

General Comments on the 2018 Ontario Budget

Toronto, ON – On Wednesday, March 28, the Ontario Association of Architects' (OAA's) Senior Policy Analyst Liam O'Brien attended the Queen's Park Stakeholder Budget Lock-up. This event allows the Provincial Government to give specific stakeholders an opportunity to review the budget prior to its public release, which coincides with the Finance Minister's budget speech.

Liam filed this summary report on specific items in the released budget affecting architecture in the province under the guise of the OAA's roles and responsibilities to regulate the practice of architecture in the public interest.

A balanced budget is reported for the current budget year with a surplus of \$600 million. For those who may be less familiar with provincial economics, this does not mean Ontario has cleared its debt. Ontario's net debt for this budget year is projected to be \$308.2 billion as of March 31, 2018—this is up from the net debt level on March 31, 2017, which stood at \$301.6 billion. Deficits of \$6.0 billion, \$5.9 billion and \$5.8 billion are projected for the fiscal years 2018–2019 through 2020–21.

As with several previous budgets, many of the key announcements in the 2018 Ontario budget had previously been introduced or discussed in the recent speech from the throne. Its title, "*A Plan for Care and Opportunity*," focuses on commitments to increased investment in hospitals, child care, seniors' care and mental health.

Budget Priority Areas

Hospitals

The budget document repeatedly mentions the government has invested (through several previous budgets) approximately \$19 billion over 10 years to build and renovate hospitals, including up to \$2.4 billion for the design and construction of SickKids' new Patient Care Centre and up to \$1.8 billion for the design and construction of the Ottawa Hospital's Civic Campus redevelopment. Included in that \$19 billion total is an additional \$822 million in funding for hospitals newly dedicated in the 2018 budget.

Child Care

In this Budget, the government is making an additional investment of just over \$2.2 billion over three years to increase child care access and affordability. This includes \$534 million over the next six years to build 10,000 preschool child care spaces in schools and 4,000 community-based spaces. The other spaces appear to be "created" through funding licensed child care facilities.

Seniors

The budget includes the elimination of the Ontario Drug Benefit annual deductible and co-pay so that Ontarians aged 65 and older will not pay anything up front for their prescriptions. The budget also restated earlier government commitments to 30,000–35,000 new long-term care beds over the next 10 years and a new "Seniors Healthy Home Program." The Healthy Homes program provides a benefit of up

to \$750 annually for eligible households led by seniors 75 and over to help them live independently and offset the costs of maintaining their homes.

Mental Health

Budget 2018 provides an additional \$2.1 billion over the next four years to fund enhancements in mental health services. These includes mental health support for every high school in Ontario, increasing access to publicly funded psychotherapy, 2,475 additional supportive housing units, 15 additional “youth wellness hubs,” and establishing a local service priority fund to support LGBTQI2S, racialized, francophone, newcomer and rural young people.

Infrastructure Funding Analysis

The projected spending on infrastructure is up from previous years. OAA analyses of the 2016 and 2017 budgets noted an imbalance between spending on civil infrastructure (the oft-cited “roads, bridges, and transit”) versus investment in the rest of the built environment.

The gap in spending between civil infrastructure and the rest of our built environment remains significant, although it has not grown in the 2018 budget. In the 2015 budget, 47.2 per cent of spending was dedicated toward transportation-related infrastructure. In the 2016 and 2017 budgets, that figure had grown to 51.2 and 52 per cent, respectively. The 2018 Budget now dedicates 51.6 per cent of all infrastructure spending toward civil/transportation infrastructure.

Transportation is a critical aspect of the Province of Ontario’s long-term plans, and smart transportation linking our buildings and communities is of critical importance. However, the government must also focus more time, attention and funds on renovating and retrofitting our existing building stock, providing critical housing and facilities for Ontarians and creating environmentally friendly and innovative buildings for tomorrow

Previous Program Updates

The 2018 budget document also includes updates on previously announced government initiatives including the Fair Housing Plan (non-resident speculation tax, rent control expansion, vacant lot taxing) and Barrier-Free Ontario (implementation of the 2005 *Accessibility for Ontarians with Disabilities Act [AODA]*), as well as previous cultural and recreation infrastructure projects. While there are few metrics to report, these programs are described generally as on-track.

Cultural/Recreation infrastructure project updates were provided for several projects, including Variety Village, Shaw Festival, Lincoln Museum and Cultural Centre, Museum of Contemporary Art (MOCA), Ancaster Arts Centre, Elliot Lake Community Hub, Blackburn Arena Expansion and Massey Hall.

2018 Budget Specifics (with comments, where applicable)

Schools

In 2018, the Provincial Government is investing an additional \$784 million in new builds, additions and upgrades to 79 schools. This is part of a total of \$16 billion in grants for new and improved schools over 10 years (mostly previously announced).

Retrofits

The Province is also committing \$547 million over five years for repairs and retrofits aimed at supporting the energy efficiency, living standards and climate change sustainability of social housing buildings.

Fair Hydro Plan

In last year's analysis, the OAA reported on the government's plan to reduce electricity rates by 25 per cent.

From the 2018 budget document:

"As of July 1, 2017, Ontario has lowered electricity bills by 25 per cent on average for residential customers. Up to half a million eligible small businesses and farms are also receiving a benefit. Rate increases over four years will be held to the rate of inflation. While rates will rise gradually over time, the government remains committed to avoiding sharp increases."

Supporting Community Hubs

The OAA has been an active supporter of maintaining and creating new community hubs throughout Ontario. As with recent previous budgets, there was no major commitment of funds to community hubs, but the 2018 budget did include this update:

"To assist those working to develop community hubs, the Province has launched CommunityHubsOntario.ca, an online space where people interested in planning, building, or operating a community hub can access resources and engage with others working on similar initiatives across Ontario. In addition, the government is moving forward with the Surplus Property Transition Initiative (SPTI), and is offering facilitation services needed to develop community hubs. The SPTI aims to support the transition of a number of publicly owned properties that are no longer in use to be redeveloped as community hubs."

Making Postsecondary Education More Affordable

As with the 2016 and 2017 budgets, the government recommitted to transforming the Ontario Student Assistance Program (OSAP) to "make postsecondary education more accessible and affordable for Ontario students and their families, including mature students." The implementation of previously announced changes has meant increases in OSAP awards to sole-support parents as well as Indigenous, low-income and mature students.

Housing Affordability

In addition to the previously mentioned Fair Housing Plan and the retrofits to social housing units, the government is investing \$3 million to establish a Cooperative Housing Development Fund and \$5.8 million for Habitat for Humanity to establish a build factory in Burlington.

Land Use Planning Reforms

Last year's budget included a segment on "additional reforms" to the land use planning system to make it "more efficient, more transparent and easier to build needed housing." This segment is not present in the 2018 budget document. Since 2013, the OAA has urged the government to improve the Site Plan Approval (SPA) process in Ontario and has held meetings with various municipal and provincial officials,

including the Ministers of Economic Development and Growth, Municipal Affairs and Housing, and the Environment. The OAA has submitted this as a formal recommendation on repeated occasions, including through the recent Red Tape Challenge and Open for Business initiative.

Closing Comments

The above represents an initial commentary on the budget immediately following its release.