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NDP turns down budget, Ontario heading to the polls

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Ontarians will be heading to the election polls this June after the recently tabled budget did not receive support from opposition parties.

New Democratic Party leader Andrea Horwath announced she has lost confidence in Premier Kathleen Wynne and the minority Liberal government and will vote against the budget tabled on May 1.

"I cannot in good conscience support a government that people don't trust anymore," said Horwath.

"This budget is not a solid plan for the future. It's a mad dash to escape the scandals by promising the moon and the stars."

Progressive Conservative leader Tim Hudak had already said he would vote against the budget before it was tabled.

Ontario General Contractors Association (OGCA) director of government relations David Frame said he expected such an outcome.

"It's reflected in the budget. It's a very political document and diving into it, the numbers aren't always there to support the commitments that were made," he said.

The OGCA said the government did not allocate new infrastructure funds, despite previous announcements of a 10-year, \$29-billion commitment to transit projects. It says the 2013 commitment of over \$13 billion in infrastructure investments cut spending to \$10.814 billion in 2013. The Ministry of Finance said there were delays in awarding contracts and those commitments were carried over to the 2014 fiscal year. Though, the OGCA noted the new infrastructure commitment for 2014 of \$12.8 billion is a seven per cent reduction over 2013, indicating the allocation of new money is reduced to approximately \$10.17 billion and signals a three-year trend in reduced financial commitment to infrastructure.

"Unfortunately, when you look behind the scene at the numbers, the numbers aren't there. They're making 10-year commitments for instance to transit projects....when you look at the budget, you see that really they're taking money out of other projects and putting it into transit. The infrastructure spending is down this year from last year," said Frame.

"They've positioned it to look like there's more commitment when in fact you look at the numbers, there's a smaller commitment."

The government says funding the various infrastructure projects will not require tax increases on low to middle-income individuals. It will, however, raise the tax rate on high income earners making \$150,000 or more annually.

Other revenue tools to fund transportation infrastructure include, the existing gas tax and new fees for high-occupancy toll lanes.

Andy Manahan, executive director of the **Residential and Civil Construction Alliance of Ontario (RCCAO)**, said an election will focus on how parties commit to infrastructure and how they will fund it.

“All parties view infrastructure as a high priority, they just have set different priorities as to what they should do,” said Manahan.

He added that Hudak has said he would kill the Hamilton LRT to build the Mid-Peninsula Highway.

“No matter what happens, I think infrastructure in one form or another will continue on because it is so important to the economy.”

The budget committed up to \$1 billion towards infrastructure development in the Ring of Fire area, contingent on matching funds by the federal government.

The budget also earmarked \$11.4 billion over the next decade for major hospital and redevelopment projects, in addition to \$700 million to tackle deferred maintenance in hospitals.

Infrastructure for elementary and secondary school education is also set to receive \$11 billion over the next 10 years, as well as \$500 million over 10 years toward critical maintenance and repairs for post-secondary facilities.

“I think the three parties understand that core infrastructure supports economic growth, not only in terms of the jobs it creates immediately to build roads and all the other infrastructure, but this is what gets people to work and goods to market,” said Council of Ontario Construction Associations president Ian Cunningham.

The budget forecasted the deficit to jump to \$12.5 billion in 2014-15 and then falling to \$8.9 billion in 2015-16. The government said it still plans to balance the books by 2017-18.

“It’s obviously an election budget designed to appeal to a broad range of interests. It’s more of an NDP-style budget with big spending and big deficits,” added Cunningham.

The government also said it will remain committed to deliver more infrastructure projects through the Alternative Financing and Procurement (AFP) model. This model will be enhanced with the use of apprentices on infrastructure projects, such as the Eglinton Crosstown LRT.

“By requiring contractors to maximize the use of registered apprentices, young workers will have more opportunities to gain the skills required to successfully complete their training and enhance the competitiveness of the Ontario economy — this is especially important during a time of high youth unemployment,” said Ontario Construction Secretariat CEO Sean Strickland in a statement.

The budget also introduced a 10-year Economic Plan which aims to create jobs in the province. It includes the Jobs and Prosperity Fund, a 10-year, \$2.5-billion investment, which will give grants to companies to do business in Ontario.

Young Ontarians can also expect to get assistance obtaining employment through the \$295-million Ontario Youth Jobs Strategy.