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Your morning briefing

29.03.2018

Headlines

We hope you all enjoyed the most exciting day of the year, budget day. The government unveiled a proposed budget with lots of spending and corresponding deficits, including \$6.7 billion of in-the-red spending this year. While there's lots of funding for health care, childcare, home care – lots of things with "care" in their name – there's also six consecutive years of projected deficit spending, a far cry from the previous government promise of a return to balanced budgets. The list of goodies, which includes a version of dental care, expanded OHIP+ for seniors, increased funding for mental health and more, depends on the Liberals being re-elected, and thus acts as the party's campaign pitch too. The PCs and NDP slammed the budget, with Tory leader **Doug Ford** saying that the only people who should be locked up are the Liberals (it was in the budget lockup, you see).

TVO provides a rundown of what's new in the budget. The *Post* has its version too. The *Globe* has a roundup too, with lots of handy charts. And the iPolitics summary. Roundups for everyone!

Independent MPP **Patrick Brown** appeared in the legislature on Wednesday as the budget was tabled. The former PC leader stepped down from the role in January after CTV published allegations of sexual misconduct. Brown has denied the claims, and is suing the broadcaster. The Simcoe North MPP lauded the government investments in mental health, which was a priority of his in the since-abandoned People's Guarantee platform. Brown told the *Star* he is entertaining "exciting" job opportunities.

A joint *Toronto Star*-CBC investigation tracked the resale of every ticket for the Toronto Blue Jays' home opener, and found that 45 per cent of the seats were re-sold at an average markup of 205 per cent. And if you can't beat 'em, join 'em – the Blue Jays have partnered with ticket reseller StubHub and earns a cut on the re-sold tickets, effectively double-dipping on ticket sales. The Blue Jays did not choose to comment for the article. Rotman School of Management professor **Richard Powers**, however, called the business practice "totally misleading" and "unethical." Blue Jays president **Mark Shapiro** previously said that today's opening day game against the New York Yankees will be the highest-revenue game in team history. As of July 1, Ontario legislation will limit re-sale pricing to 50 per cent above face value. About 80 per cent of resale tickets for the home opener exceeded that pricing, according to the *Star*-CBC analysis.

In case you missed our stories Thursday:

- Budget 2018: Six years of deficits to come with \$20B pre-election spending spree
- Budget 2018: Liberals pitch "care" budget as election roadmap
- Budget 2018: The big unveils
- Budget 2018: What you need to know, broken down by the province's biggest ministries and demographics

- Budget 2018: Doug Ford offered zingers but no substance in his first budget lockup
- Patrick Brown returns for budget day, calls all allegations against him 'smears'

The budget slashes GO fares within Toronto, reports the *Globe*, a move that was hailed by mayor **John Tory** as a way to help alleviate overcrowding on Toronto's transit system.

TVO provides a closer look at the proposed changes to childcare.

Smokers could be fuming with the proposed tax increases on cigarettes in the budget.

The *Star* breaks down the government's proposed welfare reform.

Seventy-nine Ontario schools will get \$784 million worth of makeovers with money pledged in the budget, reports the *Star*.

Doug Ford was acclaimed as the PC candidate in Etobicoke North, reports Postmedia.

The well-regarded **Gregg Lintern** is Toronto's new chief city planner, succeeding **Jennifer Keesmaat**. Lintern had been serving in the role on an interim basis.

In a referendum, U of T students rejected a U-Pass, a discounted monthly transit pass that would have required mandatory opt-in from all students, regardless of whether they use transit.

And in the opinion pages:

- **John Michael McGrath** writes that in opposing the budget Ford brought the heat, but not the light.
- **Chris Selley** argues that if voters like the Liberals' NDP-style budget, why not just vote for the NDP instead?
- **Martin Regg Cohn** says the Liberal budget is "the most ambitious pre-election blueprint in recent memory."
- **Thomas Walkom** writes that the Liberal budget comes down to whether voters trust the party will follow through on its promises if elected.
- **Sue-Ann Levy** writes that the Grits are finally paying attention to seniors, but the government can't be trusted to follow through.
- A *Sun* editorial argues Kathleen Wynne's legacy is the public debt she will leave behind.
- The budget is given *The Agenda* treatment, complete with wonky economic analysis.

Bills

Resuming the debate adjourned on March 27, 2018 on the motion for Second Reading of Bill 6, An Act to enact the Ministry of Community Safety and Correctional Services Act, 2018 and the Correctional Services and Reintegration Act, 2018, to make related amendments to other Acts, to repeal an Act and to revoke a regulation. Hon. Mme Lalonde.

Resuming the debate adjourned on March 28, 2018 on the motion for Second Reading of Bill 3, An Act respecting transparency of pay in employment. Hon. Mr. Flynn.

Mr. Rinaldi – That, in the opinion of this House, the Government of Ontario should recognize that rural Ontario plays an integral role in the success and growth of this province as a whole, and should therefore continue to build on our record of investments in broadband, infrastructure, natural resources, and other key industries and services.

Mr. Barrett – That, in the opinion of this House, the Ontario government should reduce taxes where feasible, and not introduce any new provincial taxes or raise existing provincial taxes – including, but not limited to, any personal income taxes, business taxes, corporate taxes, or carbon taxes.

Events

12 p.m.

Premier Wynne to deliver a keynote address to the Economic Club of Canada. Hilton Toronto Hotel, Toronto Ballroom, 145 Richmond Street West, Toronto.

