

**Provincial Budget Update
March 29, 2011**

The Hon. Minister of Finance, Dwight Duncan today delivered the Liberal government's 2011 budget, *Turning the Corner to a Better Tomorrow*. The budget focus is to continue to eliminate the deficit and support economic recovery. The full budget paper is on the GTHA website at: www.gtha.com

Fiscal Outlook & Deficit Reduction

- Deficit projection is \$16.7 billion for 2010-11, \$3 billion lower than projected last year
- Deficit is projected to be \$16.3 billion in 2011-12; \$13.3 billion in 2013-14 with a return to a balanced budget by 2017-18
- Real GDP is projected to increase by 2.4% in 2011, 2.7% in 2012 -13 and 2.6 % in 2014
- Continued US economic recovery is expected with real GDP growth at 3.1% for 2011, 3.3% for 2012, up from 2.8% in 2010
- Oil prices will continue to be high due to increased demand in the global economic recovery
- Canadian dollar is expected to remain close to parity over the next 4 years

Tourism

- The government will continue to build on the long term tourism strategy in the Ontario Tourism Competitiveness Study's report to support the province's 13 new tourism regions with \$40 million in ongoing annual funding
- Transitional funding of \$25 million in 2010-11 and 2011-12, with additional transitional funding of \$18.75 million in 2012-13
- An additional \$6.5 million in ongoing funding in 2011-12 to support Ontario's festivals and events through Celebrate Ontario

Infrastructure

- \$12.8 billion in 2011-12 for public infrastructure investment in addition to the \$26 billion in 2009-10 and 2010-11
- Work to continue on Union Station revitalization scheduled for completion in 2015
- Highway investments; Detroit/Windsor gateway - Windsor-Essex parkway completed in summer of 2011
- Continued redevelopment of highway service centres on 400/401 highways to showcase hospitality and attractions

Labour

- Proposed amendments to the Occupational Health & Safety Act and the WSIB will continue to move forward in response to recommendations by the Expert Panel

Training

- Additional funding to create 60,000 spaces for post-secondary students by 2015-16
- \$44 million over 3 years for literacy and basic skills programs

Tax

- No cuts to HST or corporate business taxes

Other Areas of Note

- Major agencies instructed to deliver savings of \$200 million by 2013-14 including the Liquor Control Board of Ontario
- Reforms to reduce size of public service by 1,500 positions for 2012-2014 in addition to 3,400 positions announced in 2009 budget by 2012

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.