

BULLETIN: Government of Ontario Releases 2020 Budget

Yesterday, the Government of Ontario rolled out its latest budget titled "Ontario's Action Plan: Protect, Support, Recover."

The document primarily focuses on those groups most impacted by COVID-19, investing in supporting health care, investing in critical infrastructure, and fuelling Ontario's economic recovery. You can read the full version of the budget document here: <https://budget.ontario.ca/2020/pdf/2020-ontario-budget-en.pdf>

The OGCA would like to highlight the following key areas of the budget that will impact OGCA members in Ontario:

Investment in Infrastructure

A vital element of the Government's plan is investing in infrastructure, including strategic investments in ICI construction in schools, hospitals and transit-aligned projects. Over the next 10 years, planned investments total \$142.9 billion, including \$13.6 billion in 2020–21. Important investments include:

- strategic investments in transportation infrastructure totalling more than \$86 billion over 10 years
- \$1 billion in federal and provincial funding under the newly established COVID-19 Resilience stream to support health and safety through the accelerated delivery of priority municipal infrastructure projects as well as investments to retrofit schools and long-term care homes
- Health Infrastructure Renewal Fund, the Government is investing \$175 million this year to support 129 hospitals across the Province. Examples of health facility projects can be found [here](#).
- \$18 billion in capital grants over 10 years to build new and expanded hospital infrastructure and address urgent upgrades, including repairs and maintenance to help modernize hospitals across the Province
- \$500 million to build 30 new schools and make permanent additions to 15 existing facilities, supporting over 25,000 student spaces

Ontario's Infrastructure Spending Outlook (\$ Millions)

	2020-21	2021-22	2022-23	10-Year Total
Transit	4,799	5,457	5,844	62,708
Provincial Highways	2,587	2,561	2,764	22,017
Hospitals	2,064	2,573	2,557	27,229
Education	2,392	2,567	2,388	20,073
Postsecondary Education	634	629	486	4,225
Social	168	232	192	2,351
Justice	615	822	850	4,348
Total*	15,767	17,571	18,007	162,679

Source: 2020 Ontario Budget. Total includes several smaller sector categories excluded from this table; Total also includes third-party investments primarily in hospitals, colleges and schools.

COVID-19 Supports for General Contractors

There are several announcements in the budget that will impact general contractors, employers, and skilled trades workers. Investments of note include:

- Making the Employer Health Tax (EHT) exemption increase from \$490,000 to \$1 million permanent.
- Providing a six-month interest- and penalty-free period to make payments for most provincially administered taxes, providing \$7.5 billion in relief to help 100,000 Ontario businesses
- \$100 million in funding for 2020–21 through Employment Ontario for skills training programs for workers most affected by COVID-19.

As part of the Government's plan to improve businesses' cash flow, the 2020 Budget included the previously announced six-month deferral of WSIB premium payments, providing up to \$1.9 billion in financial relief to employers. While businesses may choose to make deferred premium payments at any point, repayment will begin January 2021.

All businesses that chose to participate in the financial relief package will have until June 30, 2021 to repay deferred amounts, interest-free. Deferred amount payments can be made in one or multiple installments between January and June 30, 2021. More information can be found here: <https://www.wsib.ca/en/financialrelief>

Ontario Skilled Trades Strategy

The Skilled Trades Strategy will modernize Ontario's skilled trades and apprenticeship system through three key pillars: breaking the stigma, simplifying the system and encouraging employer participation.

The Province is making an effort to increase employer participation in sponsoring and hiring trained apprentices by:

- Establishing a new Skills Development Fund which will provide \$30 million over two years beginning in 2020-21
- Investing \$21 million in 2020-21 to support a new Achievement Incentive Grant for employers
- Supporting business participation by investing \$20 million in 2020-21 for a new Group Sponsorship Grant to encourage small to medium-sized employers to provide full-scope training
- Working with industry on workforce planning for major infrastructure projects

The Province is also planning to invest an additional \$180.5 million to help people retrain and upgrade their skills over three years in micro-credentials, employment services and training programs, including apprenticeships.

For more information on the 2020 Ontario Budget, visit <https://budget.ontario.ca/2020/index.html> or contact Erich Schmidt, Government and Stakeholder Relations Associate at erich@ogca.ca.