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# A Plan to Build Ontario Together

2019 ONTARIO ECONOMIC  
OUTLOOK AND FISCAL REVIEW

**STATEMENT**

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## Introduction

Mr. Speaker, I am pleased to rise in this House today to deliver our government's *2019 Ontario Economic Outlook and Fiscal Review* —

And more importantly, to share our Plan to Build Ontario Together.

Over 16 months ago, the people of this province were struggling.

They were being squeezed by high gas prices, more taxes and skyrocketing electricity costs.

They were working harder, paying more and getting less.

In response, our government under the leadership of Premier Doug Ford unveiled a bold new vision for our province — and the people of Ontario bought in.

We promised to build a future with them where they not only worked to make ends meet —

But where their government helped enable a better quality of life, and a higher standard of living, for all of its citizens.

We promised to start by lowering taxes, making hydro rates affordable and ensuring that homeownership was not just a dream, but a reality.

We committed to building world-class highways and transit systems, admired and studied around the world for their efficiency and affordability.

Our loved ones would be cared for in state-of-the-art hospitals, where service levels are high, wait times are low and transitions to and from home are easy.

Our young people would be prepared for the jobs of a modern economy, with the skills to be adaptable lifelong learners in an ever changing world.

Ontario would be the economic powerhouse of Canada, competitive in the global economy —

A province that celebrates and rewards our entrepreneurs, admires wealth creation and brings jobs and investment to every region.

Again, rebuilding the necessary link between a growing economy and our ability to invest in world-class government services.

This vision is within our reach.

Our government has a plan to build Ontario's future together and we are taking the steps to bring this vision to life.

But we cannot do it alone.

The people of this province are our greatest asset.

By giving them the tools to succeed, Ontario has everything we need to take on the world and win.

## **Cleaning Up the Fiscal Mess**

Mr. Speaker, if we are going to build for our future, we must first acknowledge and overcome the challenges we inherited.

As the Members of this House will know, Ontario has the largest subnational debt in the world.

Members of this House will also know that three-quarters of our provincial budget is spent on just four items:

- \$64 billion on health care.
- \$30 billion on education.
- \$17 billion on social services.
- And \$13 billion to service our debt.

We pay more interest to our creditors every year than the \$11 billion we spend on postsecondary education and training.

In 2019, how does that make sense?

Besides the fiscal mess, we also inherited broken systems from the previous government —

Hallway health care, declining math scores, overcrowded transit systems and congested highways.

We were elected to end this debilitating legacy and clean up the mess.

Over the past 16 months under the leadership of Premier Ford, we have made considerable progress.

We worked diligently to reduce wasteful spending, fix inefficiencies and make government smarter.

Today, I am pleased to report that our government is beating its deficit target by \$1.3 billion this year.

In fact, the deficit has been reduced to \$9 billion from the \$10.3 billion projected in the *2019 Budget*.

Our government has adopted a balanced and prudent approach to governing —

An approach that balances our commitments:

- To put more money in people's pockets.
- To invest in critical public services.
- And put Ontario's finances back on a sound footing.

Our plan to build Ontario together reflects a conscious choice to balance the budget by 2023.

So that we can provide the immediate financial relief that Ontario families and individuals need.

So that we can make needed investments in critical public services like health care and education.

And Mr. Speaker, I am pleased to inform this House that because of this measured approach in reducing the deficit —

We are also investing an additional \$1.3 billion dollars in critical services in this fiscal update.

Our government is investing an additional \$400 million in health care and we are investing \$200 million more in education over the *2019 Budget*.

Over last year, this represents a total spending increase of \$1.9 billion in health care and \$1.2 billion in education.

Mr. Speaker, this is our balanced approach:

- Putting more money back in people's pockets.
- Investing in vital public services.
- And delivering on our plan to balance the budget by 2023.

## **Making Life More Affordable**

Mr. Speaker, we know that many people are finding it hard to make ends meet.

Solving this challenge is not about grand gestures, but rather practical and meaningful actions that make life easier for everyone.

For example, we believe the best way to help low-income workers is to stop taxing them.

That is why our government brought in Ontario's low-income tax credit.

