



The Social Planning Council of Cambridge and North Dumfries is a recognized leader in promoting greater social and economic equity through research and community development.

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### 2016 Provincial Budget:

On February 25<sup>th</sup>, the Ontario government released the 2016 Budget entitled, “Jobs for Today and Tomorrow”. This budget is the product of open and extensive pre-budget consultations. It represents the government’s commitment to leading the way in growth and job creation. The budget proposes many innovative initiatives in planning for the Province’s future prosperity.

This communiqué will examine what is in the 2016 Budget and provide points to consider in assessing the government’s proposed allocations. In particular, it will explore the value of focusing on economic growth and job creation, as well as review the anticipated impact of large investments in infrastructure, education, health and the environment. Promising opportunities for advancement towards equity in Ontario will also be highlighted.

### Investing in Today and Planning for Tomorrow

The Province maintains it is on course to balance the budget by 2017-18 and continues its commitment to its historic 12-year infrastructure renewal project. The number one priority of the budget is to grow the economy, create jobs and work towards a prosperous society.

**“We’re not going to leave anybody behind”**

**—Finance Minister Charles Sousa**

In order to achieve these goals, Ontario needs to establish a fair society where the assets of all its residents are realized and no one is left behind. The budget does provide some relief for low income families and seniors. While a 1.5% increase in Ontario Works and Ontario Disability Support Program is welcome, it is still not keeping up with inflation. Is the Province doing enough to keep up with their pre-established priorities to foster economic resilience, reduce poverty and end homelessness?

The continued pursuit of Hydro One privatization might also be impeding plans for poverty reduction. Approximately \$1.83 billion in gross proceeds was raised in the November 2015 initial public offering (IPO) and about \$116 million from related share sales. The Province plans to proceed with future offerings and over time reduce their stake to 40%. They expect this initiative to generate a total of \$9 billion that they will put towards infrastructure and reducing debt. Immediate gains are certainly likely to be seen, however, struggles for people on fixed budgets are a probable long term reality as privatization could mean a steep increase in electricity prices. A loss of revenue that could be used to support public and social services is also a factor to be considered.

The Province also makes a commitment to tackle climate change and reduce greenhouse gas emissions through a cap and trade policy. This policy is expected to generate 1.9 billion in annual revenues, which in turn will be invested in green projects. The cap and trade policy will also impact the every day life of Ontarians with increases of 4.3¢ per litre in gas prices and \$5 a month in home heating costs.

Certainly it must be acknowledged that great strides have been made with this budget, however, we need reassurance that all earnings will be put where they are most needed. We remain cautious but hopeful that the government is keeping in mind their commitments to ending poverty, homelessness, and making sure that no one is left behind.

### 2016 Budget By The Numbers

\$133.9 billion  
spending plan

\$4.3 billion deficit  
projected for  
2016-17

300,000+ additional  
jobs projected to be  
created by 2019

\$160 billion  
committed over 12  
years for  
infrastructure

\$70/ year increase  
in drug co-pay

\$178 million over 3  
years in housing  
support

1.5% increase for  
recipients of Ontario  
Works and the  
Ontario Disability  
Support Program

## Infrastructure & Job Creation

- \$160 billion over 12 years to build roads, bridges, public transit, hospitals and schools that builds on previous commitments.
- \$31.5 billion is dedicated to support the Region of Waterloo's 36-Kilometre ION rapid transit project.

This the largest investment in public infrastructure in Ontario's history and the Province is to be commended. This is an important step in securing Ontario's long term prosperity through job creation. The investment is expected to support more than 110,000 jobs each year not excluding small, rural and northern communities. This will stimulate economic growth by creating immediate jobs through short-term projects, while supporting future jobs through long-term projects and helping people in their everyday lives.

While the creation of jobs is welcomed it is yet to be determined if these positions will benefit Ontarians over the long term with secure, stable and meaningful employment.

## Hospitals & Health Care

- Ontario is proposing a new investment of more than \$345 million to publically funded hospitals geared towards providing better patient access to high-quality healthcare services.
- As a part of the promise to overhaul of the Province's Ontario Drug Benefit Program by 2019, eligibility thresholds have been raised, while co-payments have been increased from \$100 to \$170 a year (\$1 per transaction) for retirees with higher incomes.

We question these allocations, not to say that they are not areas in need of funding but rather to consider the real impact of the proposed funding. Put in perspective, the \$345 million investment is a 1% increase after a four-year freeze. Staff layoffs still remain a reality that is counter to the proposed objective. With that, the Province assures that the new program will improve long-term sustainability and ensure access to drugs for those in need, however the increase in co-pay might catch some seniors living on fixed incomes off guard.

### Additional Resources

Canadian Centre for Policy Alternatives,  
Ontario Office  
[www.policyalternatives.ca/offices/ontario](http://www.policyalternatives.ca/offices/ontario)

Poverty Free Ontario  
[www.povertyfreeontario.ca](http://www.povertyfreeontario.ca)

Ontario Provincial Budget  
[www.ontario.ca](http://www.ontario.ca)

## Making Education More Affordable

- The province has proposed free tuition for families with annual incomes of \$50,000 dollars or lower, and reduced tuition for students of families with annual incomes below \$83,000 starting in the 2017-18 school year.

The Province is again to be commended for this initiative as it certainly aligns with the goal to working towards Ontario's prosperous future.

## Early Learning & Child Care

- The Province promises improved accessibility and quality, as well as modernization in the child care system.
- Full day kindergarten for every 4-5 year old in Ontario.

These commitments are not new rather they are restatements of previous investments. There is also no mention of Ontario's commitment to a National Early Learning and Child Care Framework – the government had an opportunity for Ontario to provide leadership in the developing the national early learning and child care framework as previously committed to.

While the government claims they are committed to improving child care's regulatory framework and to "setting higher standards for health and safety of children." They are looking at increasing the child teacher ratios for our youngest children which will have a direct impact on quality and working conditions. Ontario families need a framework that makes high quality child care accessible and affordable to families, and builds a high quality workforce.

## Poverty Reduction

- The budget includes \$178 million over 3 years to provide housing subsidies and benefits to additional households, and support for the construction of up to 1,500 new supportive housing units over the long term.
- The Province indicates \$2.4 million towards the launch of a portable housing subsidy.
- A Basic Income pilot has been proposed.

The government should be commended for working to execute innovative pilot projects. With the increase in taxes on everyday items and details to be determined, we wonder if the Province's plans for tomorrow will fall short and leave those already struggling playing catch up. We must consider whether enough is being done to keep up with inflation. Concrete guidelines for the initiatives are needed to show real commitment to ending poverty.

For more information about this paper or related research, please contact:



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