2017 Document Highlights

April 6, 2017

Overall Summary

- In the 2017 Document, the Province has returned to balance through a plan to invest in its people and build Ontario up rather than making cuts to programs and services that Ontario families rely on. The Province is also projecting balance in 2018-19 and 2019-20.
- The government is investing in key services, such as healthcare and education, and reducing expenses for families such as electricity costs through the province's Fair Hydro Plan, providing drug coverage for every child under the age of 18, moving forward on GTHA fare integration and addressing housing affordability.
- The Province is also creating opportunities for individuals to reach their full potential, such as helping 100,000 more children access quality, affordable child care as well as providing necessary supports and training to ensure everyone has the essential skills to adapt and thrive in a changing economy.
- Positioning Ontario to benefit from new employment opportunities and economic growth by staying at the forefront of both the global shift to a low-carbon economy and transformative, potentially disruptive, technologies.
- Continuing to make significant investments in infrastructure to build better transit and transportation as well as more schools and hospitals.

DOCUMENT 2017

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, Ontario is able to make investments in key services like health care and education that matter most to people, while at the same time lowering costs for important necessities like hydro and child care.

CREATING OPPORTUNITIES AND SECURITY INVESTING IN PEOPLE AND JOBS

The government 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

STENGTHENING HEALTH CARE

The government continues to strengthen and transform the health care system, now and in the future, by making investments in the right kind of care, when and where it's needed – to improve the delivery of high-quality care, focused on patients and their families.

INVESTING IN EDUCATION

Ontario is continuing to foster a strong education system so students can succeed because its highly educated workforce is one of its greatest strengths.

BUILDING TRANSIT & TRANSPORTATION

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 JUSTIVE 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 those in need and 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 Document 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. Restoring balance adds stability to the Province's finances and positions the government to better respond to challenges and unexpected global economic shocks.

OVERVIEW OF THE 2017 DOCUMENT – KEY THEMES AND SIGNATURE INITIATIVES

Helping You and Your Family

- **Launching Kids Pharmacare in 2018** to expand access to prescription medicines for Ontario's three million children, regardless of family income.
- Supporting over **12,000 new fee subsidy spaces** and almost **8,000 new licensed child care spaces** in schools in 2017-18. In addition, creating **4,000 new introducing licensed spaces,** in January 2018, through enhanced fee subsidies.
- Implementing **Ontario's Fair Hydro Plan** to help lower electricity bills by 25% on average for eligible residential, farm and small business customers.
- Providing over $8M over the next three years allowing for an additional **40 new Elderly Person Centres** by 2018-19 to meet growing needs of seniors.
- Extending funding for the **Seniors Community Grant Program** by $11M to support facilities to help seniors engage socially, volunteer and continue their lifelong learning.
- Rolling out a **redesigned Ontario Student Assistance Program (OSAP)** making average tuition free for more than 210,000 students and reduce costs for many more.
- Moving forward with a **GTHA fare integration strategy** including providing discounts for PRESTO users of the TTC, subject to reaching an agreement with the TTC.

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, while at the same time lowering costs for important necessities like hydro and child care.

Helping You and Your Family (con't)

- Taking steps to **address housing affordability** through a package of initiatives, including:
  - **Modernizing the Land Transfer Tax** for first-time homebuyers.
  - **Improving rent control** to help strengthen protections for tenants.
  - Unlocking development opportunities by creating a **special "Residential Land Development Facilitation Team."**
  - Providing municipalities with additional taxation tools to support and encourage the supply of residential units:
    - **New tax on vacant units**
    - **Increased tax on vacant residential lots**
  - Collecting and reviewing data to better inform decisions on using provincial tax measures and to **address speculation and "paper flipping.**"

The Ontario government is concerned that rapidly rising house prices is making the dream of homeownership increasingly more difficult and is taking a number of steps to address affordability.

Creating Opportunities and Security

- Implementing the **Highly Skilled Workforce Strategy** to provide people with opportunities across the continuum of learning as well as skills development for both unemployed workers and those active in the labour market, but looking to acquire new skills.
- Launching a **$213M Workplace Experience Strategy** that will open up nearly 30,000 new opportunities for K-12 and post-secondary students, as well as recent graduates.
- Expanding the **Business Growth Initiative to $650M over five years** to support investments in artificial intelligence, fifth generation (5G) telecommunications, quantum science research, advanced computing and autonomous vehicles.
- Investing almost **$50M over three years to expand Ontario's footprint** in key international markets and grow the province's capacity to help businesses expand globally.
- Implementing the **Climate Change Action Plan** which guides investment of cap and trade proceeds and outlines ways to make a positive difference in peoples' everyday lives and create jobs in a low-carbon economy.