Budget 2018: What you need to know, broken down by the province's biggest ministries and demographics

28.03.2018

Seniors are the big winners in the 2018 budget, with major new spending promises targeted at the politically coveted demographic.

One of the few surprises in the budget is \$1 billion targeted at helping seniors afford to stay in their homes starting in the 2019-20 fiscal year, which aims to give \$750 to eligible households led someone who is 75 years or older, to help offset the costs of maintaining a home.

The government had previously announced it will add seniors 65 and over to the OHIP+ pharmacare program, eliminating drug co-payments and deductibles they currently pay, saving each an average of \$240 a year.

And that's also on top of the public transit tax credit for seniors announced last year, saving those who use it \$450 a year on travel costs.

The government has also promised a boost to home care funding to benefit seniors.

Other age demographics aren't entirely left out: The government's promise of free preschool for kids aged two-and-a-half and up will save new parents \$17,000 per child when it's up and running in September 2020, according to government figures.

The other demographic that's getting a boost is low-income Ontarians: The budget includes increases to social assistance rates, as well as a streamlining of the reporting process welfare recipients go through to get benefits.

Health care

Many of the government's marquee spending promises, announced prior to the release of the budget, are in health care: eliminating drug co-payments and deductibles for seniors, and boosting spending on hospitals and mental health care.

Overall, the government is planning to boost health-care spending by about \$3 billion to \$61.3 billion in 2018-19.

That includes an \$822 million increase to hospital funding this year. Of that, \$305 million will go to address capacity challenges at hospitals that have been particularly overcrowded, including pediatric and specialty psychiatric hospitals. The government is also pledging \$19 billion over 10 years for capital hospital projects.

The budget also pledges \$650 million more over three years in home care as well as an additional \$300 million over the next three years to increase levels of care in long-term care homes.

Of note, the budget includes \$14.7 billion for physician compensation in 2018-19, representing 23.9 per cent of overall health spending. However, that figure could change dramatically, as doctors are set to go into arbitration with the province and, according to the government, their

positions are \$10 billion a year apart. The physician services budget was \$13.7 billion in 2016-17 and hasn't been finalized yet for 2017-18, but is in the neighbourhood of \$14 billion, reflecting increases of a little over three per cent a year.

Education

The government is ramping up education spending 4.4 per cent this year to \$28.21 billion, a leap from last year's already hefty 3.2-per-cent increase.

Part of that cash — \$784 million — is being poured into new builds and upgrades for 79 schools to patch up the province's \$16-billion repair backlog.

The \$3.01 billion for school infrastructure in this year's budget far exceeds the \$1.82-billion annual average over the past five years, despite the threat of ongoing school closures.

The province also aims to invest more than \$120 million over the next three years to help students in Grades 7 and 8 "prepare for success" via "flexible supports," including 450 guidance counsellors.

Money for colleges and universities, meanwhile, rose 5.9 per cent to \$11.79 billion — still a smaller increase than the massive nine-per-cent boost between 2016-17 and 2017-18.

The cash boost includes \$1.8 billion for student financial assistance, a continuation of the OSAP expansion that saw more than 225,000 students receive free tuition over the past school year.

Environment

The government proposes to invest an additional \$52 million over three years to support environmental initiatives in and around the Great Lakes.

The investment would "address excessive algae, toxic chemicals, microplastics and road salt, and enhance real-time monitoring and research," states the budget.

It would also "support reductions of phosphorous loads," in Lake Erie, a subject that has been the focus of some Great Lakes activism in recent years. The increased investment in the Great Lakes comes against the backdrop of repeated attempts by the White House to decimate funding to support and restore the freshwater bodies. Those attempts have been stymied by bi-partisan efforts in congress to preserve the funding.

The government plans to invest \$2.8 billion in clean water and wastewater projects. That includes initiatives that will "protect waterways and preserve local ecosystems, help Ontario adapt to a changing climate, and lay the foundation for new economic opportunities," according to the budget.

The government reiterated its \$417 million contribution towards Don Mouth Naturalization and Port Lands Flood Protection, a project that will unlock a sizeable new neighbourhood east of Toronto's downtown core. The overall project will cost \$1.25 billion.

The budget also promoted the government's cap-and-trade program, which is now the second-largest carbon market of its kind in the world. In 2017-18 the five cap-and-trade auctions

generated \$2.4 billion in revenue, which was then used for a variety of Climate Change Action Plan programs and projects.

Housing

Last year's housing plan, which imposed a foreign buyers tax and expanded rent controls, forms part of the government's stated focus on affordability — backed up in the budget with a 9.2-per-cent increase in funding for municipal, social and affordable housing to \$324.3 million.

Overall spending on municipal affairs and housing in 2018-19, however, will drop slightly to \$1.34 billion.

That cash includes a chunk of the planned \$425 million for 2,475 new supportive housing units — including 525 for people with mental health and addictions needs — over the next four years to reduce homelessness and recidivism in the criminal justice system.

An additional \$547 million reaped from cap-and-trade auctions is slated to go toward green repairs and retrofits in social housing buildings over five years.

Energy

Despite criticism from the Tories, the government touted its Fair Hydro Plan.

“To maintain a competitive business climate in Ontario, the government has taken action by helping to manage electricity costs for business,” the budget states.

That includes continuing the Northern Industrial Electricity Rate program, where participants receive a \$20 per megawatt-hour rebate on eligible consumption, which can offset energy costs by about 25 per cent, according to the budget.

The budget also included a graphic that shows Ontario hydro prices tend to be middle-of-the-pack compared to other North American jurisdictions, possibly in an effort to dispel notions that prices are too high.