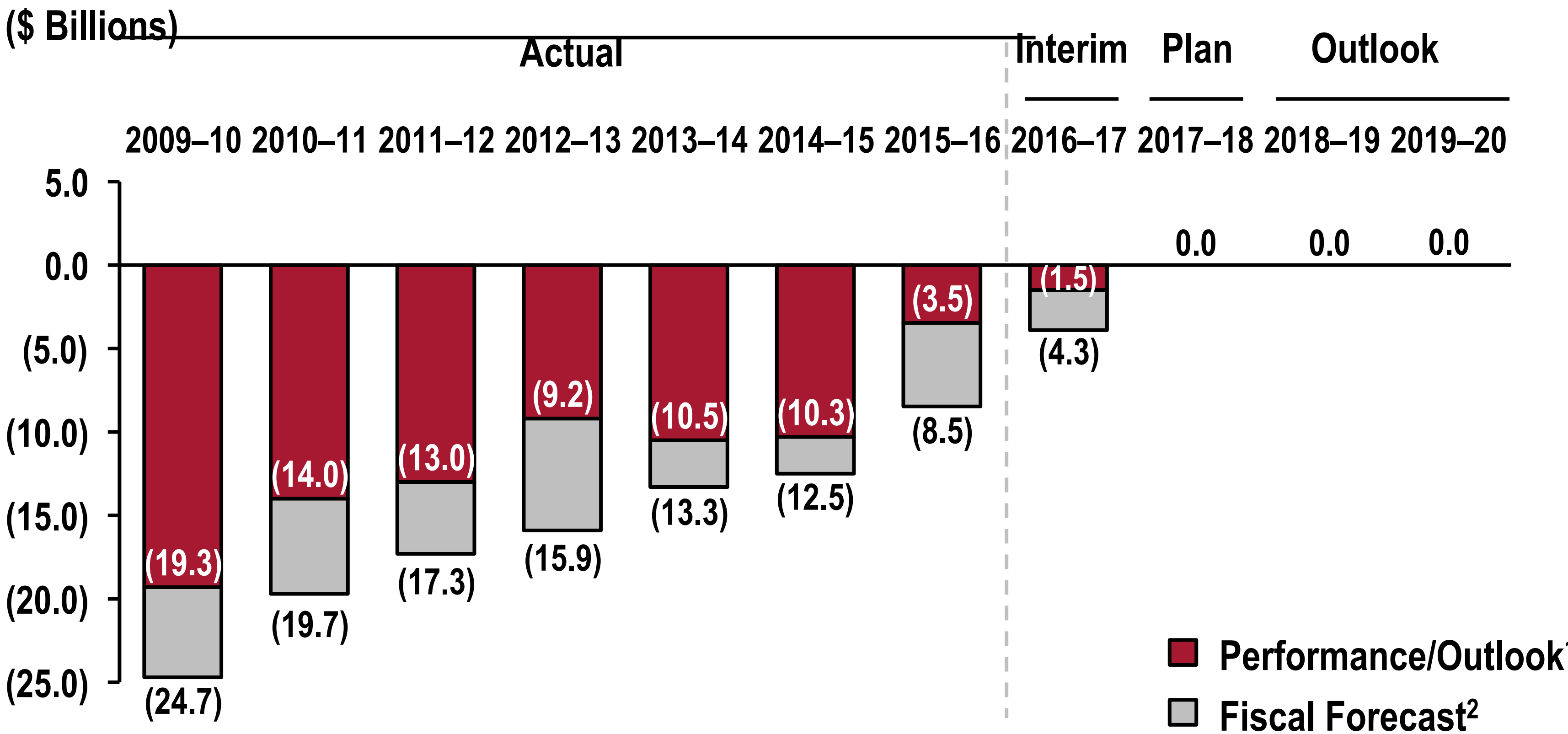
Note: Above-average wage industries are defined as those with earnings above the average hourly earnings of all industries in 2016.
Sources: Statistics Canada and Ontario Ministry of Finance.



ONTARIO’S FISCAL PLAN


Ontario's Return to Balance

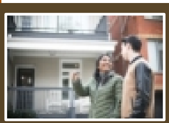


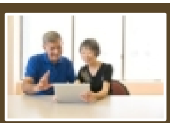
[1] Represents the *2017 Budget* outlook for 2016–17 to 2019–20. For 2009–10 to 2015–16, actual results are presented. The 2015–16 actuals have been restated to reflect recognizing jointly sponsored net pension assets for the Ontario Public Service Employees' Union Pension Plan and the Ontario Teachers' Pension Plan on the Province's financial statements, consistent with the *2016 Budget* and as described in the *2016–17 Third Quarter Finances*.

