Top Media Qs & As for Document 2017
April 2017

Restoring Balance

Q1. The Financial Accountability Officer (FAO) has slammed Ontario's balanced budget as "artificial." What's your response? (OB)

A. Our plan to return to balance was clear: make strategic investments to grow our economy and manage growth while spending responsibly.

The proof is in the pudding — Ontario is a leader in economic growth, with our real GDP growth having outpaced that of all the G7 countries over the last three years. Not only has Ontario's economy been one of the fastest-growing among provinces, it is also the most efficient, with the lowest program spending per capita.

Since the recession, Ontario has added nearly 700,000 jobs, the majority of which are full-time positions and in the private sector. Our plan to invest in and transform public services has resulted in program expense-to-GDP ratio returning to its pre-recession level.

Ontario is forecasting a deficit of $1.5 billion for 2016-17 — the eighth year in a row that we're projecting to beat our deficit target. Furthermore, we're balancing the budget this year, eliminating the deficit from a high of more than $19 billion.

Q2. Are you using asset optimization to balance the budget? (CEFD)

A. The government has restored balance through targeted, measured and fiscally responsible decisions — managing growth in program spending and fostering job creation and economic growth.

The government's plan to eliminate the deficit does not depend on the revenues from asset sales. Maximizing the value of these assets is part of the government's economic plan for Ontario.

Gains from the sale of qualifying assets are dedicated to the Trillium Trust to help fund further investments in transit, transportation and other priority infrastructure.

Q3. What about cap and trade? How does that fit in to the picture? How are you helping businesses offset these costs? (OB)

A. The global economy is moving toward pricing carbon to address the threats of climate change.

As set out in the *Climate Change Mitigation and Low-carbon Economy Act, 2016*, carbon allowance proceeds must be used for initiatives that reduce greenhouse gas.

Our approach to investing carbon allowance proceeds is both balanced and strategic, focusing on initiatives where the opportunity for emissions reduction and sustainable economic growth is greatest.

We are taking advantage of innovative clean technologies and alternative energy sources so that businesses can stay competitive and provide low-carbon goods and services to Ontarians.

Q4. What does continued borrowing and growing debt mean for future generations? (OFA)

A. With our economic growth projected to continue and balanced budgets planned for the foreseeable future, Ontario is once again in a strong, healthy position. It also means the government no longer needs to borrow for operational purposes.

Increases in net debt will be limited to the net funding required for investments in capital assets — which not only contribute to Ontario's economic growth but also ensure that net debt as a per cent of GDP continues to decline.

Q5. Are you cutting programs to balance the budget? (OB)

A. Our plan reflects the values of Ontarians: to grow the economy and create jobs.

This plan is realistic and responsible. We have been managing our expenses and transforming how we deliver public services to make them more efficient and effective.

In fact, we'll be spending more on programs than was outlined in the 2016 Budget, including $11.5 billion in health care over three years and more than $190 billion in infrastructure over 13 years. This increase reflects what a balanced Ontario can do: deliver programs and services that make a difference for people today, while building for the future.

Helping Families

Q6. You've announced the Fair Hydro Plan, which spreads high electricity costs over the longer term. Aren't you just pushing the costs onto future generations? (CEFD)

A. We have heard from Ontarians across the province that investing in greener generation, transmission and distribution have increased electricity bills too quickly, which is why our plan will ensure costs are distributed more fairly over time. The plan significantly reduces rates today and ensures fairness and predictability for tomorrow.

Most of Ontario's electricity generators are under 20-year contracts, but many of these facilities are expected to generate power after their contracts end. These are long-term assets for our electricity system. We are bringing forward some of the net value of these assets by spreading a portion of the costs of these contracts over a longer period.

Q7. You're planning on providing free pharmacare to thousands of Ontario children. You're also making 100,000 new child care spaces available and extending free average tuition to more than 210,000 students. How are you paying for everything when you're eliminating the deficit?

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

Providing more access to vital services isn't just an investment in our future. It's the right thing to do.

Q8. Isn't it unfair that low-income children get free pharmacare, when low-income adults have to pay for it? (TBS-PEMD)

A. Access to prescription drugs is essential for a truly responsive and sustainable health care system. Pharmacare will help ensure access to prescribed medications, particularly for those who are most in need and least able to pay. It is the natural next step in the evolution of Canada's most revered social program — universal public health care.

The Ontario Drug Benefit (ODB) Program is already one of the country's most generous, helping to pay for more than 4,300 prescription medications for seniors, people with high drug costs and other vulnerable populations. It's important to note that today, more than 3.9 million people in Ontario benefit from the ODB Program, including over 2.3 million seniors and more than 900,000 people on social assistance.

