

## Ontario's Throne Speech

### BUILDING ON EXISTING SOCIAL PROGRAMS

After an estimated surplus for fiscal 2017–18 (FY18) indicated by the Finance Minister, today's **Throne Speech** reiterates plans for a deficit in FY19, constrained to less than 1% of provincial GDP, suggesting an upper limit of about \$8 billion. The *Budget* also will outline a path back to balanced books. Barring a substantive economic slowdown, the anticipated red ink plus the government's ambitious infrastructure agenda are not expected to cause Ontario's net debt to rise relative to nominal GDP, but any improvement in this ratio may be quite modest. Scotiabank Economics expects Ontario's output growth to slow from an estimated 2.9% in calendar 2017 to 2.3% this year and 1.9% in 2019, pointing to next year's nominal GDP increase cooling to 4.1% from a projected 5.1% last year.

Citing the challenges that many Ontario residents still face, the *Throne Speech* commits to:

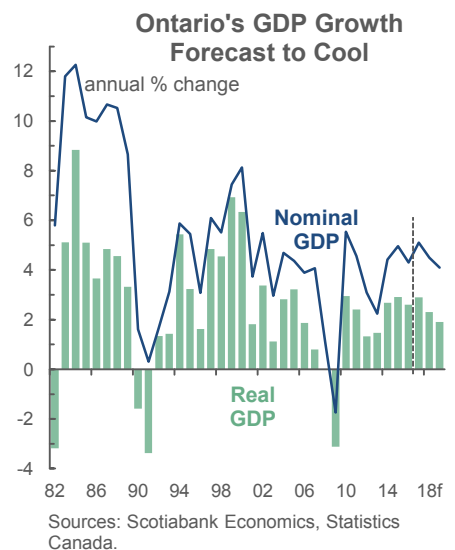
- Raising spending on hospital operations to trim health care wait times;
- Supporting home care with more services and greater financial assistance for family caring for aging household members;
- Expanding access to mental health and addictions services in communities and education institutions;
- Lowering child care costs, thus adding to the prior commitment of new spaces for 100,000 families with 60% subsidized;
- Broadening OHIP+, the pharmacare program providing free prescription drugs to youth up to 24 years old, to other groups;
- Ensuring residents without a dental benefits plan have increased access to dental care;
- Offering more college and university students free tuition through the new Ontario Student Assistance Program (OSAP);
- Raising funding for apprenticeships, particularly in new and expanding occupations; and
- Supporting regional investments and job funds, recognizing lower-growth jurisdictions and those impacted by trade uncertainties and disruption from rapid technological change.

The *Throne Speech* adds to a number of multi-year commitments by the current government, including 5,000 new long-term care beds over the next four years alongside 15 million additional hours of care by 2022. The challenge is that the plans outlined in the *Throne Speech* are not one-time costs, and most represent difficult program expansions to reverse. One exception is Ontario's proposal to broaden OHIP+ given that the federal government is currently exploring a national pharmacare program.

Ontario's *Budget* will be released March 28th when a fuller review of the government's fiscal plans will be possible.

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