

**FINAL
REMARKS FOR THE HON. DWIGHT DUNCAN
MINISTER OF FINANCE
ST. CATHARINES-THOROLD CHAMBER OF COMMERCE
THURSDAY, APRIL 3, 2008**

Thank you for the introduction.

It's good to be in St. Catharines.

On March 25th, I presented the 2008-09 Ontario Budget to the
Legislature.

The Economy: Resilience and Continued Growth

In 2007, stronger-than-expected economic growth of 2.1 percent
occurred despite a more challenging external environment.

This year's surplus is projected to be \$600 million.

This is our third consecutive balanced Budget.

Since we took office, real gross domestic product (GDP) has grown by 10
per cent and the economy has created more than 456,000 net new jobs.

The economy is growing, more people are working, real income is up and
unemployment is down.

Yet, we know that certain sectors, some communities and too many
families are not sharing in Ontario's prosperity.

A slowing U.S. economy, rising oil prices and a higher-than-anticipated
Canadian dollar are reducing growth forecasts and creating greater
uncertainty here in Ontario.

With an uncertain economic outlook, it is important that the Budget maintains our record of prudent fiscal planning and careful management.

We have developed a five-point plan that will steer Ontario through these challenging times.

The plan makes investments in the skills and education of our people, accelerates our investments in infrastructure, supports innovation, lowers business costs and strengthens key partnerships to maximize our future potential.

On March 25th, I outlined the steps we are taking to move that plan forward.

Investing in Skills and People

We are investing in the skills and education of our people so that everyone has real opportunity for success.

We are already getting great results. Today, over 90,000 more young people are going on to college or university than five years ago. Over 10,000 more young people are graduating from high school every year.

Ontario has a higher percentage of people with a postsecondary education than any western nation.

But there is more to do.

The centrepiece of the Budget is the investment of \$1.5 billion in our Skills to Job Action Plan.

This plan will train unemployed workers for new careers, expand apprenticeships, build more spaces in colleges and universities, and help students with education costs.

Some 20,000 unemployed workers will get long-term training that launches them into new, well-paying careers through our \$355 million Second Career Strategy.

Our government will also expand apprenticeship programs, targeting 32,500 new registrants a year — a 25 per cent increase.

Most importantly, our people will be training in areas where growing industries are experiencing a shortage of workers.

This fall, we will also provide a Textbook and Technology Grant for every full-time college and university student in the province.

Finally we will help build new and improved postsecondary and skills-training classrooms and facilities through \$970 million in capital funding.

Skills are but one component of our investments in people.

Access to Health Care

Our health care system is one of our key competitive advantages — it helps make the province an attractive place for business to invest and create jobs.

Our government is building on the success of the last four years by continuing to invest in and improve public health care.

This year we will invest more than \$40 billion in health care.

We are committed to improving access to health care.

We are adding 50 more Family Health Teams — particularly in rural and under serviced communities.

We will expand nurse practitioner-led clinics by providing \$38 million over the next three years.

To help improve the quality of long-term care, we will invest an additional \$107 million to hire 2,500 more personal support workers.

We are investing \$190 million in new funding as part of our strategy for the early identification of chronic diseases – starting with diabetes. You should also note that for the first time, the cost of PSA testing will be covered.

You should also know that in Grimsby, the McNally House Hospice will see a \$1 million investment to support the residents of Grimsby and the surrounding area.

Improving Education

The McGuinty government will continue to make record investments in the education of our people.

Continued prosperity in a competitive global economy depends on a well-educated workforce. By making investments in our schools we have built a strong foundation for student achievement.

In the 2008–09 school year, Grants for Student Needs funding, the cornerstone of education funding, will rise to \$18.8 billion across Ontario - \$349 million here in the Niagara region.

Our government is now investing \$9,821 per student — up 24 per cent from 2003–04.

Since then, we've hired 9,000 additional teachers to ensure our kids are doing better at school.

Our investments and the hard work of teachers and students have resulted in remarkable progress: higher test scores, more students graduating, and more going on to college, university or apprenticeships than ever before.

Seniors

Ontario's seniors have contributed much to our province's success.

We are proposing a property tax grant to help low- and moderate-income senior homeowners pay their property taxes and stay in their homes.

In early 2009, the Province would provide about 550,000 senior homeowners with grants of up to \$250. The grants would rise to a maximum of \$500 in 2010.

Over five years, this would amount to \$1 billion in savings for Ontario seniors.

Accelerating Infrastructure

The McGuinty government is already making the largest investments in Ontario's infrastructure in a generation — and we plan to do more.

Our government has modernized schools, social housing, hospitals, roads, bridges, public transit, community facilities and water systems.

