

Ontario budget: A plan for care and opportunity ^[1]

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Foreword

A Plan for Care and Opportunity

Ontario's economy is performing well. This is largely due to the businesses and entrepreneurs who create jobs and to the women and men who get up each morning to go to the plant, or the office, or another place of work to make Ontario a more prosperous province.

At the same time, the government has made strategic investments to support growth. Enhanced education, skills and training, new infrastructure, a competitive business environment and support for startups and small businesses are helping create good jobs.

On the surface, the numbers tell a positive story:

▢ Our economy has outperformed those of all G7 nations since 2014;

▢ Our unemployment rate, at 5.5 per cent, is the lowest it has been in almost 20 years; and

▢ Last year alone, 500 net new jobs were created, on average, each day in Ontario, and they were mostly full-time.

However, there are two challenges in particular that require focus. First, overall economic growth could ideally be higher. Real gross domestic product growth of approximately two per cent annually is good, but not good enough. We should seek to do better. Second, we must ensure that the benefits of growth are more widely shared. A growing economy that is enjoyed too narrowly is vulnerable. We need to work harder to ensure everyone shares in the prosperity.

Many families are increasingly struggling with the costs and availability of high-quality, affordable child care. There is the cost of elder care assistance and long-term care as our parents age. As well, many families without extended health benefits experience stress from the costs of prescription drugs and dental care. And there are many families with loved ones struggling with mental illness.

Taken together, these costs of care can overwhelm families financially and emotionally. Often, it is particularly stressful for women and mothers who carry the burden disproportionately.

There are also new challenges facing our economy, such as an aging population, trade uncertainty with the United States, rising interest rates and increased household debt. And there is the rapid pace of technological change, unlike anything we have seen before.

It is now more important than ever that we face these challenges together.

During pre-budget consultations and online budget talks, the message from the people across the province was clear: Manage our government's finances responsibly, while providing opportunities for our children and security for our seniors. People urged us not to cut programs as that would hurt families or the economy.

A number of our existing policies have been aimed at helping meet this challenge. In particular, we have worked hard to extend the circle of opportunity in Ontario.

Education is a key example. A newly transformed OSAP is providing greater opportunities for young people to attend college and university. In the current school year, over 225,000 students are receiving free tuition and approximately another 175,000 are receiving more generous grants and loans from OSAP to help cover expenses.

We have also championed policies to ease the costs of high-priced prescription medicines. In January 2018, the government undertook the largest expansion of medicare in a generation with the introduction of OHIP+, providing free prescription medicine for young people under the age of 25.

As part of our plan for fair workplaces and better jobs, we increased the minimum wage to \$14 per hour on January 1, 2018, ensuring that hundreds of thousands of workers receive a much needed raise. And on January 1, 2019, the minimum wage will increase further to \$15 per hour. We also strengthened the rights of part-time workers, ensured all workers receive paid sick days and stepped up enforcement of employment laws.

These policies have had the benefit of supporting both our people and our province's economic growth. But we know that we must do more.

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More Care for Children

Access to affordable, quality child care is essential for families. Ontario has already committed to helping 100,000 more children up to age four access licensed child care, increasing the capacity for child care in Ontario. Since the 2017 Budget, Ontario has invested over \$200 million to support new subsidies for 16,000 more children and over 11,900 new spaces in schools.

In this Budget, the government is going further by implementing free preschool for children aged two and a half until eligible for kindergarten. Beginning in September 2020, free preschool will help reduce costs for families and ease transition to school for children across the province. An average Ontario family with a preschool-aged child could save over \$17,000 during the time

their child is enrolled in a licensed preschool program.

To help with the costs of infant and toddler care, the Province will provide additional operating funding of more than \$160 million over three years, beginning in January 2019. This will help more Ontario families by reducing costs and eliminating fee subsidy waitlists.

To help ensure that all children and families have access to a range of high-quality and affordable child care programs and services, the government has invested a total of \$530 million across the province since 2015-16, helping create 1,100 child care rooms and 19,000 child care spaces. Over the next six years, the government will be investing an additional \$534 million to build 10,000 more preschool child care spaces in schools and 4,000 in other public spaces in the community.

Making investments in early years makes sense for kids, parents and the economy. It gives our children the best start in life, and helps their parents return to the workforce.

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