

# Backgrounder

## A Plan to Make Life More Affordable

November 6, 2019

Ontario has a plan to make life more affordable for families and individuals in every corner of the province by putting more money in people's pockets. The government has heard loud and clear that people are tired of paying more and getting less. The cap-and-trade carbon tax, increasing child care costs and high electricity rates have made it harder for families to make ends meet. That is why the government is taking concrete steps to make life more affordable for families and individuals across the province, such as providing tax relief for low-income workers, supporting families with child care expenses and reducing the cost of postsecondary tuition.

### Helping to Reduce the Cost of Living in the North

The government is making life more affordable for Northern Ontario residents by proposing to reduce the aviation fuel tax rate in the North to 2.7 cents per litre from 6.7 cents per litre. The aviation fuel tax rate cut could help reduce costs on air freight and help make air travel more affordable for families in the North.

### Helping Families with their Child Care Expenses

Child care expenses can be a financial burden on parents and a barrier to working or pursuing further studies. The government is providing a tax credit for child care expenses starting with the 2019 tax year. The Childcare Access and Relief from Expenses (CARE) tax credit gives parents the flexibility to access a broad range of child care choices, including care in centres, homes and camps. It will provide about \$1,250 per family, on average, in child care support to about 300,000 families, in addition to the Child Care Expense Deduction. Tax relief will be provided to low- and middle-income families.

### Providing Tax Relief to Low-income Workers

To support low-income workers with employment income, including those earning minimum wage, the government is helping people keep more of their hard-earned money with the Low-income Individuals and Families Tax (LIFT) Credit.

### Making GO Transit Service Free for Kids

To make taking transit easier and more affordable for families, the government introduced free travel for children 12 and under on all GO Transit trains and buses.

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## Cancelling the Cap-and-Trade Carbon Tax

Ontario is addressing climate change and reducing greenhouse gases through a Made-in-Ontario Environmental Plan. By cancelling the cap-and-trade carbon tax, the government improved affordability and enabled Ontario households to save \$275, on average, in fuel and other costs by 2020. The people of Ontario now face the federal government's carbon tax, which was imposed on April 1, 2019 and has added 4.4 cents per litre to the price of gasoline in Ontario. This will rise to 11.1 cents per litre by April 2022.

## Increasing Housing Supply and Choice

Ontario is facing a housing affordability challenge, especially in the Greater Toronto Area (GTA). On average, home prices continue to put the dream of home ownership out of reach for too many. In the *More Homes, More Choice: Ontario's Housing Supply Action Plan*, the government committed to making it easier to build homes faster, and to building the right types of homes so everyone can find a place to live that meets their needs and their budget.

The government will continue to respect taxpayer dollars and deliver on its commitment to make life more affordable.

## Making Tuition More Affordable

Making postsecondary education more affordable is part of the government's plan to ensure that people have the training and skills they need to get good-paying jobs. The government made a historic tuition reduction of 10 per cent across all funding-eligible postsecondary education programs in the 2019–20 academic year — and froze tuition fees for the 2020–21 academic year to help Ontario students and families keep more of their hard-earned money. Students will see an average tuition reduction of approximately \$340 for those attending college and \$660 for those enrolled in an undergraduate arts and science degree.

## Increasing Access to Learning and Cultural Opportunities

Ontario has a vibrant history and culture, and the government wants to ensure that children across the province have increased access to learning and cultural opportunities. In 2006, the Province created the Fun Pass Program. Using this as a model, the government is proposing to allow free access for children and will extend to attractions, museums, galleries and historic sites across the province. The details of the new program will be announced in the near future.