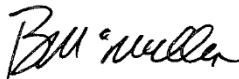




COMMUNICATION UPDATE

TO:	Mayor and Members City Council
DATE:	November 8, 2021
SUBJECT:	2021 Ontario Economic Outlook and Fiscal Review (City Wide)
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

On November 4, 2021, the Ontario Government released the 2021 Ontario Economic Outlook and Fiscal Review - Build Ontario.

The Fiscal Review continues to make \$51 billion in supports available to fight the COVID-19 pandemic and promote economic recovery. For 2021–2022, the government is projecting a deficit of \$21.5 billion, \$11.6 billion lower than the outlook published in the 2021 Budget. The deficit is set to decrease to \$19.6 billion in 2022-2023 and to \$12.9 billion the following year, an improvement of \$8.1 billion and \$7.2 billion, respectively.

The following is a high-level summary of the announcement which focuses on three main themes: Protecting Our Progress, Building Ontario and Working for Workers. Appendix “A” attached to this Communication Update is a summary from the Municipal Finance Officers Association of Ontario (MFOA) released on November 4, 2021.

Protecting Our Progress

- Investing over \$1.8 billion in 2021–2022 to support 3,100 hospital beds, reduce surgical and diagnostic imaging backlogs and help hospitals keep pace with patient needs.
- Support the addition and upskilling of over 5,000 registered nurses and registered practical nurses and 8,000 personal support workers to our hospital and health care system by investing \$342 million.

- Hire 225 nurse practitioners in the long-term care sector by investing \$57.6 million, beginning in 2022–2023.
- Expanding mental health and addictions support by investing \$12.4 million over two years.
- Expanding home and community care by investing \$548.5 million over three years.

Building Ontario

- Construction of the Bradford Bypass, committing to build Highway 413 and making new investments in our highway rehabilitation and renewal program.
- Investing an additional \$1 billion over the next five years in critical road, bridge, water, wastewater and stormwater projects in communities across Ontario.
- Committing \$30.2 billion over the next 10 years to build hospital infrastructure.
- Investing \$3.7 billion, beginning in 2024–2025, to build an additional 10,000 new long-term care beds and upgrade over 12,000 existing beds.
- Continuing to enhance transit systems through progress on subway expansion and two-way all day GO Transit

Working for Workers

- Minimum wage will be increased to \$15 per hour effective January 2022 and be increased annually by inflation beginning in October 2022.
- Additional \$90.3 million will be invested to enhance the Skilled Trades Strategy over a three-year period.
- Ontario Jobs Training Tax Credit, which covers 50% of eligible training expenses up to \$2,000, has been extended to 2022.
- Investment of \$40 million in a new Advanced Manufacturing and Innovation Competitiveness stream of the Regional Development Program.
- Ontario Staycation Tax Credit, a personal income tax credit of 20% of eligible 2022 accommodation expenses in Ontario.
- \$5 million commitment to extend the Second Career Program.
- \$200 million for the Skills Development Fund which supports projects for training and retraining workers to remove pandemic-induced barriers to hiring.

Additional Initiatives

- Property assessments for the 2022 and 2023 tax years will continue to be based on the same valuation date that was used for 2021.
- Suspension of the five per cent cap on increases to payment-in-lieu of taxes (PILs or PILTs) until passenger volumes return to pre-pandemic levels for each affected airport.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

- Extend the period for matching provincial education tax assistance from three to six years for business developments and 10 years for residential developments.
- The Province intends to simplify the legislative requirements with respect to the assessment of pipeline properties, including the designation of pipelines by owners.
- Supporting On-farm Businesses by increasing the assessment threshold for the small-scale on-farm business subclass.
- \$345 million in funding in 2021/22 for municipal transit systems to compensate for lower ridership and declines in Gas Tax revenue.
- Seniors' Home Safety Tax Credit Extension to 2022, providing a benefit of up to \$2,500.

Initiatives Related to Hamilton (previously announced)

- \$1.7B to advance the LRT project.
- Construction of a new interchange in Highway 6 from Hamilton to Guelph.
- Hourly GO train service between West Harbour GO Station and Union Station each day of the week since August 2021.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" – MFOA's Fall Economic Update 2021: Build Ontario

BM/GR/dt