Comparison: 2018 Ontario Budget to Draft 2018 Spring FAO Fiscal Outlook

$ Billions	Actual 2016-17	Interim 2017-18	Outlook 2018-19	Outlook 2019-20	Outlook 2020-21	Extended Outlook 2021-22	Extended Outlook 2022-23	Extended Outlook 2023-24	Extended Outlook 2024-25	Extended Outlook 2025-26	Avg. Annual Growth 17-18 to 20-21	Avg. Annual Growth 18-19 to 20-21
2018 Budget												
Taxation Revenue	94.3	99.4	103.6	108.1	112.4						4.2%	4.2%
Transfers from Gov't of Canada	24.5	25.3	26.0	25.7	26.8						1.9%	1.5%
Income from GBEs	5.6	6.1	5.3	6.0	6.6						2.4%	11.6%
Other Non-Tax Revenue	16.3	19.3	17.6	17.7	18.0						-2.3%	1.3%
Total Revenue	140.7	150.1	152.5	157.6	163.8	169.5	174.9	180.4	186.5	192.9	3.0%	3.7%
Expense												
Program Expense	130.0	137.5	145.9	150.4	155.8	159.5	162.7	166.0	169.3	172.7	4.2%	3.3%
Interest on Debt	11.7	12.0	12.5	13.1	13.8	14.9	15.5	16.3	16.5	16.9	5.0%	5.1%
Total Expense	141.7	149.5	158.5	163.5	169.6	174.4	178.2	182.2	185.8	189.6	4.3%	3.5%
Surplus/(Deficit) before Reserve	**(1.0)**	**0.6**	**(6.0)**	**(5.9)**	**(5.8)**	**(4.9)**	**(3.3)**	**(1.8)**	**0.7**	**3.3**		
Net Debt to GDP, per cent	38.0	37.1	37.6	38.2	38.6	38.9	38.6	37.7	36.8	35.5		
Change - 2018 Spring FAO Fiscal Outlook to 2018 Budget												
Taxation Revenue	-	0.0	(0.5)	(0.8)	(1.0)							
Transfers from Gov't of Canada	-	-	-	(0.1)	(0.0)							
Income from GBEs	-	-	(0.4)	-	-							
Other Non-Tax Revenue	-	-	-	-	-							
Total Revenue	-	0.0	(0.9)	(0.9)	(1.1)	(0.4)	0.3	1.1	1.6	2.1		
Expense												
Program Expense	-	-	-	-	-	2.4	5.5	8.5	11.7	15.4		
Interest on Debt	-	-	(0.2)	(0.3)	(0.4)	(0.6)	(0.3)	(0.1)	0.8	1.6		
Total Expense	-	-	(0.2)	(0.3)	(0.4)	1.8	5.2	8.4	12.5	17.0		
Surplus/(Deficit) before Reserve, EXC. Adj. for Fair Hydro Plan and Pension Assets	-	***0.0***	***(0.7)***	***(0.7)***	***(0.7)***	***(2.3)***	***(4.9)***	***(7.4)***	***(10.9)***	***(14.9)***		
Surplus/(Deficit) before Reserve, INC. Adj. for Fair Hydro Plan and Pension Assets	***(1.4)***	***(4.2)***	***(5.7)***	***(6.3)***	***(6.7)***	***(8.1)***	***(10.4)***	***(12.3)***	***(15.4)***	***(19.0)***		
2018 Spring FAO Outlook												
Taxation Revenue	94.3	99.4	103.1	107.2	111.4	116.0	120.4	124.8	129.5	134.4	3.9%	4.0%
Transfers from Gov't of Canada	24.5	25.3	26.0	25.6	26.7	27.6	28.4	29.2	30.2	31.1	1.8%	1.4%
Income from GBEs	5.6	6.1	4.9	6.0	6.6	6.8	7.1	7.4	7.7	8.0	2.4%	16.1%
Other Non-Tax Revenue	16.3	19.3	17.6	17.7	18.0	18.7	19.4	20.0	20.8	21.5	-2.3%	1.3%
Total Revenue	140.7	150.2	151.5	156.6	162.8	169.1	175.2	181.5	188.1	195.0	2.7%	3.6%
Expense												
Program Expense	130.0	137.5	145.9	150.4	155.8	161.9	168.2	174.5	181.0	188.1	4.2%	3.3%
Interest on Debt	11.7	12.0	12.3	12.8	13.4	14.3	15.2	16.2	17.3	18.5	4.0%	4.6%
Total Expense	141.7	149.5	158.2	163.2	169.2	176.2	183.4	190.6	198.3	206.5	4.2%	3.4%
Surplus/(Deficit) before Reseve, EXC. Adj. for Fair Hydro Plan and Pension Assets	(1.0)	0.7	(6.7)	(6.6)	(6.4)	(7.1)	(8.2)	(9.1)	(10.2)	(11.6)		
Accounting Adjustments	1.4	4.2	5.0	5.6	6.0	5.9	5.5	4.9	4.5	4.2		
Surplus/(Deficit) before Reseve, Inc. Adj. for Fair Hydro Plan and Pension Assets	(2.4)	(3.6)	(11.7)	(12.2)	(12.5)	(13.0)	(13.7)	(14.1)	(14.7)	(15.7)		
Net Debt to GDP EXC Adjustments, per cent	37.2	36.3	35.8	36.5	37.3	38.0	38.8	39.3	39.6	39.8		
Net Debt to GDP INC Adjustments, per cent	39.5	39.1	40.1	41.1	42.0	43.0	43.8	44.2	44.6	44.8		

Note: All surplus/deficits exclude the reserve. Numbers may not add due to rounding.

- **MEDIUM-TERM REVENUE:**
- The FAO projects Personal Income Tax to be significantly lower than the 2018 Budget projections ($0.4 billion in 2018-19, $0.7 billion in 2019-20, and $0.9 billion in 2020-21)
- FAO estimates that Ontario will no longer qualify for Equalization payments after 2018-19, where as the 2018 Budget assumes Equalization ends in 2020-21.
- The FAO reduces H1 net income by $0.4 billion in 2018-19 to reflect the recent decision by the OEB to allocate a portion of tax gain to rate

- **RECOVERY PLAN PROGRAM EXPENSE:**
- The FAO assumes program expense to grow at 3.5% over the recovery plan (closer to population and inflation), versus the 2018 Budget projection of 2.0%