

2016 Ontario Budget: Highlights for the Tourism Industry

Toronto, Ont. (Feb. 29, 2016)–Ontario Finance Minister Charles Sousa released the *2016 Ontario Budget* on Thursday, Feb. 25. Entitled *Jobs for Today and Tomorrow*, there are many elements of this year’s Budget that directly and indirectly affect Ontario’s tourism industry. The following Budget Highlights for tourism have been organized in keeping with TIAO’s messaging themes for the year–Transportation, Trade and Talent.

Transportation

Outside the GTHA

The Ontario Community Infrastructure Fund (OCIF) is providing small, rural and northern municipalities with access to \$100 million per year to build and repair critical infrastructure and create jobs, and will be expanded to \$300 million per year by 2018-19.

Through the Small Communities Fund, Ontario and the federal government are each providing \$272 million to support projects in communities with populations of less than 100,000.

There are a number of highway projects (both planned and ongoing) in Southwestern, Eastern and Northern Ontario.

The Connecting Links program is providing \$20 million in 2016-17 to help municipalities pay construction and repair costs for municipal roads that connect two ends of a provincial highway through a community, or to a border crossing. Successful applicants will receive funding starting spring 2016.

Ontario has committed up to \$1 billion for strategic transportation infrastructure in the Ring of Fire region.

Inside the GTHA

Ontario is investing \$13.5 billion to implement GO Regional Express Rail (RER), which will quadruple the number of weekly trips from about 1,500 to about 6,000. In 2016-17, planned network wide GO rail service improvements include new trips on the Milton, Richmond Hill and Stouffville corridors, new trips on the Kitchener corridor to and from Brampton, and new trips on weekend days on the Kitchener corridor to/from Brampton, and the Barrie corridor to/from Aurora.

Other Transit Projects

Ontario is investing \$1.4 billion to cover construction costs for the Hurontario LRT, and up to \$1 billion to cover construction costs for the Hamilton LRT.

The province is also continuing to work with regions, communities and other levels of government in addition to private partners to design and select the next generation of infrastructure investments, including daily two-way rail services on the Kitchener and Milton GO corridors and an extension of GO rail service to Niagara and Bowmanville.

With regards to highways, Ontario is investing in number of major projects, including a \$550 million investment in northern infrastructure through the Northern Highways Program.

Trade

Strategic Investment Office

Organized to serve as a singular point of entry for investment attraction services, this new office will allow government to provide more coordinated responses to the various needs of businesses. As part of this initiative, Ontario is also launching an online portal to help firms find specific government programs and initiatives.

Going Global Export Strategy

In order to help Ontario firms (SMEs included) start or expand exporting, Ontario is investing \$30 million over next three years to implement its Going Global Export Strategy. Activities involved include deploying key trade missions, implementing new advisory services and programs for new and existing exporters, outreach to attract foreign buyers, and collaboration with strategic partners.

Red Tape Challenge

To be launched this spring, this initiative in part comprises an online consultation tool designed to identify and eliminate duplication, lessen compliance burdens, shorten response times and make it easier for business to interact with government. The province will work with a number of specific sectors over the coming years (starting with auto parts manufacturing and food processing) to address regulatory challenges and identify economic opportunities.

In connection with this is the creation of a Regulatory Modernization Committee, as well as a Centre of Excellence, which will champion international best practices for regulation processes.



Beverage Alcohol

Ontario will support its growing craft spirits industry by allowing direct delivery to bars and restaurants, and creating an exemption for on-site distillery stores for promotional distribution, as well as introducing charge reductions for those stores.

The sale of cider alongside beer will be introduced in grocery stores. The sale of craft cider will also be permitted at farmers' markets.

Funding for the Ontario Microbrewery Strategy will be extended to provide \$1.4 million over two years in marketing support to complement brewers' successful entry into grocery stores. Currently, 60 grocery store locations are authorized to sell beer, and up to 150 will be authorized by May 1, 2017. Wine sales will also expand to grocery stores—up to 70 stores will be authorized to sell wine and beer together by fall 2016.

In terms of alcohol charges, the LCBO is increasing the ad valorem markup for wine products by 2 percentage points, effective June 2016, to be further increased by two percentage points in April 2017, two percentage points in April 2018 and one percentage point in April 2019. Ontario will change the minimum price for wine to be consistent with spirits and beer.

Supporting the Sharing Economy

In addition to its recently-announced pilot project with Airbnb, Ontario will launch more targeted consultations in the coming months to help determine the best approach for Ontario to enable home-sharing services and allow greater flexibility for ride-sharing.