The government 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 - Health

- Investing an **additional $5B over three years** to have patients receive care closer to home, see specialists faster and have access to expanded mental health and addiction services. This includes:
  - Providing hospitals with an **additional $518M, including increasing base funding by a minimum of 2%** to provide faster access to vital services, reduce wait times and less crowding.
  - More than $200M to support almost 38,000 **home and community care** visits per day, including home nursing, personal support and physiotherapy.
  - Investing **$108M in Ontario's new Dementia Strategy** to expand province-wide access to day programs and provide supports as early as possible once a diagnosis is made
  - $140M to provide **faster access to mental health services.**
- **Investing in 34 major hospital projects** currently under construction or in various stages of planning and **adding 19 new major projects** to ensure our healthcare is being provided in modern facilities across the province.
- Enhancing the **Northern Health Travel Program** to help Northern patients with costs associated with receiving care outside their communities.

The government continues to strengthen and transform the health care system, now and in the future, by making investments in the right kind of care, when and where it's needed – to improve the delivery of high-quality care, focused on patients and their families.

Public Services You Can Count On - Education

- Making additional investments to ensure all school boards have an average **class size** in Grades 4 to 8 of fewer than 25 students.
- 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.
- Providing capital grants to newly **construct or renovate classrooms and school facilities**, including;
  - An **additional $1.2B for repairs and renewal** over the next two school years to ensure safe and modern places to learn.
- **Enhancing autism supports** in schools to help children transition to, and continue in, full-time school.
- Investing $49M over the next three years in developing programs to **improve students' cognitive, emotional, social and physical development** with initiatives such as,
  - Equity and Inclusive Education
  - Safe and Accepting Schools
  - Healthy Schools and Positive Mental Health

Ontario is continuing to foster a strong education system so students can succeed because its highly educated workforce is one of its greatest strengths.

Public Services - Transit and Transportation

- Investing about **$84B over 10 years** in the transportation sector and **supporting 50,000 jobs** on average each year, including:
  - $56B in public transit for;
    - **Rapid transit projects** in Waterloo, Hamilton, Mississauga and southern Brampton, Ottawa and Toronto.
    - Transforming the GO rail system through the **GO Regional Express Rail** initiative, which will quadruple the number of weekly trips from about 1,500 to nearly 6,000 by 2024-25.
  - $26B in highways directed towards;
    - **Building or repairing** about 5,000 kilometres of **highways** and more than 750 **bridges** across the province by 2021-22.
- Moving forward with a transformational **GTHA fare integration strategy,** which will support future ridership growth through a more seamless and integrated use of the GO Transit and TTC networks.
  - Subject to agreement with the TTC, providing discounts for PRESTO users of the TTC.

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.

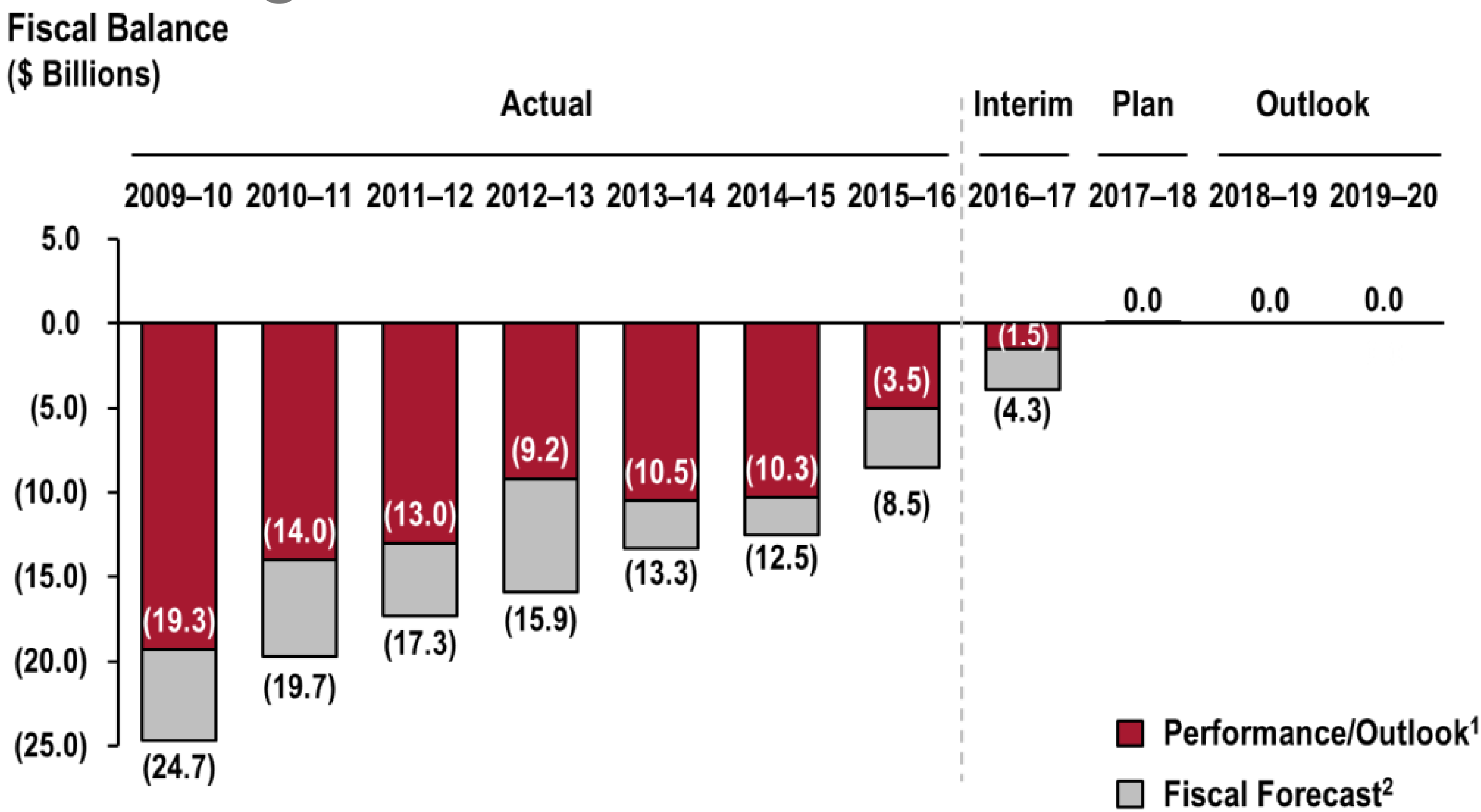
Public Services - Inclusive Communities & Justice

