



2018 Ontario Budget Commentary

Introduction

If it weren't for the announcements leading up to the Provincial Budget, we would not be sending you out a Provincial Budget Commentary this year. Before the recent announcements, including free child care, speculation in the news was that this was going to be the last budget for the Liberal government and the province was likely looking towards a Conservative majority after the election. With the announcements this week, the lead up to the election has become more interesting.

So, here are the highlights from the Provincial Budget speech presented in the legislature on Wednesday, March 28th, 2018.

Seniors

Making Prescription Drugs Free for everyone 65 and over through OHIP+

- Making prescriptions completely free for everyone 65 and over, ensuring that no senior citizen ever needs to go without necessary drugs. By eliminating the Ontario Drug Benefit annual deductible and co-pay, this saves the average Ontario senior \$240 per year. This expansion of

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- OHIP+ follows the introduction of free prescriptions for everyone under the age of 25 in the *2017 Ontario Budget*.

Reducing Home Maintenance Costs with a benefit of up to \$750 every year for households led by a senior 75 and over

- Introducing the new Seniors' Healthy Home Program. This recognizes the costs associated with older seniors living at home, where they want to be. It provides a benefit of up to \$750 annually for eligible households led by seniors 75 and over to help them live independently and offset the costs of maintaining their homes.

Providing 2.8 million more hours of Personal Support Worker Care and 284,000 more Nursing Visits

- Providing more access to home and community health care services, including 2.8 million more hours of personal support and 284,000 more nursing visits, through a \$650-million investment over three years.



Child Care

Providing Free Preschool Child Care for kids aged two-and-a-half until they're eligible for kindergarten, starting September 2020

- Providing more affordable quality child care by introducing free preschool child care for children aged two-and-a-half until they are eligible for kindergarten. This saves a family with one child \$17,000, on average, and builds on the savings families get from full-day kindergarten. Early learning has been demonstrated to improve children's academic performance throughout their lives.

Helping families access over 100,000 new child care spaces

- Helping over 100,000 kids access high-quality child care — and offering additional financial support to families with subsidies for approximately 60 per cent of all new spaces.

Increasing access to before- and after-school programs for kids up to age 12

- Giving families with children up to age 12 better access to before- and after-school care programs by requiring school boards to provide programs in most elementary schools.

Health Care

Building and Renovating Hospitals through about \$19 billion in grants over the next 10 years

- Improving hospitals by providing better access to care, reducing wait times, addressing capacity issues and better meeting the needs of Ontario's growing and aging population through an additional \$822-million investment in 2018–19, as well as investing approximately \$19 billion over 10 years to build and renovate hospitals.

Reducing Hospital Wait Times and creating 30,000 New Long-Term Care Beds in addition to the 30,000 beds being redeveloped

- Creating 30,000 new long-term care beds over the next 10 years to help people who can no longer live independently — and provide peace of mind for people who care for them.

Lowering Prescription Drug and Dental Costs for people who don't have workplace health benefits

- Introducing a new Ontario Drug and Dental Program, reimbursing 80 per cent — up to a maximum of \$400 per single person, \$600 per couple and \$700 for a family of four with two children — of eligible prescription drug and dental expenses each year, for those without workplace health benefits or not covered by OHIP+ or other government programs.

Mental Health System

Making it easier for up to 350,000 more people with mild to moderate anxiety and depression to get Psychotherapy

- Providing better and faster access to mental health and addictions services for hundreds of thousands more children, young people and adults across Ontario — bringing the total funding to more than \$17 billion over four years.

Giving every Ontario high school access to Mental Health Support within the next two years

- Providing every high school in Ontario with access to mental health support within the next two years to enable early intervention and promote prevention.



Adding 525 more Supportive Housing Units for people with complex mental health and addictions needs

- Building a fairer society by investing \$1.8 billion to strengthen services for about 47,000 adults with developmental disabilities through an approach that enables informed choices and active participation in the community.

Income Security

- Increasing Ontario Works and Ontario Disability Support Program Rates by 3% annually for the next three years
- Increasing the Amount of Employment Income that can be earned without impacting social assistance benefits to \$400 per month
- Simplifying the structure of Social Assistance Rates

Indigenous Communities

- Providing programs and services that respect indigenous peoples and cultures, including culturally relevant child care, local health care and a new school curriculum
- Increasing food security by encouraging traditional food production practices
- Awarding 34% more indigenous students with OSAP funding for college and university

Jobs

- Investing \$935 million over three years to Support Ontario Businesses, Students and Graduates
- Preparing students for good jobs through \$132 million for Post Secondary Education Programming
- Planning to create and retain more than 70,000 jobs over 10 years by renewing and extending the Jobs and Prosperity Fund

Providing a long-awaited raise for 1.2 million people across Ontario by increasing the minimum wage to \$14 per hour on January 1, 2018, and \$15 per hour on January 1, 2019. The province is also providing \$935 million in new funding over three years through the Good Jobs and Growth Plan to support Ontario businesses, students and graduates, and help attract good, well-paying jobs.

Gender Equality

- Tackling the Gender Wage Gap and increasing transparency when hiring
- Working to End Gender-Based Violence and help survivors through counseling, safe housing and support when navigating the court system
- Increasing the Number of Women on Boards, with a goal of at least 30% of all board positions filled by women before 2022

Education

Making College and University Tuition Free for more than 225,000 students of all ages

- 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.
- Supporting the creation of Free Online Textbooks and educational resources for students
- Connecting 250,000 students in 850 schools to High-Speed Internet in 2018

Consumer Protection

- Offering Free Online Access to Their Credit Scores at least twice a year
- Making Auto Insurance Simpler and more affordable, while reducing fraud
- Creating the Financial Services Regulatory Authority of Ontario to keep financial services and pension plans accountable

Innovation

- Providing an additional \$85 million over the next three years to Support Job Creation and Innovation in the north
- Proposing to Enhance R&D Tax Credits to encourage businesses to invest
- Expanding Connectivity in Rural and Northern Communities through a \$500-million investment in broadband, cellular and satellite technologies

And now for some of the other items ...

Business Tax Measures

- No changes proposed to corporate tax rates or the \$500,000 small business limit
- The province is proposing to parallel the recent federal budget change on the additional phase-out or grind, of the \$500,000 small business limit where there is passive investment income in excess of \$50,000

Personal Tax Measures

- Proposal to eliminate the surtax effective January 1st, 2018 and adjust personal tax rates and brackets accordingly
- The net impact on taxable income would be minimal, and news outlet are suggesting the changes would likely result in slight increases in taxes for those with higher taxable income
- The province would parallel the measures announced in the Federal Budget earlier this year

Keep in mind that likely none of these proposals will be passed before the election, so we will need to wait and see which party forms the government and the first Budget presented by the new government.