

**MCGUINTY GOVERNMENT'S 2006 BUDGET BUILDS OPPORTUNITY
THROUGH INFRASTRUCTURE INVESTMENTS****New \$1.2 Billion Investment In Transit, Roads And Bridges — 2005-06 Deficit Down To \$1.4 Billion**

Queen's Park — The McGuinty government's third Budget builds Ontario's economic advantage by investing in the province's transportation infrastructure, continuing to strengthen education and health care, and staying on track to eliminate the deficit.

"Quick, reliable and safe transportation is vital to our economic success and quality of life," said Ontario Finance Minister Dwight Duncan. "I'm proud to announce a major new investment in roads, bridges and public transit that will build opportunity for every Ontarian. This Budget builds opportunity by paying down our infrastructure deficit and enhancing previous investments in health care and education, strengthening the economy and creating jobs and prosperity."

The 2006 Budget, which contains no new taxes or tax increases, projects an interim deficit of \$1.4 billion for 2005-06, down 75 per cent from the \$5.5 billion deficit inherited in 2003-04. The government remains on track to balance the budget by 2008-09 at the latest. The deficit will be eliminated a year earlier if the reserve is not needed.

Under Move Ontario, the McGuinty government is making a new, \$1.2 billion investment in Ontario's public transit systems and municipal roads and bridges, including:

- \$400 million for roads and bridges in municipalities — primarily outside the Greater Toronto Area (GTA), with special emphasis on rural and northern communities;
- \$670 million to allow Toronto and York Region to extend the subway to the Vaughan Corporate Centre at Highway 7;
- \$95 million to allow Brampton to make express transit services available through the Brampton AcceleRide project; and
- \$65 million to allow Mississauga to develop the Mississauga Transitway — a separate bus right-of-way with 14 stations.

"In 2005, the Ontario economy outperformed private-sector and government projections, resulting in additional revenue," Duncan said. "We have made a strategic and prudent choice to invest more than 60 per cent of our one-time revenue in transportation infrastructure."

In its last Budget, the McGuinty government announced Reaching Higher, a historic \$6.2 billion cumulative investment in postsecondary education by 2009-10 to improve access, quality and accountability. This Budget's investments in postsecondary education will:

- increase access to upfront tuition grants for middle-income families by more than doubling the income threshold for a two-child family from about \$35,000 to \$75,000;

- almost double the number of students receiving upfront grants in 2006-07 to nearly 60,000 students up from 32,000 in 2005-06;
- ease student debt by ensuring it is limited to \$7,000 per completed year; and
- raise book and supply allowances for the first time since the mid-1980s, benefiting 138,000 students.

The 2006 Budget continues to make significant investments in health care, education, skills training, research and the province's most vulnerable residents. The 2006 McGuinty Budget:

- invests an additional \$1.9 billion in health in 2006-07, including increasing the number of Family Health Teams (FHTs) to 150 by 2007-08, and reducing wait times;
- provides \$12 million in 2006-07 — growing to \$30 million in 2008-09 — to fund the purchase of insulin pumps and related supplies for 6,500 children with Type 1 diabetes;
- expands breast screening for women between the ages of 50 and 74;
- increases Grants for Student Needs funding to school boards by more than \$400 million from the previous year, to \$17.3 billion in the 2006-07 school year;
- creates the \$2.1 billion Jobs and Skills Renewal Strategy to expand skills training and employment services;
- invests nearly \$1.7 billion over five years for research, commercialization and outreach programs; and
- provides an additional \$218 million in 2006-07 to help at-risk youth and vulnerable adults and families.

“Building opportunities for each and every Ontarian is our goal. We want every Ontarian to have the opportunity to succeed,” Duncan said.

Almost 200,000 net new jobs have been created in Ontario since October 2003. A key element of the government's strategy for strengthening the Ontario economy is maintaining a competitive tax and business environment to encourage investment growth. The 2006 Budget proposes to accelerate the capital tax rate cut. Effective January 1, 2007, the current rate would be cut by five per cent — a full two years earlier than currently scheduled. The government intends to eliminate the tax in 2010, should the fiscal position of the Province allow.

“The McGuinty government's plan is working for Ontarians,” Duncan said. “Jobs are up, the deficit is down, class sizes are smaller, wait times are shorter for key health procedures, and postsecondary education is becoming more accessible and affordable. Moving forward, we will continue to be focused and disciplined in our management of the Province's finances, as we continue to build opportunity through key investments in health care, education and infrastructure.”

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