



## **Public Affairs Policy Update**

# **2017 Ontario Budget Analysis**

Today, the Government of Ontario tabled its 2017 Budget. What follows is a summary of the key highlights from the association's perspective. The 2017 Ontario Budget focuses on 4 main themes; a balanced budget, health care, improving education and infrastructure investments. This budget is a pure and simple "election budget" which the government will start to campaign on for the 2018 election.

### **At a Glance**

The province's budget is balanced and will remain so for the next two years — However the government is adding \$10 billion to the debt.

- Starting in 2018, Ontario will become the first province in Canada to provide free prescription drug coverage for people aged 24 and under. This will include medications to treat most acute conditions, common chronic conditions, childhood cancers and other diseases;
- The program, called OHIP+: Children and Youth Pharmacare, will cost \$465 million per year.
- The province is promising \$6.4 billion in new education funding over three years.
- The province will add \$30 billion to its long-term infrastructure plan.
- Creating 40,000 new work-related learning opportunities with employers for students and recent graduates through Ontario's Career Kick-Start Strategy, providing real-world experiences while enabling employers to help train and equip them for jobs.
- Increasing the minimum salary that people need to earn — to \$35,000 from \$25,000.

## **Employment & Labour**

- The Changing Workplaces review is mentioned in the 2017 Budget and provided an update on what the special advisors are looking at in preparation of their final report of recommendations for the government.
  - Whether more employees should be covered by labour relations protections and minimum standards;
  - How “employee” and “employer” are defined under employment and labour laws;
  - How to deal with the differential treatment of part-time and full-time employees;
  - What minimum standards should be in place for personal emergency leave;
  - Whether changes need to be made to better calibrate the protections for bargaining rights enshrined in the Labour Relations Act.
- Employment in 2017 is forecast to increase by 1.3 per cent, or 94,000 net new jobs, following 1.1 per cent growth in 2016.

## **HRPA Analysis**

The association submitted its recommendations to the government last year in “A New Deal for Ontario’s Changing Workplaces.” The paper made the following recommendations around updating ESA language on sick days, leaves, vacation rules and overtime: Create a more flexible, supportive working environment and protect vulnerable people.

The association and its members are awaiting the final recommendations of the Changing Workplaces consultation.

## **Peoples Talents and Skills**

- The Province will be investing in providing labour market information through a new website to help individuals and employers make decisions, such as choosing a career developing educational and training programs, or undertaking workforce planning.
- New Investments through the Business Growth Initiative to keep Ontario at the leading edge of research and development of transformative technologies, creating the jobs of tomorrow. This includes supporting the new Vector Institute for artificial intelligence and creating the Autonomous Vehicle Innovation Network.
- Expanding programs and services for adult learners by providing approximately 90,000 more adults with easier access to skills training and upgrading through Ontario’s Lifelong Learning and Skills Plan.

## **HRPA Analysis**

The association has been advocating for a single portal for labour market information data for employers and job seekers, which the Premier's Highly Skilled Workforce Panel recommended to the government. We are enthusiastic to see that the 2017 Budget has established a stakeholder "Planning and Partnership Table" which the HRPAs have been invited to sit on to provide feedback on a new labour market information website.

We are also pleased with the government's investment commitment in the 2017 Budget supporting the research and development of new artificial intelligence technologies in the province. The association will be releasing its whitepaper on the implications of artificial intelligence on the workplace in the coming months.

## **Education**

- Creating 40,000 new work-related learning opportunities with employers for students and recent graduates through Ontario's Career Kick-Start Strategy, providing real-world experiences while enabling employers to help train and equip them for jobs.
- Increasing the minimum salary that people need to earn — to \$35,000 from \$25,000 — so they can be on a stronger financial footing before they start repaying the provincial portion of OSAP loans.
- Expanding programs and services for adult learners by providing approximately 90,000 more adults with easier access to skills training and upgrading through Ontario's Lifelong Learning and Skills Plan.
- Improving Second Career to provide laid-off workers with training to help them find new jobs.

## **HRPA Analysis**

The spotlight on education and skills development in 2017 Budget highlights one of our members' biggest concerns in regards to hiring and retaining workers in the province. The association provided recommendations to the Premier's Highly Skilled Workforce Expert Panel last year in our white paper "Strengthening Ontario's Workforce for the Jobs of Tomorrow" and is pleased that the government included some of our recommendations regarding supporting business training and industry – education collaboration through the Career Kick-Start Strategy.

## **Fun with Numbers: Budget, Growth & Debt**

- The province's budget is balanced and will remain so for the next two years. The cover of the budget document is all black except for a single trillium, a visual signal that the province is in the black after nearly a decade of operating deficits.
- The province's budget includes \$141.7 billion in revenues. Of this, \$11.6 billion will be

used to service interest on debt. \$129.5 billion is allocated to program spending.

- The province brought in \$2.6 billion more in revenue than expected, allowing it to spend an additional \$1.4 billion on program expenses. About \$500 million of this will go to healthcare, \$100 million to education, and \$287 million to children's and social services.
- The province brought in \$1.3 billion more corporate tax than projected and \$637 million more in land transfer taxes than projected. The province says it will bring in a total of \$3 billion in land transfer taxes in 2017-18.
- Low interest rates allowed the government to pay \$500 million less interest on debt than projected.
- The province will receive \$249 million less in provincial transfer taxes from the federal government than projected.
- The province is adding \$10 billion to its net debt, bringing it to \$312 billion. This is up from \$302 billion projected in the Fall Economic Statement. The debt is projected to increase to \$336 billion by 2019-20.
- None of the province's \$1 billion reserve was withdrawn.

**[Read the Full 2017 Ontario Budget Here](#)**