Ontario’s projected population growth will result in significant demand for all types of infrastructure, including transportation, health care and education. That is why the government is planning to invest more than $130 billion in infrastructure through Ontario’s new 10-year economic plan, which will continue to help stimulate the economy, create jobs and increase prosperity and fairness for Ontarians. Ontario’s planned infrastructure investments would support more than 110,000 jobs on average each year in construction and related industries.
Making Strategic Investments in Roads, Bridges and Public Transit

Investing in the province’s highways, bridges and other transportation infrastructure helps manage congestion and travel times on key corridors and at international gateways. It also strengthens access to important export markets in the United States and abroad.

In 2014–15, investments totalling $2.5 billion are planned for highway rehabilitation and expansion projects across the province, an increase of approximately $400 million above 2013–14 levels.

Key projects scheduled to start construction this year include:

- Highway 407 East Phase 2, from Harmony Road in Oshawa to Highway 35/115 in Clarington, including the East Durham Link
- High Occupancy Vehicle (HOV) lane projects on sections of Highway 410, through Mississauga and Brampton, and on Highway 427, through Mississauga and Vaughan
- Widening Highway 401 near Cobourg
- Widening an additional 11 kilometres of Highway 69 between Parry Sound and Sudbury, as part of the ongoing expansion of Highway 69
- Realignment of Highway 66 through the community of Virginiatown, east of Kirkland Lake.

In addition, the following projects are planned to support growth and improve traffic flow:

- Expanding two sections of Highway 11/17 to four lanes between Thunder Bay and Nipigon, beginning in 2015–16
- Proceeding with a new four-lane alignment on Highway 7 between Kitchener and Guelph. Advance construction work will begin in Fall 2015

New Dedicated Funds for Investment in Transportation Infrastructure

Ontario is laying out a bold new plan — Moving Ontario Forward — to make nearly $29 billion available for investment over the next 10 years in public transit, transportation infrastructure and other priority infrastructure projects across the province.

The government will not increase the tax on gasoline, the Harmonized Sales Tax (HST), education property taxes or personal income taxes on low- to middle-income individuals.
Two new dedicated funds would be created to support infrastructure projects essential to Ontario’s economic growth and job creation. These two funds would be based on the following principles:

- The two new dedicated funds should be supported by dedicated sources of revenue
- New dedicated revenue sources should not increase taxes on low- to middle-income individuals
- Allocating dedicated funds proceeds between the Greater Toronto and Hamilton Area (GTHA) and the rest of the province should be done in a way that is fair, accountable and transparent
- Dedicated funds proceeds should be substantially applied to specific transportation and other critical infrastructure projects
- The two new dedicated funds should be transparent and managed with strong accountability mechanisms.

The Province would create two dedicated funds – one for the GTHA with up to $15 billion available for investment in transit and one for the rest of the province with nearly $14 billion available for investment in roads, bridges, transit and other critical infrastructure.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Available for Investment in the GTHA</td>
<td>1.7</td>
<td>1.7</td>
<td>1.6</td>
<td>15.0</td>
</tr>
<tr>
<td>Available for Investment Outside the GTHA</td>
<td>1.6</td>
<td>1.6</td>
<td>1.4</td>
<td>13.9</td>
</tr>
<tr>
<td>Total</td>
<td>3.3</td>
<td>3.3</td>
<td>3.0</td>
<td>28.9</td>
</tr>
</tbody>
</table>

Note: Totals include available net new borrowing for public transit, transportation infrastructure and other priority projects.

It is proposed that the two funds be allocated to the GTHA and the rest of the province using census data from Statistics Canada. By allocating the proceeds to the two funds by population, the Province would ensure that the allocation is fair, accountable and transparent. New revenues collected outside the GTHA would fund transit and infrastructure outside the GTHA only.

**Sources of Dedicated Funding**

About two-thirds of the dedicated funds for public transit and transportation infrastructure would be supported by:

- Dedicating proceeds from 7.5 cents of the existing provincial gasoline tax to public transit and transportation infrastructure priorities, starting in 2014–15. This would be over and above the existing gas tax funding provided to municipalities, with no increase to the tax rate from its current level
- Repurposing revenues from the existing HST charged on the current provincial taxes on gasoline and road diesel across the province towards public transit, transportation infrastructure and other key infrastructure priorities
- Dedicating proceeds from the following proposed targeted revenue measures to public transit, transportation infrastructure and other priority projects by:
  - Restricting large corporations from claiming the small business deduction
  - Restricting the fuel tax exemption for road-building machines
  - Phasing in an increase of four cents per litre to the tax rate on aviation fuel over four years.
- Allocating net revenue gains from certain asset sales through the proposed Trillium Trust
- Dedicating net revenue gains from high-occupancy toll lanes when they become available.

