



Ontario

MARCH 2020 ECONOMIC AND FISCAL UPDATE

Ontario's Action Plan 2020:

RESPONDING TO COVID-19

STATEMENT

Check Against Delivery

The Honourable
Rod Phillips

Minister of Finance

MARCH 25, 2020

Ontario 

For general inquiries regarding the *March 2020 Economic and Fiscal Update, Ontario's Action Plan 2020: Responding to COVID-19, Statement*, please call:

Toll-free English and French inquiries: 1-800-337-7222

Teletypewriter (TTY): 1-800-263-7776

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Mise à jour économique et financière de mars 2020, Plan d'action de l'Ontario 2020 contre la COVID-19 — Allocution

I rise on behalf of the Premier and our government to introduce Ontario's Action Plan, the first step in our response to COVID-19.

COVID-19 is an extraordinary threat to the health and economy of Ontario...

...The greatest we've faced in my lifetime.

And it demands an extraordinary response from all levels of government and civil society...because, we're all in this together.

We've seen significant responses from all levels of government.

On behalf of the Premier, I'd like to say we are grateful to our federal counterparts...

...And especially to the mayors, reeves and councillors who have reached out with ideas about what their cities and towns need to do to get through this.

We are listening. We are acting. And today we will outline additional steps to provide immediate support.

Before I begin, I want to thank those on the front lines of this pandemic...

The doctors, nurses, pharmacists, lab technicians and other medical professionals who are working day and night.

The paramedics, police, firefighters, victim service providers and other first responders...

...The scientists and researchers, racing to find a vaccine and treatment.

The grocery clerks, truck and transit drivers, sanitation workers, cashiers and cleaners — who, in a time of heightened personal risk — are showing up to work to make sure the essentials are available for all of us.

The telecom workers, who are keeping us connected...because social distancing and self-isolation is difficult...

...Getting cut off from the world can have serious mental health impacts. We're relying on technology to keep us connected. To check in on loved ones. To work from home.

To each of you, I say thank you from all of us in the Chamber.

In recent weeks, the Premier has referred to the "Ontario Spirit."

People, businesses, unions, and not-for-profit organizations going above and beyond to help each other.

Like Rome's Independent Grocer in Sault Ste. Marie who, like many other grocers across Ontario, is opening up earlier for seniors...

...Dozens of volunteers who are packing boxes of food for the needy this week with the United Jewish Appeal...

...Garden Foods in Caledon who is donating fresh produce to community organizations...

...And Ontario's Sikh Community who have launched an appeal for blood donors because they know donations have dropped...

...Each and every day, we hear examples of the Ontario Spirit in neighbourhoods around the province. And that, is what keeps us going.

I'm here today to speak about the first steps in our government's response to COVID-19.

The Premier has been clear — we will do whatever it takes to protect people's health and protect Ontario's economy.

These first steps include \$7 billion in urgent direct funding for health care, people and jobs.

The plan also offers \$10 billion in cash flow support for people and businesses through tax and other deferrals.

Taken together, today's Action Plan provides \$17 billion of support...

...We don't yet know what the full impacts of COVID-19 will be on our health and economy ...

...It will depend on how long the pandemic lasts and how well businesses weather the storm...

...But our number one priority is, and will remain, the health and safety of the people of Ontario.

Under the leadership of the Minister of Health, our government will allocate an additional \$3.3 billion for health care, over what was budgeted last year...

Including an urgent \$2.1 billion COVID-19 response package.

Specifically, in response to the outbreak...

...We are immediately investing \$341 million for 1,000 additional acute care and 500 critical care beds...

...And for additional COVID-19 assessment centres.

To keep our front-line medical staff safe, we will spend an additional \$75 million to supply personal protective equipment and other medical supplies.

Our government recently launched a new website called Ontario Together...

...Which will allow us to partner with the private sector to increase the supply of essentials like ventilators, masks, gloves and swabs.

In total, this year we will invest an additional \$935 million for hospitals.

In addition, we are also investing \$124 million to support 90 transitional care projects, so more than 20,000 patients can move to a more appropriate care setting...freeing up vital space in hospitals.

During this outbreak, we've been particularly concerned about seniors because we know that COVID-19 is more dangerous for them and those with underlying health conditions.

We have already implemented new active screening procedures at long-term care homes, and restricted visits to keep our loved ones safe.

To increase emergency capacity and containment efforts in long-term care homes, we are providing \$243 million of surge capacity...

