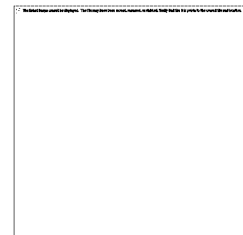


Message

From: NATIONAL Public Relations [info=national.ca@mail116.wdc01.mcdlv.net]
on behalf of NATIONAL Public Relations [info@national.ca]
Sent: 2018-03-28 7:34:54 PM
To: Lorraine Turnevicius [/o=ExchangeLabs/ou=Exchange Administrative Group
(FYDIBOHF23SPDLT)/cn=Recipients/cn=37ddaa7c517d4bed9e6567e4432456f7-Lorraine Tu]
Subject: The Ontario Budget Overview - March 28, 2018

© The above program is a registered trademark of Microsoft Corporation. All rights reserved. Microsoft, the Microsoft Dynamics logo, and the Microsoft Dynamics logo are either registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries.

Key Facts and Figures You Must Know: 2018 Ontario Budget



By Jake Sikora

Consultant

Today, the Ontario government announced its 2018 Budget, *A Plan for Care and Opportunity*. This is a pre-election budget, packed full of spending, and one which Kathleen Wynne and her Liberal government hope will win over voters ahead of the provincial election in June. This year's budget prioritizes a commitment to "care" while continuing to grow the economy to generate even more job opportunities for Ontarians. It specifically targets increased spending in mental health and health care programs, as well as social and developmental services. The budget is also projecting a large spending deficit to the tune of \$6.7 billion over 2018-19, breaking a key Liberal election promise to balance the budget. In fact, this budget forecasts deficits over the next several years – about \$20 billion. This will add to the province's roughly \$348 billion net debt.

Ontario's Finances at a Glance

Revenue: Total revenue projected to grow from \$152.5 billion in 2018-19 to \$163.8 billion in 2020-21, driven by the forecast for continued economic growth.

Spending: The overall size of the budget has grown to \$158.5 billion this year, up nearly 12 per cent from \$141.1 billion last year. New investments of \$20.3 billion over three years – \$6.7 billion next year – will be made in services, including health care, home care, mental health

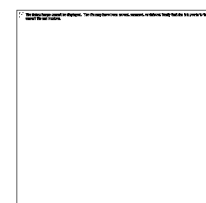
Our Strong Public
Affairs Team Across
Ontario

Toronto



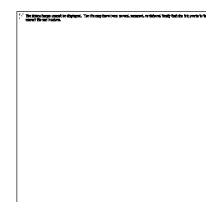
Jane Taber

Vice-President



Nini Krishnappa

Vice-President

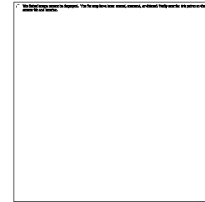


and child care.

Luc Levasseur
Vice-President

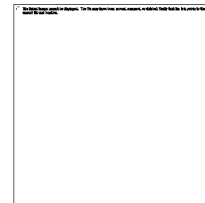
Debt: \$348.8 billion net debt as of March 31, 2018.

Interest on debt expense is now at eight cents on every dollar of revenue. It remains the government's fourth-largest spending area at \$12.5 billion this year. It is projected to grow to \$13.8 billion by 2020-21, and \$16.9 billion by 2025-26.



D'arci McFadden
Manager

Economic Growth: Projected 1.9 per cent average real GDP growth until 2021.



Key Highlights

Finances and Economic Growth

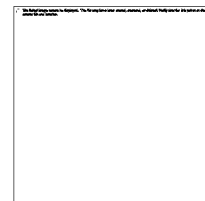
Max Stern
Associate

- **Projected GDP growth:** Forecasting approximately 2% GDP growth over the next two years.
- **Creating more jobs:** *Good Jobs and Growth Plan* includes \$935 million in new investments over the next three years to create more job opportunities. The government has also committed \$170 million over three years towards the new *Ontario Apprenticeship System* to promote skilled trades.
- **Empowering women economically:** Supporting female entrepreneurs and promoting women on boards and in senior management roles.
- **Raising the minimum wage:** Continued commitment to raise the minimum wage for 1.2 million Ontarians. It was raised to \$14 an hour on January 1 and it will increase to \$15 per hour next January.
- **New Drug and Dental Plan:** The government revealed a new drug and dental plan to start in



Sarah McNeil
Associate

Ottawa



Chris Froggatt
Managing Partner

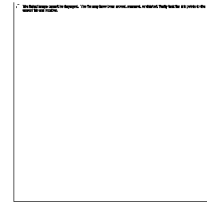
the summer of 2019. It will help those without benefits.