Talent

Workplace Safety Insurance Premiums

Legislation passed in 2012 requiring WSIB to eliminate unfunded liability by 2027, with interim funding targets in 2017 and 2022. Progress made to date has resulted in no increases to employer premiums for three years; if progress continues, Ontario is poised to become one of the most competitive provinces in terms of workplace insurance costs.

Implementation of Renewed Ontario Youth Jobs Strategy

In 2015, the provincial government committed to renewing the Ontario Youth Jobs Strategy by investing an additional \$250 million over two years to provide employment and skills development opportunities for up to 150,000 youth. As part of the renewed strategy, the Youth

Job Connection was launched in October, reflecting an investment of more than \$160 million over two years to provide support and training to more than 27,000 young people experiencing barriers to employment.

Attracting Skilled Newcomers

The Ontario Immigrant Nominee Program can now nominate up to 5,200 highly skilled newcomers for permanent residence annually (2,700 more than 2014). There are two new categories through which to attract economic immigrants: Human Capital Priorities and French-Speaking Skilled Workers.

Ontario invested \$26.4 million in 2015-16 in Ontario Bridge Training programs, which help highly skilled newcomers integrate into the labour market. The province has also put forward a renewed investment of \$5 million in the Ontario Bridging Participant Assistance Program.

Total Expense Breakdown by Ministry

The Ministry of Tourism, Culture and Sport's budget for 2016-17 was reduced by approximately \$10 million. This will result in program funding cuts across all three portfolio sections—tourism, culture and sport. The Ministry will follow up with additional details in the coming weeks.

TABLE 3.22 Total Expense (\$ Millions)

Ministry Expense	2013-14	Actual 2014-15	Interim 2015-16	Plan 2016-17
Aboriginal Affairs ¹	63	67	74.8	77.0
Agriculture, Food and Rural Affairs ¹	800	805	943.2	915.9
Attorney General	1,812	1,782	1,816.5	1,867.8
Board of Internal Economy ²	199	264	220.1	219.9
Children and Youth Services	3,973	4,112	4,257.6	4,346.1
Citizenship, Immigration and International Trade	152	157	169.4	220.8
Community and Social Services	9,977	10,551	11,304.6	11,467.5
Community Safety and Correctional Services ¹	2,380	2,524	2,537.5	2,649.5
Economic Development, Employment and Infrastructure / Research and Innovation ¹	992	1,076	1,195.4	1,177.0
Education ¹	23,645	24,630	24,801.4	25,635.8
Energy ¹	311	326	329.9	322.1
Environment and Climate Change ¹	480	486	502.6	531.4
Executive Offices	30	43	36.7	44.0
Finance ¹	907	951	960.6	963.1
Francophone Affairs, Office of	5	5	8.4	5.7
Government and Consumer Services	594	573	610.0	607.6
Health and Long-Term Care	48,933	50,039	50,785.4	51,785.2
Labour	303	305	307.5	309.5
Municipal Affairs and Housing ¹	845	889	916.9	900.0
Natural Resources and Forestry ¹	720	714	710.6	750.6
Northern Development and Mines	719	804	740.8	790.7
Tourism, Culture and Sport ¹	1,337	1,246	1,262.3	1,250.8
Training, Colleges and Universities	7,599	7,684	7,782.1	7,876.8
Transportation ¹	2,823	2,944	3,365.5	3,850.9
Treasury Board Secretariat ¹	222	227	220.5	316.9
Interest on Debt ³	10,572	10,635	11,200.0	11,756.0
Other Expense ¹	5,972	5,022	5,022.8	4,056.8
Year-End Savings ⁴	-	-	-	(800.0)
Total Expense	126,364	128,860	132,083.2	133,895.4

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To view the 2016 Budget Press Release, visit:

https://news.ontario.ca/mof/en/2016/02/ontarios-investments-creating-jobs-for-today-and-tomorrow.html?_ga=1.15406832.75371251.1453217943

To view the complete 2016 Budget, visit:

<http://www.fin.gov.on.ca/en/budget/ontariobudgets/2016/>

About TIAO

The Tourism Industry Association of Ontario (TIAO) is recognized as the umbrella organization for leading associations, destination marketing organizations, regional tourism organizations, educators and businesses serving Ontario's diverse tourism industry. Collectively representing 150,000 businesses and 359,000 employees dedicated to operating and promoting the province's powerful tourism infrastructure, TIAO provides a strong, unified voice for the sector and advocates the importance of tourism to all levels of government in order to help the industry grow and prosper.

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