- Moving forward on the **Basic Income Pilot** to test if a basic income would provide more consistent and predictable support to lower-income Ontarians.
- Improving Ontario's Social Assistance programs by:
  - Increasing **Ontario Works (OW)** and **Ontario Disability Support Program (ODSP) benefit rates by 2%.**
  - **Investing more than $480M over four years** to raise asset limits in both OW and ODSP benefiting more than 900,000 children and adults supported by Social Assistance every day.
- Investing **$677M over four years to transform the development services system** and help keep people out of crises.
- Helping immigrants, refugees and ethnocultural communities navigate barriers and advance towards full integration and participation in Ontario's society by providing $3M each year for the next two years to **establish the Multicultural Community Capacity Grant.**
- Undertaking broad **reform of Ontario's corrections system** based on a progressive and collaborative approach to individual rehabilitation and reintegration.

All Ontarians should have the opportunity to realize their full potential and participate in society. Ontario's social services will be strengthened to help those in need and Ontario's justice system transformed to protect the interests of all people – victims, the public and the accused – while keeping communities safe.

ONTARIO'S FISCAL AND ECONOMIC OUTLOOK

Restoring Balance



The 2017 Document 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. Restoring balance adds stability to the Province's finances and positions the government to better respond to challenges and unexpected global economic shocks.

