Remarks by

The Honourable Charles Sousa

Ontario Minister of Finance

on the

2016-17 Third Quarter Finances

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Good morning.

[Acknowledge Ministers Duguid and Moridi]

Thank you all for coming this morning to MaRS.

The world's largest innovation hub. Supporting innovation, creating the jobs of the future.

A team of people that believed in their vision…

…ignored the criticisms of those who would rather tear something down than build something up…

…stuck to a plan…

…and today is a tremendous operating and financial success, having just repaid its loans three years early.

Of course, key to MaRS success is the companies and organizations that are driving the innovation here.

I'm pleased to be joined onstage this morning by a few people who represent some of the companies helping MaRS to be a global leader.

Rebecca Yu is the Head of Johnson & Johnson Innovations' JLabs @ Toronto –the first JLABS incubator outside of the US.

Paul Parisi, General Manager of Paypal Canada. Did you know that Paypal processed the first mobile payment in Canada – over a decade ago?

Jeff Kent, Senior VP, Operations for Highland Therapeutics.

These are just a few of the companies here at MaRS – making it a world leader in innovation.

[pause]

Our government is proud to have made strategic investments in MaRS.

Investments that are providing tremendous benefits to the Ontario economy.

It's just one of the many strategic investments we have been making, while continuing on our path to balancing the Budget by 2017-18.

Our plan is working.

Despite an uncertain global environment, Ontario's economy continues to grow.

In Q3, the province's real GDP grew by 0.7 per cent.

This growth was led by exports, household spending and housing investment.

Q3 continues a strong year for Ontario.

Over the first three quarters of 2016, Ontario’s real GDP growth outpaced that of all G7 countries.

This strong growth has supported steady employment gains.

76,400 net new jobs were added in 2016.

Continuing the upward trend since the global recession.

There’s also good news on the unemployment rate.

As of January 2017, the unemployment rate was 6.4 per cent.

That’s below the national average for the 22nd consecutive month.

Other key economic indicators also advanced strongly in 2016.

The indicators of business-sector activity, such as manufacturing sales and wholesale trade, grew faster than the average of the other provinces.

And on the consumer side, there were strong gains in retail sales and housing market activity.

We recognize that not all regions of Ontario have experienced this economic growth equally.

We're focused on ensuring everyone is able to benefit from and contribute to this growth.

Overall, these positive economic factors…

….businesses succeeding, more people working, consumer confidence improving and exports rising…

…have also had a positive effect on our government's finances.

The growing economy contributes to higher revenues.

Total revenue is projected to be $133.1 billion. That's an improvement of $2.5 billion compared to the 2016 Budget.

This increased growth in Ontario's economy, combined with our government's strong fiscal management, is enabling us to make investments that will benefit all of Ontario.

Investments like helping people pay their hydro bills by rebating the equivalent of the provincial portion of the HST of their bill…

Investments in hospitals to reduce wait times, support better care and improve services for patients and their families

So the Q3 outlook for program expense is $123.3 billion – an increase of $1.1 billion compared to the 2016 Budget projection.

And Interest on debt expense for 2016–17 is forecasted to be $11.4 billion, $0.4 billion lower than forecast in the 2016 Budget, unchanged from the 2016 Fall Economic Statement.

So we are now projecting a deficit of $1.9 billion in 2016–17.

That's an improvement of $2.4 billion compared to the 2016 Budget.

While still maintaining a reserve to protect against any unforeseen changes that may occur before year-end.

These updated numbers for Q3 reflect the Pension Asset Expert Advisory Panel's recommendation to recognize net pension assets for both the Ontario Public Service Employees Union Pension Plan and the Ontario Teachers' Pension Plan.

It's the eighth year in a row that we are projecting to beat our deficit target.

On our way to a balanced Budget in 2017-18.

Looking forward, Ontario's economic growth outlook remains consistent with the 2016 Fall Economic Statement forecast.

private-sector economists expect Ontario to be one of Canada’s fastest-growing provinces over the next two years.

I’m pleased to give you this update on our fiscal plan…

…and remind you that the next major update will be when I table the 2017 Ontario Budget…

…a balanced Budget.

Thank you, and I am happy to take your questions.