

Provincial Budget Update March 24, 2010

The Hon. Minister of Finance, Dwight Duncan today delivered the Liberal government's 2010 budget, *Open Ontario – Ontario's Plan for Jobs and Growth*. The full budget paper is on the Ministry of Finance website at: <http://www.fin.gov.on.ca/en/>

Fiscal Outlook & Deficit Reduction

- The 2009-10 deficit is \$21.3 billion down from \$24.7 billion.
- 2010-11 deficit projection is \$19.7 billion.
- The goal is to cut the deficit in half in 5 years and eliminate it in 8 years through various fiscal measures.
- Projected real GDP growth in 2010 is 2.7%.

Tourism

- The government will continue to build on the long term strategy in the Ontario Tourism Competitiveness Study's report *Discovering Ontario* released in 2009 to strengthen tourism competitiveness.
- The government has worked with the GTHA, Tourism Toronto and other industry partners to move forward several of the report's recommendations including 13 new tourism regions and transitional funding of \$25 million over the next 2 years, in addition to the \$40 million in ongoing funding.
- Legislation was introduced in November 2009 providing for the collection of a regional tourism levy on a date to be proclaimed that would authorize the revenue collected in a tourism region to be paid out to the region's tourism organization.
- Pan Am Games:
Ontario's successful bid for the Pan Am Games to be held in the Toronto area in 2015 are expected to attract 10,000 participants and more than 250,000 visitors from 42 countries and will lead to an investment of more than \$700 million in new infrastructure in upgraded sports and recreation facilities.
Hosting of the games will accelerate the redevelopment of Toronto's waterfront and facilitate the Union-Pearson Airport link through further GoTrain expansion to improve mobility.

Labour

- Increasing the number of employment standards officers to expand protection for Ontario's vulnerable workers.

Tax Plan

- Continuation of the 2009 Ontario budget measures to replace the RST with the HST starting July 1, 2010.
- Reducing corporate income taxes for large and small business beginning July 1, 2010.

Business

- Support to the financial services sector to stimulate future business growth for Toronto which is home to 5 of the 13 largest banks in North America and the third largest financial centre in North America.
- Enhancements to tax credits for creative industries such as film and television that has had exceptional growth of 40% in 2009.

Borders

- Investments in Ontario's borders to ensure effective operation in partnership with the federal government's recent budget commitment to invest \$87 million to promote border efficiency and expand trusted traveller programs for ease of access.

Jobs & Training

- Ontario's minimum wage will rise to \$10.25 per hour on March 31, 2010 following through on a commitment by the government.

Infrastructure

- Completion of the second year of infrastructure investments that began in 2009 to move forward in 2010-11 for roads, bridges, and other infrastructure.

Other Areas of Note

- Recent government restraint measures include a 26% decrease in Ontario Public Service travel costs.

The GTHA will continue to review the budget and its implications for the hotel and tourism industry. For more information, please contact Terry Mundell, President & CEO, at 416-351-1276.