Medium Term Outlook

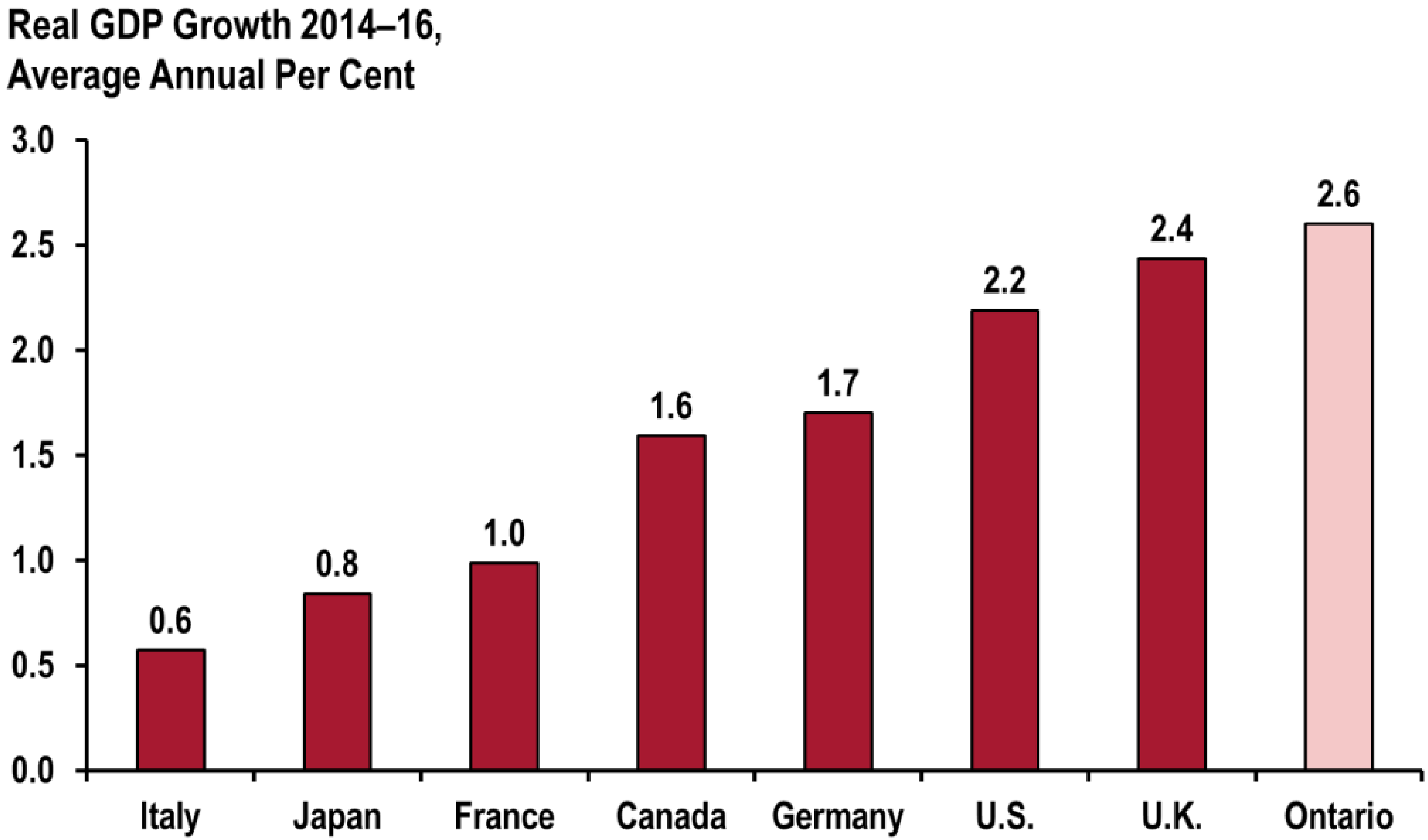
Ontario's Fiscal Plan and Outlook
($ Billions)

	Actual	Interim	Plan	Medium-Term Outlook	
	2015–16[1]	2016–17	2017–18	2018–19	2019–20
Revenue	**128.4**	**133.2**	**141.7**	**144.9**	**149.3**
Expense					
Programs	120.9	123.5	129.4	132.1	135.7
Interest on Debt	11.0	11.3	11.6	12.0	12.6
Total Expense	**131.9**	**134.8**	**141.0**	**144.1**	**148.3**
Surplus/(Deficit) Before Reserve	**(3.5)**	**(1.5)**	**0.7**	**0.8**	**1.0**
Reserve	–	–	0.7	0.8	1.0
Surplus/(Deficit)	**(3.5)**	**(1.5)**	**0.0**	**0.0**	**0.0**
Net Debt as a Per Cent of GDP	38.6	37.8	37.5	37.3	37.2
Accumulated Deficit as a Per Cent of GDP	25.2	24.2	23.2	22.3	21.4