...As well as around the clock screening, more staff for sanitation efforts and essential personal protective equipment.

And we're investing \$102 million to improve the overall quality of care.

We know everyone has taken comfort in the expertise of our public health officials.

We especially want to thank Dr. David Williams, our Chief Medical Officer...

...As well as his colleagues, the 35 local Chief Medical Officers across Ontario who are the generals in this war.

We have already given public health units across the province certainty by maintaining their funding.

And today I am pleased to say that we will immediately invest \$160 million in increased funding for urgent public health efforts.

This includes investments in virtual care and Telehealth Ontario, to free up space in our hospitals.

As this pandemic unfolds, we need to be flexible and prepared to respond rapidly...

...So we have also set aside a \$1 billion dedicated COVID-19 contingency fund to be deployed as needed.

This situation is changing day by day, hour by hour.

It is difficult to imagine how tired our health care professionals must be.

We are all so proud of you, and we want you to know — whatever happens — you will have the resources you need.

Everyone across the province is doing their part to protect themselves, their families, their communities and our health care sector.

Staying home and self-isolating.

And our business community is stepping up to help.

Distilleries and breweries across Ontario are making antiseptic hand gel.

An education technology company in Kitchener called InkSmith, is encouraging those with 3D printers to print a plastic component of a medical face shield.

Back Alley Burrito in Strathroy has been feeding front-line health care workers and handing out gift cards to first responders.

We are grateful to every business across Ontario for embodying Ontario's Spirit.

As part of our plan, we are investing \$3.7 billion to provide immediate and direct support to Ontario's people and employers.

It starts with those most in need.

For our vulnerable seniors, we will provide \$75 million in relief by proposing to double the maximum Guaranteed Annual Income System payment for six months starting in April.

This means 194,000 of our lowest income seniors will receive up to \$83 more for individuals and up to \$166 more for couples per month to help cover essential expenses.

We're also allocating \$5 million to help with subsidized delivery of meals, medicines and other essentials.

Supporting our most vulnerable communities is at the heart of so much of what we must do in difficult times.

We are investing \$52 million to expand the emergency assistance program through Ontario Works...

...To provide more support for those facing the most serious financial difficulties.

We're directing \$148 million to our municipal partners...

...So that Consolidated Municipal Service Managers and District Social Service Administration Boards can allocate funding in their communities to charities and nonprofits, including homeless shelters, food banks and religious organizations.

In fact, as we work with our municipal partners to help stop the spread of COVID-19, we are providing nearly \$250 million of direct support that will assist municipalities in their efforts.

We're allocating \$26 million in enhanced support for Indigenous communities to fund prevention and awareness efforts...

...And to respond to the needs of remote and isolated communities.

With schools and daycares closed, life has become more difficult for families across Ontario.

It's exhausting for parents to find a balance under normal circumstances.

During these exceptional times, they need some extra help.

Today, we are announcing that our government will be providing parents direct financial support to help relieve the burden we know parents are facing as a result of COVID-19.

We will make a one-time payment to families of \$200 for every child 12 and under.

Parents of children with special needs will receive \$250 as part of this \$336 million investment.

I know that this doesn't solve all of the problems — but it will provide parents a measure of relief.

We also know that many parents are on the front lines of the battle with COVID-19.

These moms and dads, who, when called to serve, leave their families to help protect all of us.

And that's why we are providing around the clock child care options for 56,000 of these essential workers, so they have one less worry when they have to go to work.

We are temporarily suspending OSAP loan repayments until September 30.

There will be no new interest during this period.

We are also working with our federal counterparts and labour leaders to find ways to support apprentices who are learning a skilled trade.

And, we are providing \$100 million through Employment Ontario for skills training programs for those whose livelihoods are being impacted by COVID-19.

The Premier has promised Ontario's workers that we will have their backs. And we do.

With all-party support, we recently passed a bill that immediately provides job-protected leave to employees in isolation, or those who need to be away from work to care for children.

We want to thank all members of this Legislature for working together to pass this critical piece of legislation.

I have spoken with business leaders across Ontario, and I am heartened to hear all that they are doing to support their workers.

And as a government, we will support Ontario's businesses.

The most pressing need at the moment for employers is cash flow.

They need to be able to meet their immediate costs in the short term so they can keep the lights on and keep employees on the payroll.

And that's why we're making \$10 billion available to support cash flow for people and businesses.