This has translated into thousands of jobs — and a more productive, competitive and green economy.

The budget includes an additional \$1.0 billion to invest in municipalities, including roads and bridges:

- \$2.3 million for the Niagara Region
 - \$1.9 million for St. Catharines
 - \$1.5 million for Niagara Falls
 - \$3.1 million for social housing improvements in Niagara Falls

Our Municipal Infrastructure Initiatives include:

- \$4.5 million for the Aquatics Centre in St. Catharines
- \$2.7 million for the Niagara Region Environmental Centre Green Retrofits Project
- \$1.6 million for Garrison Road in Fort Erie

We are also making progress on commitments included in the ReNew Ontario plan, with overall investments of \$927 million in 2008-2009 in the Southern Ontario Highways Program.

Supporting Innovation

To compete in the global economy, we need to foster Ontarians' creativity and innovation.

This year, I didn't wear new shoes to deliver the Budget.

Instead, I bought a new blackberry, to symbolize the government's commitment to groundbreaking Ontario innovators.

The Budget includes nearly \$300 million for new innovation initiatives.

I am particularly excited about our new 10-year corporate income tax exemption for burgeoning new companies that commercialize research from Canadian universities or colleges, or research institutes.

It's the first exemption of its kind in Canada.

I am also proud of the support for the Vineland Research and Innovation Centre with \$12.5 million in 2007-08, which builds on the support provided in 2006-07 – in total, our government has provided \$25 million to the Centre.

Lowering Business Costs

Back in the fall, we introduced a package of business tax relief worth \$1.1 billion over three years.

In last week's Budget I outlined a plan to provide a further retroactive Capital Tax cut for manufacturers and resource firms. This would entitle them to \$190 million in rebates to help them invest and grow.

We are also enhancing capital cost allowances, providing firms with \$433 million to invest in new machinery and equipment.

Our total package in this Budget will provide \$750 million in tax relief to Ontario businesses.

We are also modernizing business and financial regulations and streamlining approval processes — to help reduce red tape for hard-working Ontario businesspeople.

This initiative will begin with an aggressive cap-and-trade initiative — when new regulations are introduced, others will be eliminated.

Ontario's tourism sector, which is so important to this region, has been resilient and tourism employment continues to grow.

To help encourage further growth, the government is investing over \$110 million to strengthen and expand tourism in Ontario.

Strengthening our Partnerships

Partnerships for progress are essential to Ontario's social and economic development.

Buy Ontario is about more than being sure we purchase our fruits and vegetables from Ontario farmers — it is about recognizing the importance of the agri-food sector to our future prosperity.

The groundbreaking risk management program established this year, coupled with the \$1.1 billion we will spend in the coming year, will help ensure that farmers can count on their provincial government.

As we move forward, we want to build new partnerships.

Since 2003, we have worked very hard to establish a real partnership with Ontario's municipalities.

We have more than doubled operating assistance to our municipal partners and have started to upload the Ontario Drug Benefit program and the Ontario Disability Support Program which will save municipalities some \$900 million annually by 2011.

Partnerships are never easy. They involve hard work and compromise but deliver real rewards.

Ontarians expect the federal government to be a full partner in responding to today's challenges and building tomorrow's prosperity.

We have a plan to deal with the challenges currently facing Ontario. But we could get better results, faster, in partnership with the federal government.

We are moving forward with help for our unemployed workers, but we need a federal partner to ensure Ontario workers will get their fair share of Employment Insurance benefits during this time of transition.

Average benefits for an unemployed Ontarian are over \$4,000 less than in other provinces.

We are moving forward with better health care, but we need a federal partner to provide Ontarians with equal per-capita health care funding this year, and not wait until 2014.

We are moving forward with infrastructure but we need a federal partner to provide Ontario communities with an equitable share of funding.

We need a federal partner that will come to the table for our manufacturing sector the same way it does for other sectors in other parts of the country.

Ontarians are proud Canadians and we're not looking for a special deal, we're looking for the same deal.

We want a strong Ontario because a strong Ontario means a strong Canada.

Conclusion

The McGuinty government has made great progress.

We've built a strong foundation for this province.

We have a pragmatic and balanced approach to the Province's finances.

By investing in health care and education, we ensure that the most important government services are strong.

Our skills and postsecondary investments will ensure we have the workforce to succeed.

Our investment in infrastructure will help keep Ontario business moving.

Our innovation initiatives ensure that Ontario will be at the cutting edge of new technology.

And finally, our investments in reducing the cost of doing business will help make it easier to grow and innovate in this province

The resilience of Ontario's economy will continue into the future because of the ingenuity, perseverance and compassion of people like you.

Thank you.