[1] 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.*

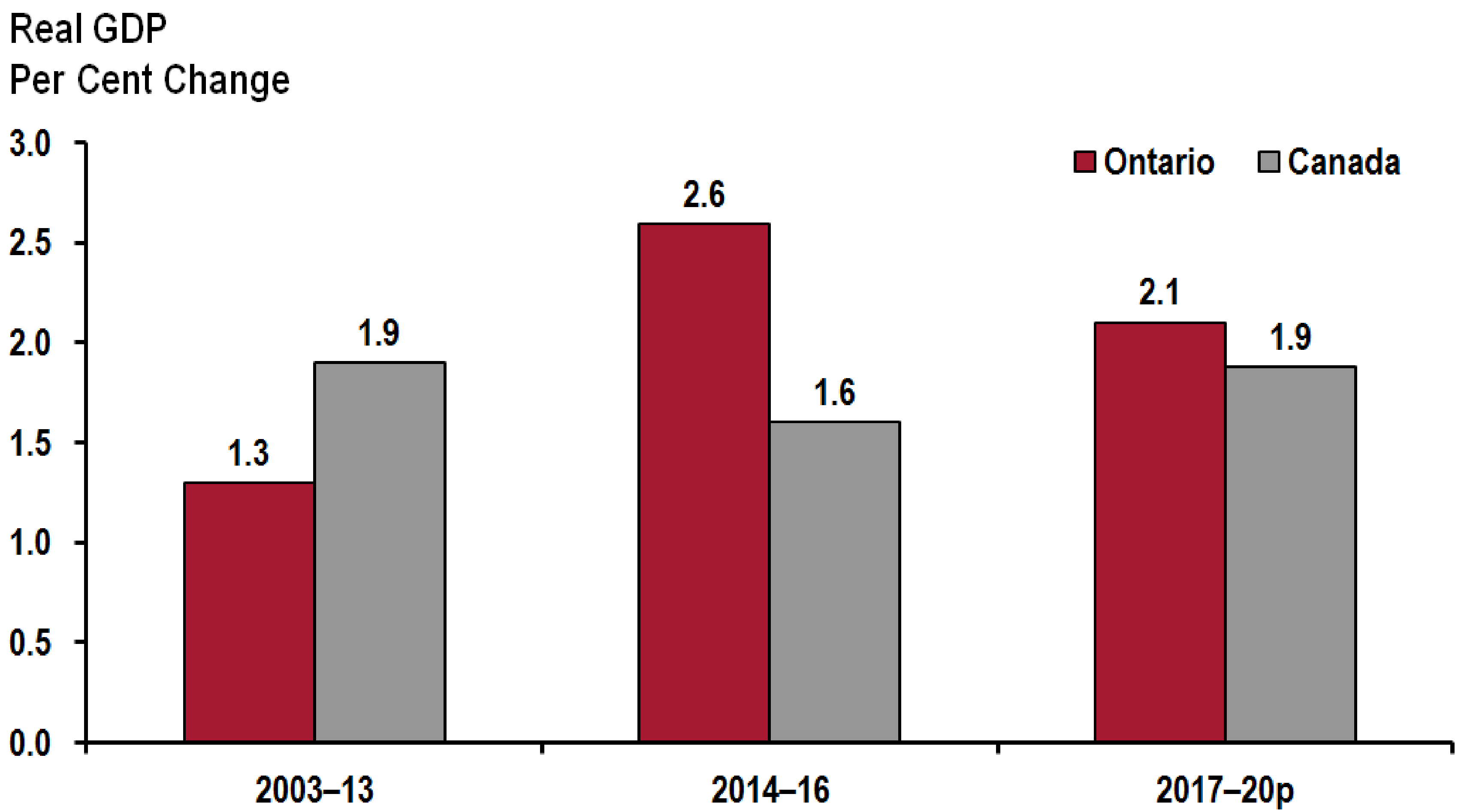
Notes: Numbers may not add due to rounding.

Ontario's Economic Growth vs G7 Countries



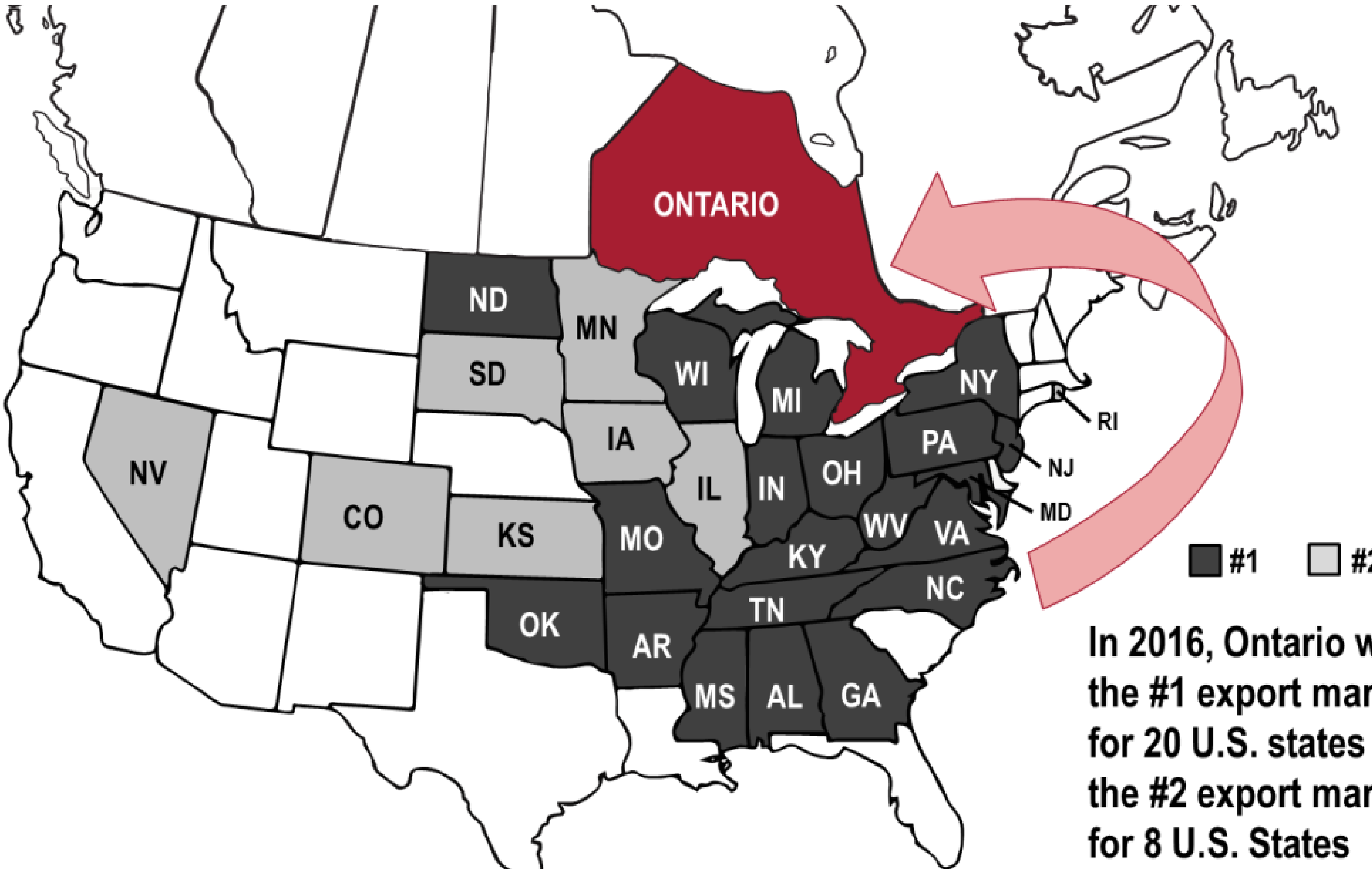
Sources: Organization for Economic Co-operation and Development, Statistics Canada and Ontario Ministry of Finance.