[2] Forecast for 2009–10 is based on the *2009 Ontario Economic Outlook and Fiscal Review,* 2010–11 to 2013–14 is based on the *2010 Budget*; 2014–15 is based on the *2014 Budget*; 2015–16 is based on the *2015 Budget;* 2016–17 is based on the *2016 Budget*.

Source: Ontario Ministry of Finance.

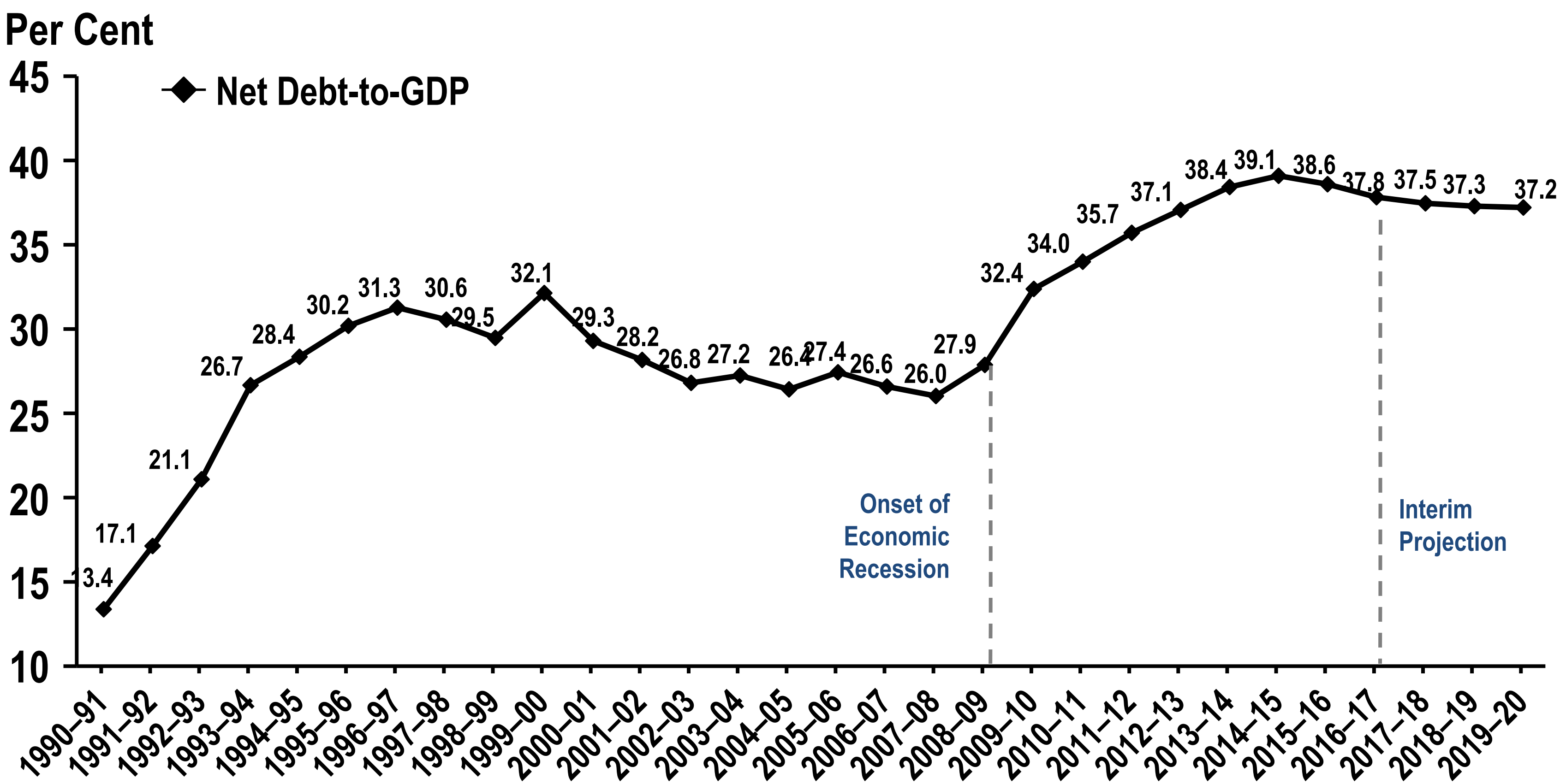
Medium-Term Fiscal Plan





Summary of Medium-Term Expense Outlook

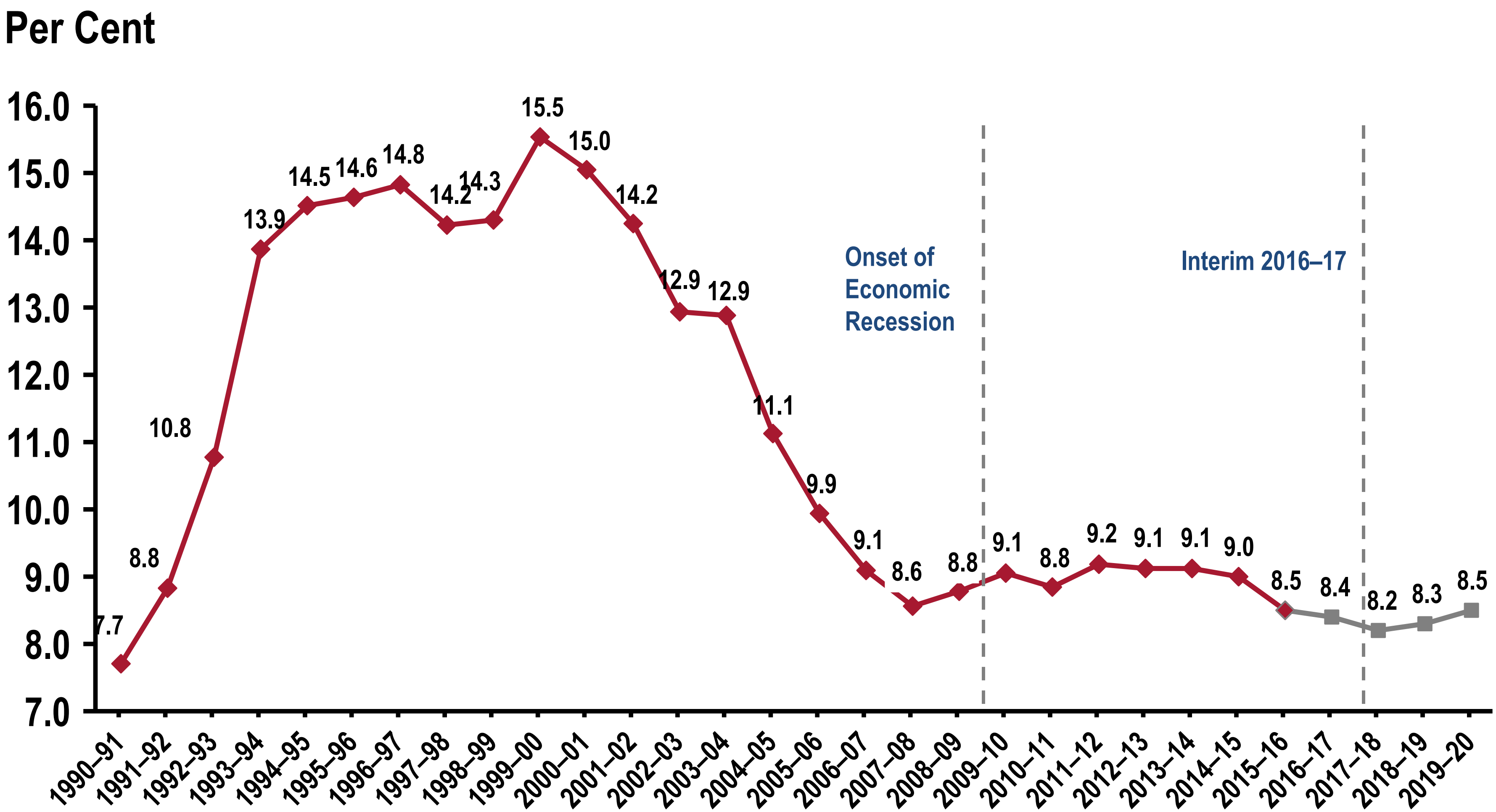
Net Debt-to-GDP



Notes: Net Debt was restated to include Broader Public Sector Net Debt starting in 2005–06.
The 2015–16 actuals have been restated to reflect recognizing jointly sponsored net pension assets for the Ontario Public Service Employees' Union and the Ontario Teachers' Pension Plan on the province's financial statements, consistent with the *2016 Budget* and as described in the *2016—17 Third Quarter Finances*.
Source: Ontario Ministry of Finance.