Housing

Q9. Several experts, such as CIBC, have warned that government intervention in the housing market may have unintended consequences. How can you make sure that these actions minimize the potential for unintended consequences? (TPD)

A. Ontario's Fair Housing Plan takes a balanced and multi-pronged approach that addresses both the demand and supply side of the market to help bring stability to the housing market — by cooling demand and helping create more supply, as recommended by many economists we consulted.

We will be watching the roll out of our plan very closely.

Q10. The housing market is caught in a bubble. Isn't there a risk that the Non-Resident Speculation Tax will lead to a housing crash? (TPD)

A: A housing market crash is unlikely given the outlook for household income gains and historically low borrowing costs. Also, unlike other housing market crashes around the globe, there's no evidence of significant overbuilding in Ontario.

The Fair Housing Plan represents a balanced, multi-faceted plan to address Ontario's rising housing costs. Initiatives include empowering municipalities to introduce a tax on vacant homes, amendments to the *Rent Control Act* and measures to encourage the construction of new apartment buildings.

Taken together, the new measures are expected to help stabilize the market and help families access housing that meets their needs, while mitigating the potential for a market crash.

We will monitor the impacts of these policies very closely, and quickly make adjustments to the tax if conditions warrant.

Q11. Why didn't you wait to get data on the housing market before acting?

A. Recent data showing accelerated price increases in Toronto (+33.2 per cent in March compared to last year) and surrounding communities like Barrie (+43.4 per cent in March) have made it clear that action is needed sooner rather than later. Many of our stakeholders have called for urgent government action to address the current housing affordability situation.

Creating Opportunities

Q12. How are you broadening labour force participation and improving productivity?

A. We are creating opportunities for people and business in the new economy by developing a highly skilled workforce, investing in infrastructure, supporting business innovation and growth, and expanding exports.

The government is making sure that these opportunities are available in all regions of the province, fostering an environment where everyone will benefit from, and contribute to, Ontario's prosperity.

Q13. Many Ontarians lack the opportunity to develop new skills and get the education to find a job in today's economy. How does this budget change that? What about people with disabilities? What about women?

A. The Budget continues the government's long-standing support of gender equality by removing barriers to equal participation in the workforce, such as providing more access to child care.

The government has played a leadership role in women's economic empowerment and corporate leadership through the action plan to close the gender wage gap and an initiative to support women in corporate leadership.

People with disabilities continue to face many barriers to employment. Ontario is committed to supporting people with disabilities so they can gain meaningful work opportunities and contribute their talents and skills to Ontario's economy. We continue to consult with key stakeholders and those living with disabilities as we work on a provincial strategy to help more people with disabilities connect to job opportunities.

Health

Q14. How does this budget address the growing issue of long wait times and hospital overcrowding? (TBS-PEMD)

A. We're providing a two per cent funding increase to all hospitals in 2017–18. This investment will ensure hospitals can provide vital services, expand access to complex clinical services, keep wait times low, maintain access to elective surgery and maintain important health service programs.

Over the next three years, the government will invest $1.3 billion in additional funding to address wait times, including $890 million that will help to reduce key surgical and other priority wait times, $245 million to improve specialist access, including new digital solutions to streamline consults and eReferrals, $85 million in new home and community care services, and $74 million to provide more timely mental health services.

We're providing more than $20 billion in capital grants to hospitals over the next decade. This includes a new commitment of nearly $9 billion to support the construction of major hospital projects across the province — adding to the 34 already underway.

Q15. People living with mental illness continue to face a disparate and underfunded system. What are you doing about it? (TBS-PEMD)

A. I'm a firm believer that being mentally healthy is important. The government provides $3.7 billion in ongoing funding for mental health and addiction services, including those for children and youth. Starting this year, we're making an additional investment of more than $140 million over three years to expand important mental health and addictions initiatives.

This investment will help people living with a mental illness or addiction get earlier access to services in their community, creating better outcomes.

Q16. Why are you embarking on an anti-dementia strategy? Why now? (TBS-PEMD)

A. More than 210,000 Ontarians now live with dementia and that number is expected to more than double by 2038. The responsibility of caring for someone living with dementia can take an enormous physical, emotional and financial toll on care partners — family members, friends and neighbours. Nearly half of people living with Alzheimer's or other dementias have caregivers who are distressed.

Ontario's new Dementia Strategy will provide more than $100 million over three years to support people with dementia and those who care for them through better coordinated and enhanced services. This will include funding to expand province-wide access to community programs and other investments to enhance access to care, information and support from as early as possible once a diagnosis is made. The strategy will also improve training and education in dementia care for personal support workers, physicians, nurses and other front-line workers.

Q17. Is a two-per-cent increase ($58 million) to long-term care homes enough to support a rapidly growing senior population (number of seniors projected to double to 4.5 million by 2040, making up 25 per cent of population) as demand for beds outpaces supply? (TBS-PEMD)

A. Meeting the needs of seniors is a priority. That's why we are investing an additional $58 million for resident care needs in long-term care homes.