Ontario's Growth to Outpace Canada



p = Private sector average.
Sources: Statistics Canada, Ontario Ministry of Finance and Ontario Ministry of Finance Survey of Forecasters.

Ontario is a Key Export Market for the U.S.



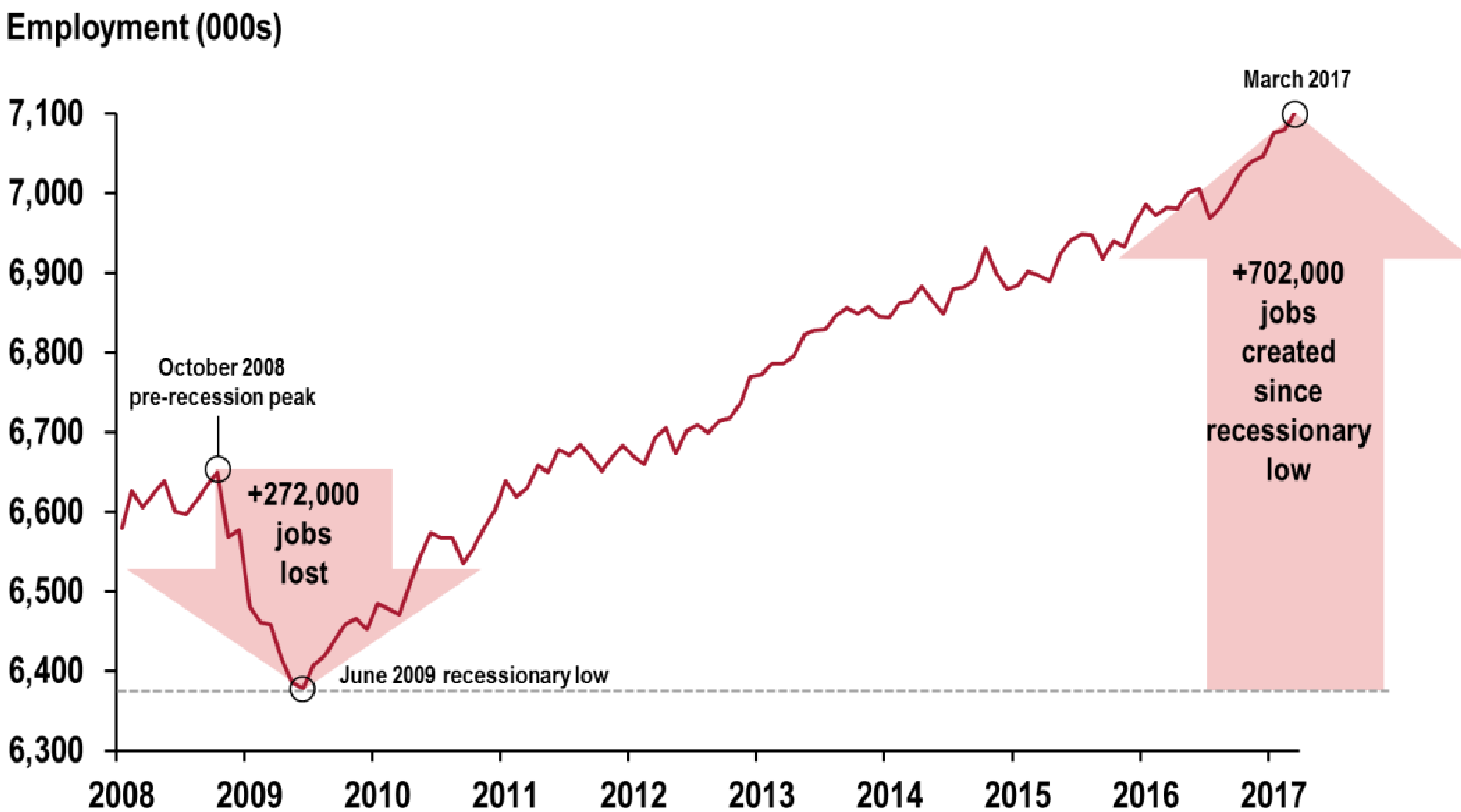
In 2016, Ontario was the #1 export market for 20 U.S. states and the #2 export market for 8 U.S. States