It is one of the most progressive tax breaks in a generation, benefiting 1.1 million Ontarians by providing relief of up to \$850 a year.

Through Ontario's child care tax credit, we are providing 300,000 Ontario families an average of \$1,250 per year in tax relief, letting parents choose the best child care options for their family.

This is in addition to our government's \$1 billion commitment to create up to 30,000 new child care spaces.

We are saving the average family \$275 a year for items like fuel and other basic necessities by cancelling the previous government's cap-and-trade carbon tax.

For Northerners, we are proposing to reduce the aviation fuel tax rate, saving money for individuals and families on things like groceries and travel.

Our government is also making life easier for families by letting kids ride free on GO trains and buses.

And, we are helping 100,000 low-income seniors in this province by providing them with access to publicly funded dental care.

We are cutting postsecondary tuition fees by 10 per cent this year and freezing tuition next year to help keep more money in the pockets of Ontario students and their families.

Mr. Speaker, in total, our plan to make life more affordable is putting \$3 billion back in people's pockets next year.

## **Preparing People for Jobs**

Mr. Speaker, Ontario is facing a shortage of skilled labour.

Over the next five years, one in five new jobs will be in the skilled trades.

Without a skilled workforce, we will be unable to build the housing, hospitals, schools and transit systems that we need now and in the future.

That's why we are placing a renewed focus on science, technology, engineering, and math, or STEM, courses as well as the skilled trades, in the Grades K-12 curriculum.

We are introducing a new funding model for colleges and universities, based on outcomes, not enrollment.

Over time, it will tie 60 per cent of provincial funding to performance — specifically getting our students prepared to be productive participants in a modern workforce.

We are also modernizing our skilled trades and apprenticeship system to encourage employers to train more apprentices.

Our government also recognizes the important contribution Ontario's 622,000-strong Francophone community makes to our province's identity and prosperity.

And of course, we must ensure that our Francophone students have access to a high-quality postsecondary education so they can be ready for the jobs of tomorrow.

We are looking forward to working with the federal government to build the Université de l'Ontario français.

From the first day students set foot inside the classroom to the day they graduate and start their careers —

Our government's plan to prepare people for jobs will ensure everyone who is willing and able in Ontario has the tools and opportunity to reach their full potential.

## **Creating a More Competitive Business Environment**

Mr. Speaker, our government has a plan to create a competitive business environment in Ontario — including small businesses, which are the backbone of our economy.

Small businesses make up 98 per cent of all businesses in Ontario and account for a third of all private-sector jobs.

To date, we have taken over 100 actions to cut red tape for businesses.

Ultimately, these and other measures are expected to save businesses \$400 million in compliance costs.

Today, our government is moving forward with the development of a Small Business Success Strategy.

Our government is also delivering on a key campaign commitment to provide tax relief to small businesses.

We have started by proposing to cut the small business tax rate by 8.7 per cent.

This would save 275,000 small businesses across Ontario, from family-owned shops to innovative start-ups, up to \$1,500 a year.

Taken with all other measures, we are expecting to deliver \$255 million in Ontario income tax relief for small businesses in 2020.

These are savings that can be reinvested to help these businesses grow, create more jobs and boost our economy.

As I speak to people across the province, Mr. Speaker, they share Premier Ford's view that improving Ontario's competitiveness is essential to our province's long-term success.

A competitive business environment means workers can find good jobs and businesses can grow.

Mr. Speaker, it gives me great pleasure to announce the creation of the Premier's Advisory Council on Competitiveness.

The Council will work with business leaders and workers across the province to find ways to improve competitiveness and report back with actionable recommendations.

To date, our government's actions to provide accelerated writeoffs of capital investments, cancel the cap-and-trade carbon tax and reduce WSIB premiums, among other measures — are saving Ontario businesses \$5.4 billion next year alone.



## **Connecting People to Places**

Mr. Speaker, people in this province want transit and roads built yesterday.

They want their governments to stop talking and work together to get shovels in the ground.

That's exactly what we are doing.

Our government has a plan to connect people to places and build more transit faster.

We are moving forward with a historic transportation vision for the GTA — a \$28.5 billion subway transit plan, which includes: the Yonge North subway extension, the Eglinton Crosstown West Extension, the improved three-stop Scarborough Subway Extension, and the all-new Ontario Line.

