

**Minister Sousa releases Fall Economic Statement
Despite lower revenue, government on track to meet fiscal targets**

November 17, 2014

This afternoon, Finance Minister Charles Sousa delivered the Ontario Government's Fall Economic Statement. The speech warned that economic growth will likely be slower than previously expected, and that government revenue is projected to fall \$509 million short of the amount forecast in the 2014 Budget. This shortfall comes despite Ontario employment figures that are stronger than expected and an economic recovery that is taking hold in the U.S.

The gloomy news on revenue overshadowed the positive news that the government is still on track to meet its ambitious cost constraint targets, with the Minister expressing confidence that the government can still meet its target of balancing the budget by 2017-18. However, the Minister also left the door open to implementing "other tools" should revenue continue to fall short of expectations.

Minister Sousa highlighted a number of measures to both build revenue and expenditures:

- Review government programs with saving targets of \$250 million in 2014-15 and \$500 million in the next two subsequent years;
- Managing public sector wages, including control of wages for public-sector senior executives;
- Ensuring businesses pay their fair share of taxes and taking action against the underground economy, such as contraband tobacco; and
- Unlocking the value of provincial assets by finding efficiencies in government agencies such as Hydro One, OPG, and the LCBO.

The Fall Economic Statement reiterated commitments in Budget 2014, including \$130 billion in infrastructure over the next 10 years, the \$2.5 billion Jobs and Prosperity Fund and establishing the Ontario Retirement Pension Plan.

Minister Sousa also addressed the fiscal imbalance between the Ontario and federal government, and in light of this, called on Ottawa to make greater infrastructure investments, such as Ring of Fire infrastructure and public transit.

All in all, there were no major new announcements in the Fall Economic Statement; the focus will now turn to Budget 2015 to see more details on how the government plans to achieve its targets for revenue, expenditures, and program transformation.

You can read the speech and the complete update at
<http://www.fin.gov.on.ca/en/budget/fallstatement/2014/>.