We've committed to redevelop more than 30,000 long-term care beds by 2025 — to support the care our loved ones deserve, and provide comfort and dignity towards the end of life. The government announced plans to fund the redevelopment of 963 long-term care beds across the province.

Q18. Wouldn't it have made more sense to provide even more health care funding, rather than embarking on fanciful investments such as free pharmacare for kids? (TBS-PEMD)

A. Many families worry about the affordability of life-saving drugs, should they ever need them.

Our new OHIP+: Children and Youth Pharmacare Program fully covers the cost of prescription medications for everyone aged 24 and under, regardless of family income.

This program — the first of its kind in Canada — will ensure that parents will never have to choose between paying for their children's medication and providing other essentials.

It is the natural next step in the evolution of Canada's most revered social program — universal public health care.

The government is investing an additional $7 billion in health care over the next three years to reduce wait times, improve access to care and enhance the patient experience. These investments support hospitals, primary care, home and community care, mental health and more.

Q19. Why is there nothing about cannabis in the Budget? (GBESI)

A. We are working collaboratively with the federal government and other provinces on how best to approach regulation and controlled access to legalized cannabis, while keeping social responsibility, public health and road safety top-of-mind.

The regulation, taxation and delivery of cannabis are just some of the issues that all levels of government are considering as a new legal and regulatory framework is developed. The work is underway and Ontario is well prepared. Our focus right now is on building a framework that keeps social responsibility and the protection of public health and safety at the forefront, not revenue.

Education

Q20. Classrooms are overcrowded. Many schools are crumbling or in dire need of repair. What are you doing about these issues? (TBS-PEMD/CPD)

A. We are providing almost $16 billion in capital grants over 10 years to help build new schools in areas of high growth, improve the condition of existing schools and invest in projects to reduce surplus space. We're providing an additional $1.2 billion in funding for repairs and renewal over the next two school years.

Reducing class sizes is also part of Ontario's commitment to improving education. To meet this commitment, we're moving forward with capping class sizes to 30 students for full-day kindergarten in 2017–18 and 29 students in 2018–19.The government is also making additional investments to help ensure that all school boards have class sizes of 25 students or less from grades 4 to 8.

Transportation

Q21. Why have your infrastructure spending numbers gone up from $160 billion in last year's budget to more than $190 billion in this budget? Where is the money coming from? (TBS- CPD)

A. The 2017 Budget builds on our commitment made in the 2014 Budget and includes a 13-year total of more than $190 billion for planned infrastructure investments.

The 13-year total includes the current 10-year figure, plus actual investments made in 2015–16 and the interim forecast amount for infrastructure.

Building and revitalizing public infrastructure is critical to strengthening Ontario's economy and supporting jobs.

Partners

Q22. What are you doing to prepare for changes to the NAFTA? (OEP)

A. Our economy is deeply interconnected with more than two dozen U.S. states. Those relationships support good jobs and growth across regions. We continue to strengthen relationships with our partners in the Great Lakes region and those in other parts of the U.S., as we've done in the past.

Our Premier continues to meet with American governors whose states have strong trading partnerships with our province. We will continue to work closely with the federal government and our provincial counterparts to ensure Ontario's economic interests are represented. We're working to support Ontario workers and businesses by advocating for free trade, which creates good jobs for Ontarians.

Fiscal/Economic Outlook and Debt

Q24. What is the status of Ontario's borrowing and debt management plan? (OFA)

A. The net debt-to-GDP ratio is projected to be 38.3 per cent in 2016–17, an improvement from the 2016 Budget projection of 39.6 per cent.

Ontario successfully completed its 2016–17 borrowing program of $27 billion, the smallest since the recession. For 2017–18, long-term borrowing is forecast to be $26.4 billion. The government continued to keep interest on debt payments below the plan for 2016–17: it was $506 million lower than forecast in the 2016 Budget.

Q25. How do you plan to shrink the net debt-to-GDP ratio to pre-recession levels? (OFA)

A. As of the end of March, Ontario's net debt is projected to be $301.9 billion — $6.4 billion lower than forecasted in the 2016 Budget.

That's why we are setting an interim net debt-to-GDP ratio target of 35 per cent by 2023–24 and continue to maintain a target of reducing the net debt-to-GDP ratio to its pre-recession level of 27 per cent, currently projected to be achieved by 2029–30.

Q26. Why is the government adding $9 billion in new debt each year? (OFA)

A. Ontario borrows money to finance deficits and to invest in capital assets. With balanced budgets, debt will no longer be incurred to cover operating costs.

With a balanced budget, money borrowed will go towards investing in public infrastructure like hospitals, schools, transit and transportation.

Net debt is increasing over the forecast horizon as a result of our continued investments in capital assets. These investments will focus on our priorities while also contributing to our economic growth — helping to accelerate the decline in the net debt-to-GDP ratio to its pre-recession level of 27 per cent by 2029–30.