The remaining balance would be supported by:
- Leveraging provincial borrowing, when needed, including proceeds from green bonds
- Working with the federal government to secure federal funding through the Building Canada Plan for key transportation-related projects throughout the province.

![Pie chart showing dedicated provincial revenue](image)

<table>
<thead>
<tr>
<th>Dedicated Provincial Revenue</th>
<th>Figures in $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15B Dedicated for Investment in the GTHA</td>
<td>3,670</td>
</tr>
<tr>
<td>$13.9B Dedicated for Investment Outside the GTHA</td>
<td>3,500</td>
</tr>
</tbody>
</table>

Dedicated provincial revenue supported by:
- Dedicated repurposed gas tax and HST revenue
- Proposed targeted revenue measures include better targeting the small business deduction, increasing the tax on aviation fuel, and restricting the fuel tax exemption for road-building machines
- Asset optimization

And other dedicated sources:
- Federal Building Canada Plan
- Provincial borrowing

Figures in $ millions
Allocating the Dedicated Funds

Proceeds from the dedicated fund for the GTHA would be invested exclusively in public transit priorities that address congestion and improve mobility throughout the region. Proceeds would be used to build priority projects included in Metrolinx’s regional transportation plan, The Big Move, and for other potential projects that support economic development and improve mobility, such as the East Bayfront Light Rail Transit (LRT) project on Toronto’s waterfront.

The government recognizes continued expansion towards two-way, all-day GO Transit rail service as a priority. GO Transit improvements on all corridors would include additional track, grade separations, improved signalling, station improvements and additional fleet, which are all building blocks towards two-way, all-day service. In addition, analysis is underway on a proposal to electrify the GO rail system to deliver service at intervals as frequent as 15 minutes.

The Province has asked Metrolinx to begin work immediately to examine opportunities to move GO service towards a regional express rail, providing fast and frequent electrified service on all corridors at intervals as frequent as 15 minutes. This would represent a game-changer in how people move about the region, and enhance ridership and efficiency on GO Transit and other projects that connect to the network as well.

Outside the GTHA, the new dedicated fund would be used to support important infrastructure projects. Projects would be identified through an evidence-based process in partnership with Ontario regions and communities.

Priority projects outside the GTHA could include local and regional transit, roads and bridges, infrastructure development in the Ring of Fire, funding for bus and rail infrastructure delivered by the Ontario Northland Transportation Commission, strategic highway improvements and other projects to be identified through the Building Canada Plan negotiations with the federal government.

Creating More Transit Options for Commuters

The first wave of projects in Metrolinx’s Regional Transportation Plan, The Big Move, currently funded and underway includes:

- Modern rapid transit in Toronto, beginning with the Eglinton Crosstown LRT project. Tunnelling began in June 2013
- Revitalization of Union Station. The new York Street concourse is expected to open by the end of 2014, and the train shed roof is expected to be completed in 2016
- Dedicated rapid transit bus lanes in both York Region and Mississauga. Portions of the rapid transit lanes opened in York Region in August 2013, and will open in Mississauga this year
- Union Pearson Express between Toronto Pearson International Airport and Union Station, which is expected to begin service in 2015. Construction on the new Terminal 1 station began in March 2013 and is nearing completion
- Preliminary design and engineering work is underway on the Sheppard East LRT and Finch West LRT.
The Province also continues to support key municipal transit projects, including:

- Waterloo’s 36-kilometre rapid transit corridor, with an investment of up to $300 million, connecting Cambridge, Kitchener and Waterloo. Construction of the adapted bus rapid transit component is expected to be completed by early 2015.

- Extension of the Yonge-University-Spadina subway line to York University and into Vaughan, with an investment of $870 million. Tunnelling for this project was completed in November 2013.

- Construction of Ottawa’s 12.5-kilometre LRT project, the Confederation Line, with an investment of up to $600 million. Work has begun on the downtown tunnel.

- Renewal of Toronto’s streetcar fleet, with an investment of up to $416 million. The new streetcars began on-street testing in March 2013.

- Extension of Toronto’s Bloor-Danforth subway line through Scarborough, with a provincial commitment of up to $1.48 billion.

Modernizing Infrastructure in Communities across Ontario

The Province is continuing its support for strong communities under the Municipal Infrastructure Strategy introduced in 2012. A new permanent municipal roads and bridges fund of $100 million per year will be launched this spring.

The new permanent fund will continue support for the most critical projects in communities with challenging fiscal circumstances. It will also continue to provide support for municipal asset management planning. The new permanent fund will include application- and formula-based funding for eligible municipalities, with an objective of transitioning to full formula-based funding over time.

More Access to Health Care

The Province is taking steps to ensure that the health care sector continues to offer quality service while protecting sustainability of the system for future generations. To that end, Ontario plans to invest more than $11.4 billion in capital grants in major hospital expansion or redevelopment projects over the next 10 years. This would support more than 40 projects that are under construction or in various stages of planning and include the construction or expansion of surgical and cancer treatment services.