These projects will increase capacity, relieve congestion, reduce emissions, and unlock new housing and job opportunities for people living across the region.

Our government is also working to expand our GO Transit rail network. We are increasing service by eight per cent this year, adding and extending over 140 trips a week.

We are on track towards all-day, two-way GO service every 15 minutes in core segments of the network.

And by spring 2020, GO customers will start seeing free Wi-Fi rolled out across the entire fleet.

Our government is also making significant investments in expanding our provincial highway network.

We are investing \$2.7 billion to improve the safety of our roads and relieve congestion for Ontario's drivers.

Whether it's twinning Highway 17 or the Garden City Skyway, or widening the 401 between London and Tilbury, and between Mississauga and Milton — these critical projects will help keep people and goods moving safely through the province.

## **Building Healthy Communities**

Mr. Speaker, our government has a plan to build healthy communities as we work to end hallway health care and cut hospital wait times.

As I said earlier, we are investing an additional \$1.9 billion in our health care system this year.

We are directing every available dollar to front-line care. Breaking down the administrative silos that are preventing patients from getting the care they need and deserve.

We are investing an additional \$68 million in our small- and medium-sized hospitals to help reduce wait times and improve patient care in these communities.

Our focus on patient-centred health care will also be enhanced with the introduction of Ontario's new digital health strategy.

We are making a historic investment of \$3.8 billion in our mental health care system over the next decade, starting with a \$174 million investment this year.

Over the past year, our government has been listening to families with children with autism.

Our government is investing an additional \$279 million in the Ontario Autism Program, for a total of \$600 million annually.

This investment will help bring more children off the waitlist for services and give them and their families the supports they need — as we work to build a sustainable, needs-based program, informed by the good work of the Autism Program Advisory Panel.

Mr. Speaker, our government has been clear about the importance of balancing a healthy economy with a healthy environment.

That is why, after years of delay by the previous government, we introduced a comprehensive producer pay regime to reduce plastic waste and packaging.

Our improved Blue Box Program promotes innovation and will significantly increase Ontario's recycling rates, keep plastic out of our lakes, rivers and streams, all while saving taxpayers money.

And for the first time in Ontario's history, I am pleased to announce May 12, 2020 would be the first annual Day of Action on Litter.

## **Making Government Smarter**

Mr. Speaker, we know inefficient and outdated processes mean government cannot easily respond to the needs of the people we serve.

That's why we have a plan to make government smarter.

We are adopting smart initiatives like a "digital first" approach to help save money and deliver services more conveniently.

We are centralizing procurement, which will drive an estimated savings of \$1 billion a year.

Our government is also establishing a new Value Creation Task Force to identify opportunities to generate new, recurring, non-tax revenue streams.

This new revenue will be re-invested back into core public services, like health care and education.

## **Strengthening the Federal-Provincial Relationship**

Our plan to build Ontario together means that we must work with our partners at all levels of government to deliver critical services such as health care, and get transit and highways built.

It is what Ontarians need and expect of us.

As Premier Ford has made clear, we look forward to working with the federal government to advance our shared priorities.

In his words: What's good for Ontario is good for Canada — and what's good for Canada is good for Ontario.

## **Conclusion**

Mr. Speaker, our government's Plan to Build Ontario Together is working.

We are cleaning up the fiscal mess we inherited, so we can invest now in essential public services like health care and education —

And continue investing in those services for our children and grandchildren tomorrow.

Our economy is thriving.

As a result of the hard work and ingenuity of the people of Ontario and our government's policies, over 272,000 net new jobs have been created since June 2018.

But a strong economy is not only about the numbers.

It is about building a province where people have the tools and opportunity to be the architects of our future —

Where they can keep more of their paycheque —

Where they can afford a good home —

Where they can start and grow a business, create jobs and build our province.

Where the role of government is to enable the opportunity for a better quality of life and a higher standard of living for all of our citizens.

By unleashing that potential, we will build a more prosperous Ontario — together.

Mr. Speaker, I am confident our government and the hard-working people of Ontario can make this vision a reality.

Thank you.