

PRESERVING AND CREATING JOBS

March 26, 2009

The 2009 Budget announces significant measures to preserve and create jobs today. These initiatives will help people weather the current economic storm and will also contribute to Ontario's future competitiveness by enhancing the province's infrastructure base, investing in the skills and knowledge of its workforce, and supporting key sectors. These actions build on the significant investments the McGuinty government has made since 2003.

The government is investing \$34 billion over the next two years to stimulate economic growth and help Ontario families. Ontario's stimulus plan is significant in size and is designed to restore growth and save and create jobs. This investment represents 2.9 per cent of gross domestic product, which is above and beyond the minimum recommendation from the International Monetary Fund for short-term stimulus action.

INFRASTRUCTURE

Strategic infrastructure investments provide jobs in the short term as well as build foundations for tomorrow – moving people, goods and ideas faster and more efficiently.

The government is allocating \$32.5 billion for infrastructure projects over the next two years, supporting an estimated 146,000 jobs in 2009-10 and 168,000 jobs in 2010-11.

These investments build on the government's \$30 billion ReNew Ontario infrastructure investment plan, which will be completed in 2008-09, a full year ahead of schedule.

Over the past two years, the government has invested in infrastructure valued at \$18 billion, including a one-time allocation of \$1.1 billion provided directly to municipalities through the *Investing in Ontario Act, 2008*. These investments supported more than 85,000 jobs in 2007-08 and are creating and sustaining more than 100,000 jobs in 2008-09.

The province has over 30 major infrastructure projects underway, each worth more than \$100 million.

SELECTED MAJOR PROJECTS

- ▶ Expansion of Highway 69 to Sudbury to four lanes
- ▶ North Bay Regional Health Centre
- ▶ Expansion of Highway 11 to North Bay to four lanes – final section
- ▶ London Health Sciences Centre and St. Joseph's Health Centre – Phase 2
- ▶ Rail grade separation in west Toronto to improve service on GO Transit's Georgetown line
- ▶ Durham Consolidated Courthouse in Oshawa
- ▶ The Ottawa Hospital Regional Cancer Program (The Ottawa Hospital/Queensway Carleton Hospital)
- ▶ Kingston General Hospital and Cancer Centre for Southeastern Ontario
- ▶ Safety initiatives on Highways 11 and 17 near North Bay and in northwestern Ontario
- ▶ Sunnybrook Health Sciences Centre Bayview M-Wing
- ▶ A new third track in GO Transit's Lakeshore West rail corridor to improve train service in GO's busiest corridor
- ▶ Widening of the Queen Elizabeth Way (QEW) through St. Catharines
- ▶ Sioux Lookout Meno Ya Win Health Centre
- ▶ Widening of sections of Highway 401 near Woodstock
- ▶ Roy McMurtry Youth Centre in Brampton

An estimated total of 45,000 jobs will be created as a result of the above projects.

JOB CREATION AND SKILLS TRAINING

The economic benefits of a highly skilled and educated workforce are clear. The McGuinty government is enhancing support to help more unemployed and underemployed Ontarians prepare for the new economy with additional transitional employment and training assistance of more than \$750 million over two years. This investment targets summer jobs, skills training, literacy and services for new Canadians, and includes proposed training tax credit enhancements.

Skills Training

The 2009 Budget allocates nearly \$700 million over two years in new skills training and literacy initiatives and enhancements to existing programs, including:

- \$94 million over two years to expand support for new Canadians, including bridge training and mentorship opportunities, serving 15,000 more clients each year

- \$90 million over two years to expand literacy and basic skills training, including funding for community projects, distance learning and workplace literacy, helping up to 13,000 people per year
- \$50 million annually for proposed enhancements to the Co-operative Education Tax Credit and to make the Apprenticeship Training Tax Credit the most generous in Canada.

Summer Jobs

This Budget is also increasing funding for summer employment opportunities for youth to nearly \$90 million. This 57 per cent expansion means that more than 100,000 young people will benefit from support for summer employment opportunities this year, up from 73,000 last year.

SECTOR SUPPORT

The government is committed to partnering with key sectors to help them become more competitive so they can continue to be major contributors to the Ontario economy.

The 2009 Budget announces support for key Ontario sectors, including manufacturing, forest products, mining, agriculture and small business.

Manufacturing

- \$110 million in additional tax relief for manufacturers in 2011-12 by paralleling the federal extension of the temporary accelerated 50 per cent straight-line Capital Cost Allowance rate for manufacturing and processing machinery and equipment investments made in 2010 and 2011
- The tax savings provided by the elimination of Capital Tax for manufacturers and the proposed new business tax relief in the Budget would provide more than \$1.3 billion per year, when fully implemented, in additional tax relief for Ontario manufacturers.

Northern Economy

- About \$58 million to extend by one year the Northern Pulp and Paper Mill Electricity Transition Program, which will provide electricity rebates of 1.8 cents per kilowatt hour to qualifying mills
- A record \$648 million in 2009-10 for provincial highway projects in the north
- \$2 million annually over four years for mining and forest product equipment and for services companies and sector associations to expand their export capacity and increase sales to international markets
- \$40 million over three years for initiatives to support *Mining Act* modernization
- Additional investments in remote airports, the winter road network and remediation of the Mid-Canada Line radar sites.

Agriculture

- \$8 million annually, starting in 2009-10, to promote Ontario food products to the broader public sector
- \$1.5 million for the Ministry of Agriculture, Food and Rural Affairs to plan the development of new agri-food research centres focused on livestock and crop production, renewable energy, nutrition and health
- Clearer Ontario Food definitions will better enable food producers to sell, and consumers to identify, foods from Ontario.

Small Business

- Proposing to extend the refundable Ontario Innovation Tax Credit to more small and medium-sized businesses
- Providing a temporary accelerated depreciation for buying eligible computers and software
- Proposing tax measures that would provide more than \$1 billion over three years to support Ontario's small businesses.

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