The government is providing additional funding of $300 million over 10 years to help shift care from hospitals to community settings and ensure adequate infrastructure capacity in the health care sector by:

- Creating a dedicated community infrastructure renewal fund that would also help community organizations such as Public Health Units, Family Health Teams and Nurse Practitioner-Led Clinics. This dedicated fund will give community partners the capital support needed to provide Ontarians with more health care options.
The Province will also increase infrastructure funding for Community Health Centres, community-based mental health and addiction programs, and Aboriginal Health Access Centres.

Over the next 10 years, the Province is providing additional funding of almost $700 million to address deferred maintenance in hospitals. This investment would double funding available to hospitals for repairs.

Building Better Places to Learn

A strong education system and the capacity for leading-edge research are foundations of a successful economy and a central part of Ontario’s 10-year economic plan.

The Province is making investments in education and postsecondary infrastructure by providing:

* More than $11 billion over the next 10 years in capital grants to school boards to continue building better places to learn and support consolidations of elementary and secondary schools. Capital investments will help build new schools to address growth pressures in areas such as Milton, Brampton, Barrhaven and Ancaster. This includes:

  * More than $4.2 billion over the next 10 years to help address school repair needs. Funding will target critical needs in the sector and improve school conditions, support a safe and healthy learning environment for students, and modernize classrooms, as well as help school boards reduce operating costs associated with aging infrastructure.

  * $750 million over four years in new capital funding to support school consolidations that better match schools to community needs. This funding would support consolidations through retrofits, additions to existing schools, or the construction of new facilities.

  * Increased access to postsecondary institutions by working to build new or expanded campuses in communities across Ontario. The Province will also provide additional funding of almost $500 million over the next 10 years to address critical maintenance repairs in the postsecondary sector. These investments will fund critical repairs and upgrades to existing buildings.

Supporting Development in Northern Ontario’s Ring of Fire*

The Province is prepared to commit up to $1 billion towards infrastructure development in the Ring of Fire, contingent on a matching investment by the federal government. This would ensure that the necessary infrastructure investments, estimated to be more than $2 billion, would be able to proceed.

* Refer to “Building Ontario Up Today For A Brighter, Stronger Tomorrow” (July 14, 2014 Budget news release) for updated language.
Maximizing the Value of Public Infrastructure in Ontario

The Province is building more public spaces for healthier communities to support Ontario’s economic growth and social well-being, including healthy and vibrant communities:

- The Province and the City of Mississauga are focused on realizing the potential of the Lakeview lands in southeastern Mississauga. The City of Mississauga expects the master plan for the area to be finished by the summer of 2014.
- For example, the Ottawa River Action Plan is a core infrastructure project that would promote healthy lifestyles and environmental sustainability, and create jobs for the City of Ottawa and region.
- As part of the transformation of Ontario Place, the Province announced the development of the Urban Park and Waterfront Trail. Work on the park and trail is underway and is expected to be complete and open to the public in 2015.

The Province will also leverage private-sector expertise by using Alternative Financing and Procurement, a made-in-Ontario public-private partnership model, to:

- Expand the Milton District Hospital to help address the care needs of one of Ontario’s fastest-growing communities. The expansion project will focus on increasing the most in-demand services and facilities at the hospital.
- Construct a new courthouse in the Toronto area to help address capacity pressures in aging facilities and consolidate Ontario Court of Justice operations from five different locations into one centralized site. The new courthouse will enable more effective, innovative and responsive delivery of justice services and increase access to social justice programs in the city.

Modernizing Energy Infrastructure

Over the last decade, more than $21 billion has been invested in cleaner generation and Hydro One alone has invested over $11 billion in transmission and distribution infrastructure. Ontario’s elimination of coal-fired electricity generation is the single-largest greenhouse-gas reduction measure implemented in North America to date, and Ontario is now a North American leader in renewable energy and a world leader in energy technology, innovation and smart grid solutions.

Even with all these investments in infrastructure and clean energy, the stranded debt is estimated to have been reduced cumulatively by about $10.5 billion between March 31, 2004, and March 31, 2014, based on interim results. This would be the tenth consecutive year of stranded debt reduction. See Backgrounder: Clean, Reliable and Affordable Energy for Ontarians.
Nuclear Refurbishment: Delivering Value for Ontario Ratepayers

Ontario’s updated Long-Term Energy Plan has tasked the Province’s two nuclear operators, Bruce Power and Ontario Power Generation, to find savings for ratepayers through economies of scale in both refurbishment and operations. Ontario also remains committed to ensuring the province’s nuclear facilities remain publicly owned, while finding greater operational efficiencies and synergies between both organizations.