Notes: Based on merchandise exports.

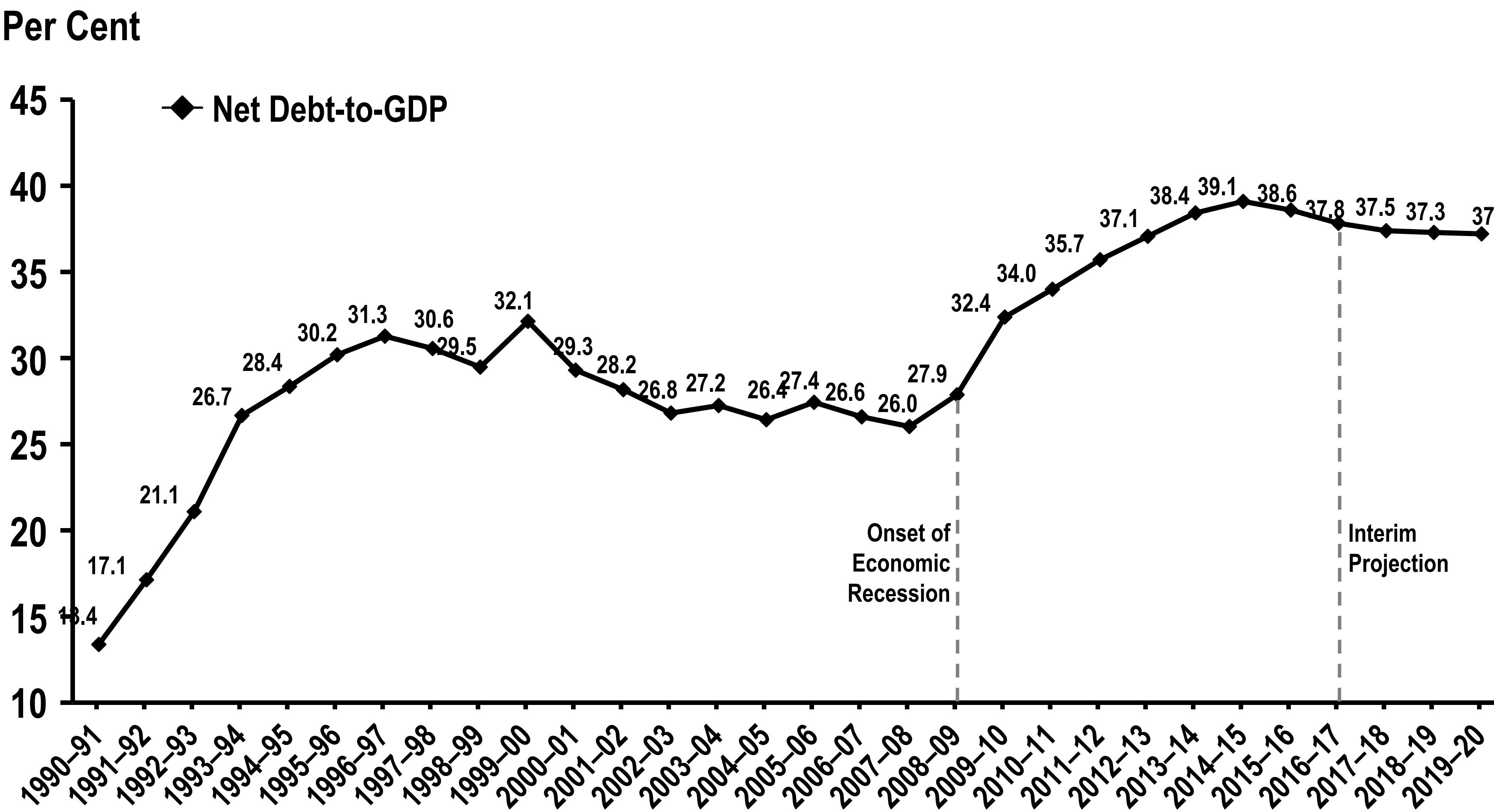
Markets include all countries (excluding Canada) and Canadian provinces/territories.

