

Infrastructure boost in provincial budget

By Mark Pavilons

Last week's provincial budget funnelled unprecedented amounts of money into infrastructure, but opponents point to our mounting debt.

Ontario's Finance Minister Charles Sousa released the 2015 Budget, and the investment in infrastructure is aimed at supporting economic growth and new jobs.

The budget acts on the government's commitment to finding more innovative ways to grow the economy while maintaining the vital public services that families and communities rely on.

The Province is also introducing the sale of beer in grocery stores to increase customer convenience and choice while maintaining Ontario's strong commitment to social responsibility.

Ontario is projecting a deficit of \$8.5 billion in 2015-16, less than forecast in the 2014 Budget, and which would be the lowest level since the onset of the global recession. The Province will continue to take a thoughtful and deliberate approach to the path to balance, with a deficit of \$4.8 billion forecast for 2016-17 and a return to balance by 2017-18.

The government's four-part plan is building Ontario up by investing in people's talents and skills, building public infrastructure such as roads and transit, creating a dynamic, innovative environment where business thrives, and building a secure retirement savings plan.

The 2015 Budget continues and expands on Ontario's plan to make an unprecedented investment of more than \$130 billion in public infrastructure over 10 years. This includes increasing the dedicated funds for Moving Ontario Forward by \$2.6 billion for a total of \$31.5 billion over 10 years.

They also plan to invest \$11.9 billion in 2015-16 on infrastructure such as roads, bridges, public transit, water systems, hospitals and schools.

The Province will move forward with the partial sale of Hydro One, creating lasting public benefits and ongoing public and ratepayer protections.

They will also review a number of prime-located real estate assets for sale.

The 2015 Budget continues to build Ontario's economy up by increasing funding for the 10-year, \$2.5 billion Jobs and Prosperity Fund to partner with more businesses, enhancing productivity, increasing innovation, growing exports and creating jobs. The 2015 Budget announces that the fund will be increased by a total of \$200 million beginning in 2015-16, increasing the fund to \$2.7 billion over 10 years and extending eligibility to the forestry sector.

Continuing, beyond March 2016, electricity pricing support for qualifying large northern industrial facilities, which sustain jobs and global competitiveness.

Tackling climate change now to ensure a prosperous economic future and a flourishing society. Ontario will move forward with a cap-and-trade system as its carbon pricing mechanism. Proceeds from a cap-and-trade program will be directed towards key priorities that will help lower greenhouse gas emissions.

The government has a proven track record of strong fiscal management. Since 2010-11, the Province has held average annual growth in program spending to 1.5 per cent, below the rate of inflation, without cutting vital services.

For 2014-15, a \$250 million program review savings target was met through a number of initiatives that identified efficiencies, lowered costs or reduced administrative overhead without affecting front-line services. The program review savings targets are \$500 million for each of 2015-16, 2016-17 and 2017-18.

Managing program expense growth over the medium term, which is projected to be held to an average of 0.9 per cent between 2013-14 and 2017-18.

Total health sector expense is projected to grow on average by 1.9 per cent per year, education sector expense by 2.0 per cent per year, children's and social services sector expense by 2.9 per cent per year and justice sector expense by 1.5 per cent per year.

Lynda Newman, president of the York-Simcoe Provincial Liberal Association, lauded the budget, noting the deficit is down by \$2.4 billion, and will be balanced by 2017-2018, while continuing to invest in healthcare, education, youth jobs and social supports.

Infrastructure funding is up to an all-time high.

?We've already heard about the doubling of GO train service on the Barrie line in the next five years, as we move towards all-day, frequent service over the next decade. This will make commuting easier throughout our region, from Innisfil to Newmarket, and down to Toronto, along with bus improvements in York Region, including Georgina,? she said.

?There's even a discount on auto insurance if you use winter tires and students' cars will no longer be counted against their OSAP, to

help make university and college more affordable.

“Local mayors are pleased by an additional investment of \$80 million to help build housing that's affordable, to address the needs of our seniors.

“And, of course, we will now be able to buy beer in grocery stores by Christmastime.

Servicing the debt “the largest in the country “continues to concern York-Simcoe MPP Julia Munro

The PCs contend the budget will make it even harder to live, work, and run a business in Ontario.

“Our PC Caucus laid out key commitments we needed in this budget ? none were addressed in the manner we requested. Our priorities were healthcare, energy, and debt management,” Munro said. “We put forward ways to help Ontarians, our families and our businesses, but it appears this government thinks people have bottomless pockets and are able to pay and pay, and pay some more.

“Now, the government is prepared to sell revenue-generating assets like Hydro One to pay for the last year's budget initiatives. The new found, one-time money will be used to lower the \$11 billion deficit. It's just a shell game at our expense.”

The most alarming part is the amount spent to cover the interest on the \$290 billion debt. The interest on the debt is the fastest growing expense of government ? an average annual increase of 5.7%. This is more than the growth in any ministry, including health and education.

“The Liberals are taking money from health care to pay for the interest on the debt. Ontarians can't afford to run their household finances like this and Ontarians can't afford this budget or the direction the government is taking this province,” she said.

“In my opinion, and in the opinion of many I represent, this government has lost touch with reality. After 12 years in government, the Liberals are asking Ontarians to pay more to cover scandals, waste, and mismanagement. This budget does not include a clear, detailed plan to balance the budget by 2017-18. My colleagues and I cannot support this budget because it puts our economy further at risk.

Munro pointed out that the economy of Greece hit bottom when its debt reached 80% of its GDP. Currently in Ontario we're at 40% and in a few years, this financial picture “gets very scary.”

“This is dire,” she said.