

April 11, 2019

2019 Budget Highlights

Here are the immediate highlights of the 2019 Provincial Budget. Many of these items are provided at a high level. A detailed Budget Bill will follow in the coming days.

The Fiscal Environment

- The Provincial government has committed to **balancing the budget** by 2023-24 in a responsible way. To 2023-24, total revenue is projected to grow at an average annual rate of 3%. Program expense over the same period is expected to grow at an average rate of 1%.
- The government is now projecting a deficit of \$11.7 billion in 2018-19, \$10.3 billion in 2019-20, \$6.8 billion in 2020-21, and \$5.6 billion in 2021-22.

Changes related to the role of municipal governments

- The **Social Assistance** system reform is expected to result in an estimated annual saving of over \$1 billion at maturity by simplifying the rate structure, reducing administration, cutting unnecessary rules, and providing greater opportunities to achieve better employment outcomes.
- The Province will not be increasing the value of the municipal share of the **provincial gas tax** program as had been anticipated. Currently it is \$364 million to 107 municipal governments. The government will consult with municipalities to review the program parameters and identify opportunities for improvement.
- The Province will introduce legislation to permit municipal governments to designate public areas, such as parks for the **consumption of alcohol**. There are other alcohol reforms contained in the budget such as the creation of a tailgating permit for eligible sporting events and extending hours of service in

licensed establishments to a 9 am start, seven days a week.

- Investing \$3.8 billion for **mental health**, addictions and housing supports over 10 years, beginning with the creation of a mental health and addictions system.
 - o In 2019–20, a \$174 million investment will support community mental health and addictions services, mental health and justice services, **supportive housing** and acute mental health inpatient beds.
- On **property assessment**, the province will be conducting a review to explore opportunities to:
 - o “Enhance the accuracy and stability of property assessments;
 - o Support a competitive business environment;
 - o Provide relief to residents”; and
 - o Changes to the composition of the Board of the Municipal Property Assessment Corporation (MPAC) to increase the representation of property taxpayers. (This would dilute current municipal government representatives.)
- On **public health** in 2019-20, the government will:
 - o Improve program and back office efficiencies by adjusting provincial-municipal cost sharing of public health funding;
 - o By 2020-21, establish 10 regional public health entities and 10 new regional boards of health with one common governance model; and
 - o It is expected by 2021-22, that these changes will lead to annual savings of \$200 million.
- **Land ambulance** dispatch services will be streamlined by integrating Ontario’s 59 emergency health services operators (e.g. 52 EMS, Ornge) and 22 provincial dispatch communication centres.
- Making home ownership and renting more affordable by helping to increase the supply of housing that people need through the forthcoming **Housing Supply Action Plan**. Details to come.
- Municipalities will be required to provide real-time reporting of **sewage outflows** and the government will update policies related to municipal wastewater and stormwater.
- Create 15,000 new **long-term care beds** over the next five years and upgrade 15,000 older long-term care beds to provide more appropriate care to patients with complex health conditions. In addition to the over 6,000 new beds

previously allocated, 1,157 new long-term care beds will immediately be allocated to 16 projects across the province.

- The Province will explore **revenue sharing**, including Northern communities in the mining, forestry, and aggregates sectors.
- Regarding the **Ontario Provincial Police**, the government will explore opportunities to “encourage workforce optimization, including vacancy management, overtime and scheduling” to save \$30 million annually starting in 2019-20 without impacting front-line policing and community safety.
- The government will invest \$16.4 million over two years to create a province-wide strategy to help combat **gun and gang related crime**.

Changes affecting your Community

- The government will invest \$315 million over five years as part of its **Broadband and Cellular Strategy** which will be released later this year.
- The new CARE (Ontario Childcare Access and Relief from Expenses) tax credit would provide about 300,000 families with up to 75 per cent of their eligible **child care** expenses and allow families to access a broad range of child care options, including care in centres, homes and camps.
- Individual seniors with annual incomes of \$19,300 or less, or senior couples with combined annual incomes of less than \$32,300, will be able to receive **dental services** in public health units, community health centres and Aboriginal Health Access Centres across the province.
- The government is reviewing the forestry sector to develop a strategy that includes: challenges the industry currently faces; initiatives to encourage innovation and reduce red tape; and methods to promote made-in-Ontario wood products.
- The government will hold consultations to repeal the *Far North Act* and remove red tape on economic development projects like the **Ring of Fire**. Environmental assessment studies have been initiated for all-season access roads to the Ring of Fire.
- The province is proposing to develop an **immigration pilot initiative** to disperse the benefits of immigration across Ontario. The budget also proposes

changes to the Ontario Immigrant Nominee Program aimed at modernizing the program to better address labour market shortages.

- **Energy conservation** and efficiency programs will be phased out saving up to \$442 million.
- A return to the default benefit limit of \$2 million for those who are catastrophically injured in an accident, after it was previously reduced to \$1 million in 2016.

AMO will continue to review the budget document and related bills and provide further updates and details as needed in the days ahead.

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