

Comparison of the 2009-10 Provincial Budget to CGA Ontario Pre-Budget Recommendations:

CGA Ontario recommended simplification of the tax system, including the development of a value-added tax with a harmonized base with GST (either as a harmonized sales tax administered by the federal government, or a stand-alone tax administered by the Ontario government, similar to the Quebec Sales Tax) – the government announced that it would create a single sales tax (to be administered by the federal government) effective July 1, 2010. The tax base is harmonized, for the most part, but certain exemptions remain.

CGA Ontario recommended an easing of the regulatory burden on businesses – the government made no specific announcements apart from the creation of the new sales tax system.

CGA Ontario recommended that the government partner with the private sector, the federal government and academia to enhance the knowledge-based economy – the government announced investments of \$700M to promote research information and communication technology, biomedical research, health and life sciences, green technologies and other areas of innovation.

CGA Ontario recommended additional investment in skills training – the government announced that it is spending \$700M in skills training, primarily in literacy programs, apprenticeship tax credits and co-op education tax credits.

CGA Ontario recommended collaborating with the federal government to attract foreign-trained professionals to simplify the accreditation process before arriving in Canada (or soon upon arrival), and to accelerate their integration into the local economy – the government announced \$94M in spending to support new Canadians with bridge training and mentoring.

CGA Ontario recommended modest deficits with spending going towards urban infrastructure and transportation – the government announced a deficit of \$14.1B for the upcoming fiscal year, and combined deficits of more than \$56B over the next few years. While this amount is higher than we would have liked to see, it reflects a worsening of the Ontario economy over the past few months. We are pleased to see that the government is focusing its investments in priority infrastructure areas, e.g. transportation and municipal infrastructure.

CGA Ontario recommended that the government establish a timeframe for returning to balanced budgets, and a plan to repay the added accumulated deficits – the government announced a return to balanced budgets by 2015-16, but made no commitment to pay down the total debt.