Energy

- **Energy rates:** On July 1, 2017, the government brought in significant energy rate relief through the *Fair Hydro Plan*. This plan lowered electricity bills by 25 per cent on average for customers. Rate increases over four years will be held to the rate of inflation. While rates will rise gradually over time, the government remains committed to avoiding sharp increases.
- **Cap and Trade:** On January 1, 2018, Ontario linked its carbon market with those already existing in Quebec and California to form the world's second largest carbon market.
- **Green Ontario Fund:** Up to \$1.7 billion will be invested in home energy renovations and Ontario businesses through the fund.
- **EV infrastructure:** The government is planning to install over 300 electric vehicle (EV) chargers, including over 140 level 3 fast chargers, creating the largest public fast-charging network in Canada.

Health

- **Increased health care funding:** Investing an additional \$822 million in hospitals in 2018-19 to improve wait times and increase healthcare services. Also includes investing approximately \$19 billion over 10 years to build and renovate hospitals.
- **Continued funding:** Continued commitment of \$19 billion over 10 years on over 40 major hospital projects.



Dan Mader

Senior Vice-President

- **Seniors' Healthy Home Program:** \$1 billion commitment over three years in the new program.
- **Home care funding:** \$650 million more in funding over three years for home care and community care.
- **Long-term care funding:** \$300 million over the next three years, including 30,000 long-term care beds over the next 10 years, and 5,000 beds by 2022.
- **OHIP+ expansion for seniors:** Starting in 2019, government will expand OHIP+ to include free medication for seniors over the age of 65 (\$575 million investment per year by 2020-21).
- **Mental health and addiction services:** \$2.1 billion over four years to improve services.
- **Ontario Drug and Dental Program:** Starting in summer 2019, the government will make an \$800 million investment in the first two years of the new Ontario Drug and Dental Program for those without benefits.

Child Care

- **More child care spaces:** Continued investment in 100,000 child care spaces. Additional \$534 million investment over the next six years to build 10,000 more preschool child care spaces. Starting in 2019, the government will double child care space capacity on-reserve for First Nation communities, creating 4,500 new spaces.
- **Free preschool:** Beginning in 2020, the government will implement free preschool for children aged 2.5 until they are eligible for kindergarten.

Education

- **Free post-secondary tuition:** Continued commitment to making college and university tuition free for more than 225,000 students of all ages. Free or low tuition is available for students from low- and middle-income families; tuition is free for those earning up to \$90,000, and students from families who earn up to \$175,000 are also eligible for financial aid.
- **Improving schools:** \$16 billion over 10 years for new and improved school infrastructure.
- **Special needs education funding:** \$250 million over three years to reduce wait lists for assessments and improve special education services.

Analysis

The government has strategically positioned its 2018 budget with a laser focus on the June election. The budget contains many promises to increase government services and win over the target electorate, namely low-income and middle-class voters.

Although increased deficit spending will continue to balloon the province's net debt, it will also provide many Ontarians with important health care and child care services and programs.

The government has also shifted focus away from the energy conversation, which it believes was addressed through last year's *Fair Hydro Plan*.

However, both opposition parties will continue to drive the energy debate leading up to the election, advocating for more energy rate relief. For example, the PC party is promising to reduce hydro rates and scrap cap-and-trade, whereas the New Democrats are vowing to de-

privatize Hydro One to get rates under control.

The government's promises align them philosophically with the New Democrats in many areas, with the hope of winning over the hearts of NDP voters through their health care and child care policies. This specifically rings true with NDP voters who may choose to strategically vote against the PC party's fiscal conservative approach.

The Liberals have also placed themselves on the opposite end of the political spectrum to the PCs. Given the province's tough fiscal circumstances, this could potentially work against the government's favour with many voters.

The Tories may gain more appeal with their aim to return to a balanced budget and provide further tax relief to Ontario families.

All of these questions will be answered on June 7.

Notable Words After the Budget Release

"Our goal is always to have a balanced budget. There's hundreds and hundreds of programs throughout this province, and every single program will be reviewed,"

-Doug Ford, PC Leader

"Wynne's prescription drug and dental promise turns out to be capped at \$50 per child for dental and \$300 for mom or dad's drug and dental combined. \$50 won't cover one dental check-up, let alone a filling."

– Andrea Horwath, NDP Leader

"The Liberals' announcement of free public childcare for preschool children shows the pressure that workers are putting on this government is being felt,"

-Jerry Dias, Unifor National President

"This will produce more college graduates with the technical expertise and professional qualifications to pursue great careers... This budget delivers important commitments to student success and greater economic prosperity throughout the province." **-Linda Franklin, President and CEO of Colleges Ontario**

In Ontario, NATIONAL brings together the largest, most talented and dedicated team of public affairs and communications professionals whose skills and leadership are without parallel. Our Toronto and Ottawa public affairs team brings our clients expertise in developing strategies and tactics, and in implementing integrated public affairs and communications programs. NATIONAL's Public Affairs Update is published periodically for our clients

Our mailing address is:

TORONTO

NATIONAL Public Relations
320 Front Street West Suite 1600,
Toronto, ON, M5V 3B6

OTTAWA

NATIONAL Public Relations
81 Melcalfe Street, 2nd Floor
Ottawa, ON, K1P 6K7

Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#)