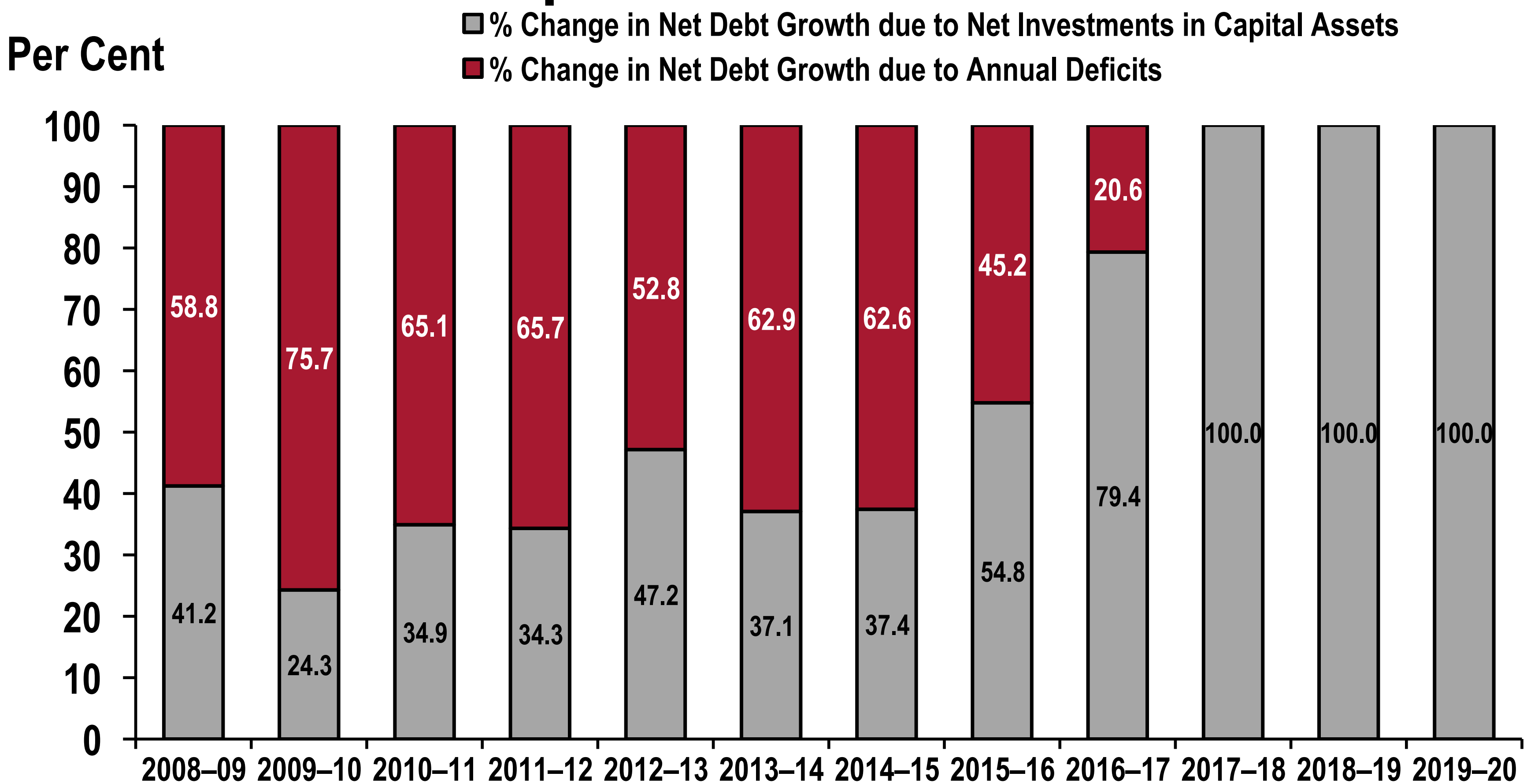
Interest on Debt-to-Revenue Ratio



Source: Ontario Financing Authority.

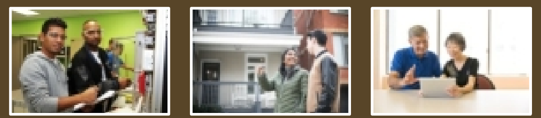


Net Debt Growth after Balance Is Due Only to Investments in Capital Assets



Notes: The 2015–16 actuals have been restated to reflect recognizing jointly sponsored net pension assets for the Ontario Public Service Employees' Union and the Ontario Teachers' Pension Plan on the Province's financial statements, consistent with the *2016 Budget* and as described in the *2016—17 Third Quarter Finances*.

Source: Ontario Financing Authority.



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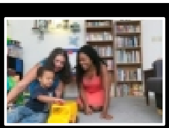

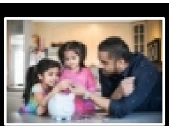



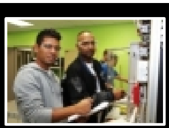
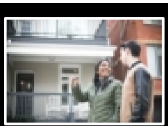


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