Sources: United States Census Bureau, Statistics Canada and Ontario Ministry of Finance.

Employment Gains

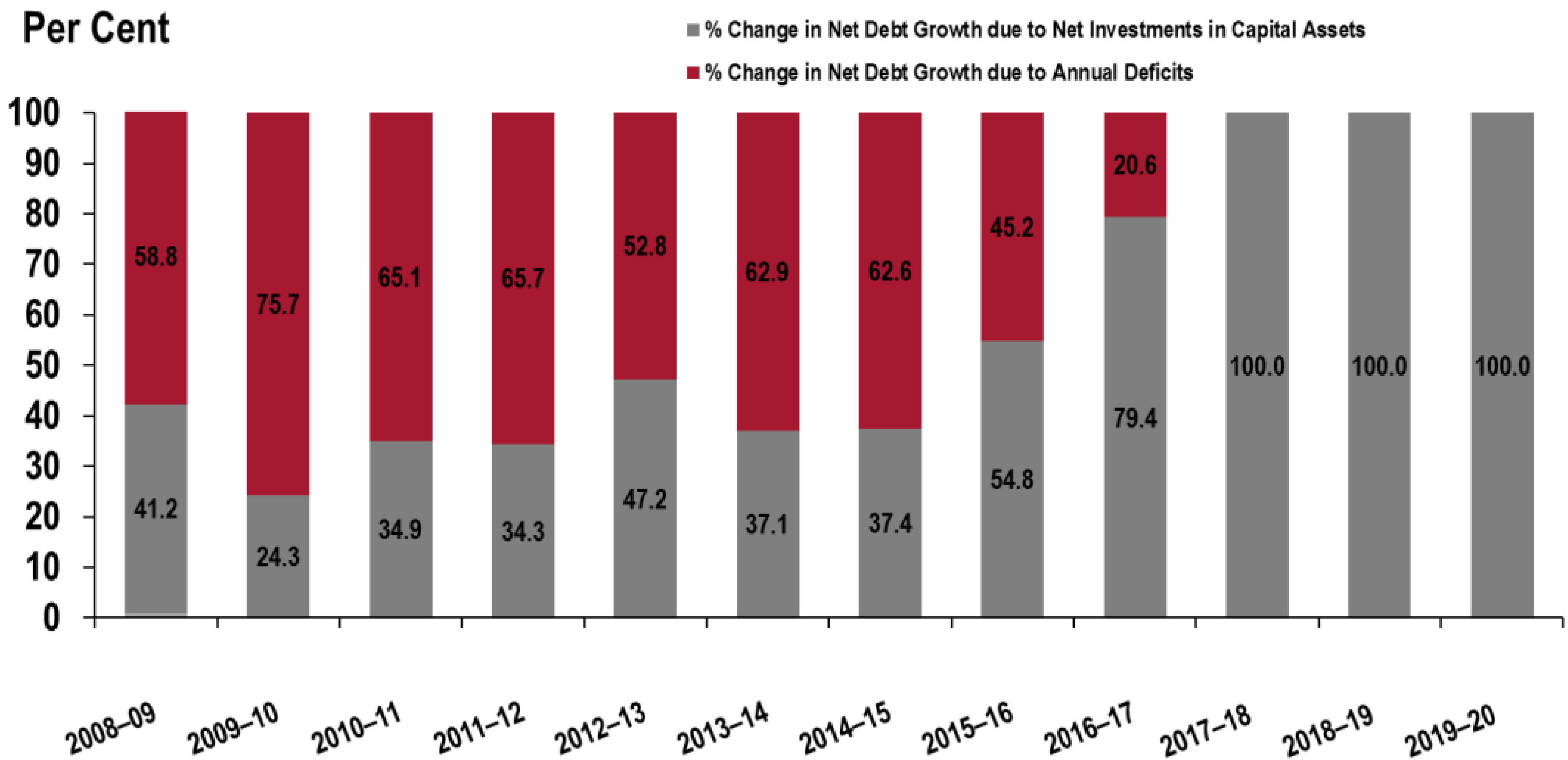


Net Debt-to-GDP



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*.
Source: Ontario Ministry of Finance.

Capital Assets and Net Debt Growth



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.
Source: Ontario Financing Authority.