



2008 Provincial Budget Highlights

On March 25, Dwight Duncan, Ontario's Minister of Finance released the details of the 2008 Provincial Budget.

With economic growth of 2.1% in 2007, a provincial surplus of \$600 Million is projected for 2008, and the total budget for 2008 is \$96 Billion.

Ontario's economy created 101,100 net new jobs in 2007, a gain of 1.6%, the largest increase since 2004. The accommodation and food services industry had a net increase of 26,500 new jobs in 2007. The Ministry of Finance is projecting employment to increase by 1% in 2008, and real GDP growth of 1.1%.

The ORHMA was pleased to see a number of its pre-budget recommendations addressed, specifically with regard to investment in tourism, support for the Windsor border crossing, and minimum wage.

Of interest to the hospitality and tourism industry:

Tourism

- \$110 Million in tourism to strengthen and expand tourism in Ontario, including:
- extending the Retail Sales Tax exemption for Destination Marketing Fees by two years to June 30, 2010
- committing \$8 Million over 2 years to conduct research, to be led by MPP Greg Sorbara, to strengthen the competitiveness of Ontario's tourism industry
- \$50 Million over the next 4 years in tourism marketing and the Festival and Events Attraction and Support Program, to support Ontario festivals and events, and promote Ontario as a major tourist destination
- making permanent the Retail Sales Tax exemption on admissions to live theatres of not more than 3,200 seats

Taxation

- accelerating reductions to the Business Education Tax Rate in Northern Ontario to ensure that northern business will benefit from the full BET reduction by 2010, four years earlier than originally announced, saving northern businesses more than \$70 Million
- modernizing business and financial regulations and streamline approval processes to help reduce red tape for businesses
- mandatory phase-in of property assessment increases will be expanded to include all property classes, including commercial, industrial and multi-residential

Job Creation

- \$1.5 Billion over 3 years for a Skills to Jobs Action Plan, including:

- training unemployed workers for new careers and expanding apprenticeships by 25%
- \$335 Million for a Second Career Strategy to provide training for 20,000 unemployed workers

Infrastructure

- a commitment to fully fund its share of the final proposed road link between Highway 401 and the new Windsor border crossing, with construction scheduled to begin in 2009 and concluded by 2013. Further details on the border crossing initiative are expected within weeks.
- \$448 Million in new funding over the next 5 years to accelerate projects to rehabilitate bridges that are part of the provincial highway network
- \$927 Million in 2008-09 in the Southern Ontario Highways Program
- \$557 Million in the Northern Ontario Highways Program

Other

- proposed legislation that would ban processed trans fats from food and beverages sold in school cafeterias and removing unhealthy food and beverages from school vending machines. The legislation would be supported by \$10 Million annually in a childhood obesity strategy to encourage children to eat healthy and be physically active
- a commitment to maintain previously announced increases to minimum wage (and to not accelerate the rate of increases)

The ORHMA is pleased that the government has accepted a number of recommendations submitted by the association. The ORHMA would like to thank all association members and Provincial and Regional Directors for providing advice over the past year which have assisted in the development of the ORHMA 2008 Pre-Budget submission.