We are cutting taxes by \$355 million for about 57,000 employers by proposing to raise the Employer Health Tax exemption to \$1 million for 2020....

...This means nearly 90 per cent of Ontario's businesses won't have to pay that tax this year.

We will also provide a five-month interest and penalty-free grace period for businesses to file or pay most provincially administered taxes.

This will keep up to \$6 billion in the economy.

And by the WSIB allowing premiums to be deferred for up to six months, employers will be provided with up-to another \$1.9 billion in relief.

My colleagues and I have been speaking to mayors from across Ontario. They've told us that one step we could take to support them is allowing municipalities to defer paying property tax to school boards.

Doing this would enable them to defer collecting property taxes from residents and business owners.

So that's what we're going to do.

We'll defer payments by 90 days, to enable providing \$1.8 billion in urgent relief to people and businesses, while ensuring school boards still have the funds they expect.

We are also proposing the Regional Opportunities Investment Tax Credit...

...A 10 per cent refundable Corporate Income Tax credit to encourage businesses to invest in regions that see below average economic performance...as soon as they are in a position to do so.

With our Plan, we are proposing \$10 billion in immediate relief to help protect jobs and make life easier for people.

One thing we've heard loud and clear from people who are self-isolating, is the concern over time-of-use metering.

That's why we are setting time-of-use electricity prices for residential, farm and small businesses customers at the lowest rate, known as off-peak price, for 24 hours a day starting on March 24...

...Supporting ratepayers while they use more electricity during the daytime.

Our work to stabilize electricity prices over the long term continues.

We will increase funding for our energy subsidy by \$1.5 billion to \$5.6 billion this year, providing direct relief to every family, small business and farm in Ontario.

And we're going to go a step further for people most in need.

We are also increasing funding for the Low-income Energy Assistance Program by \$9 million for households having difficulty paying their natural gas or electricity bills, and making sure electricity and natural gas services are not disconnected for nonpayment during the COVID-19 emergency.

Premier Ford and I have been in close contact with our federal counterparts.

We want to thank them for their work to protect the health and safety of Canadians, and to support the immediate financial needs of workers.

This isn't a time for partisan politics.

As the Premier has said, right now there is no team blue, team orange, team red, team green...there is only Team Ontario.

We want to thank all members of this Chamber, including the leaders of the NDP, Liberal and Green Party and the independent members, for working with us.

We appreciate their suggestions on how Ontario should respond.

And we are grateful that they worked with us so we could introduce this update during extraordinary times.

Our government is committed to protecting our economy, and our approach will evolve based on how the coming weeks and months unfold.

We were elected with a promise to the people of Ontario that we would be good fiscal managers...

...This means being ready for an emergency.

...That emergency is COVID-19.

While we project a 2019–20 deficit of \$9.2 billion — a \$1.1 billion improvement relative to the last Budget — next year the deficit will be much larger as a result of our response to COVID-19.

Now we project it will be \$20.5 billion for 2020–21.

Our plan includes historic levels of prudence, including a dedicated \$1 billion COVID-19 contingency fund, a standard contingency fund of \$1.3 billion and an unprecedented reserve of \$2.5 billion, the largest in Ontario's history. These funds are available to be deployed as the COVID-19 emergency evolves.

I believe every Member in this Chamber, regardless of Party, got into politics to help people.

And we are confident that every dollar we invest through this action plan that saves a life or saves a job is a dollar well spent.

There are certain moments that define a generation.

COVID-19 is one of those moments.

The closed schools and quiet streets will be remembered.

But eventually, their memory will become more distant.

But I will never forget driving on Harwood Avenue in Ajax the other night around 7:30 pm, hearing cheers from nearby porches and balconies along the street for the front-line health care workers at Ajax-Pickering Hospital.

Long after we defeat COVID-19, the Ontario Spirit, at home in Ajax and across Ontario, will remain.

Our response as a province and a country will shape the next generation's character...

...So, let us ensure we are responsible.

Kind.

Measured.

Determined.

And strong.

From our manufacturers who are pivoting to produce medical supplies...

...To the family that orders take out from their favourite local restaurant to help keep the lights on...

...To the young girl who calls her grandmother every day — every day — while practicing social distancing...

...These stories give me confidence that the principles shared by people across Ontario — no matter where they live, or how they vote — have not and will not be lost during this global pandemic.

By living by these principles, we will weather the challenges ahead. Together.

Thank you.