

SMG Situation Analysis

Understanding the Post-Recession Fiscal Environment in Canada

Implications for the Sport Sector

January 2010

SUMMARY

- In the years leading up to the recession in 2008 Canada enjoyed an unprecedented run of budget surpluses leading to significant new investments in social and infrastructure programming.
- These investments continued, to a limited extent, through 2009 and into 2010 as a result of the federal government's Economic Action Plan.
- Once the Economic Action Plan has run its course, however, the federal government will be faced with a significant deficit, which some argue is structural.
- In response to this anticipated deficit the federal government has promised not to raise taxes or cut transfers to individual or to the provinces.
- This means, in effect, that the government will be looking to eliminate ~\$19B in deficit through spending restraint and cuts to its core programming budget of ~\$100B a year.
- So what does it mean for the Sport Sector as Canadian government's move from a period of comparative prosperity to one of fiscal scarcity?

- **As a sector, do we:**
 - **Understand the implications of this shift to scarcity and fiscal restraint?**
 - **Have proactive approaches that provide us with a clear path forward?**

- **What are the most effective things that we can do as a sector in this time of fiscal restraint?**

BACKGROUND

Over the past decade Canada has enjoyed a very favorable fiscal position. Emerging out of several years of severe fiscal restraint in the mid-nineties, Canada enjoyed nearly a decade of economic expansion, budget surpluses and increased program spending. This spending will continue through 2010 as the government injects billions of dollars into the economy through the Economic Action Plan to inoculate it against the impact of the global recession that started in late 2008. Once the Economic Action Plan has run its course, however, we can anticipate changes in government spending based on signals from the federal government about their intent to address a significant deficit through spending restraint and cuts.

In 2009, the Federal government released quarterly reports on its Economic Action Plan. The purpose of these updates was to report on the progress of the federal economic stimulus plan, on the state of Canada's economy and to highlight some of the opportunities and challenges that we currently face.

In terms of opportunities, Canada has a comparatively low debt level and ratio of deficit to GDP in comparison with other G8 countries. We are well positioned, over the longer term, to emerge with a comparatively strong economy. At the same time, Canada faces some significant fiscal challenges over the next five to ten years. These challenges will likely have an impact both on the sport sector in Canada and on the social sector more broadly.

This note provides an analysis of the likely impact of the challenges outlined in the fiscal updates; it also looks at the important policy statements relating to these challenges and provides some discussion of the possible implications of these policy statements for the sport sector.

ANALYSIS

There are a number of significant data points in the September and December fiscal updates that are worth highlighting. The first and probably most important data point is that Canada will run a deficit until at least the 2014-2015 budgets. Looking more closely at these predictions, suggests that the deficits may continue well beyond this five-year timeframe. Analysis by TD Bank, for example, suggests that the federal government will run a cumulative deficit of approximately \$167-billion over five years, or almost twice what Ottawa projected in its most recent budget. Rather than a return to surplus, the TD analysis suggests that Canada will have a deficit of \$19.4B in 2013/14.

The return to a balanced budget that is forecast in the Fiscal Update is predicated on an increase in the EI surplus of almost \$20B. This increase in the surplus will be generated by an increase in the EI insurance rate or, put different, on the introduction of a new payroll tax. Consideration should be given as to whether such a tax will pass in the context of a minority parliament.

Further analysis casts more doubt on the return to budget surpluses in the medium term. Although the fiscal situation in Canada is no more dire than in other G7 countries the actual fiscal environment has deteriorated significantly over the past year, turning a projected \$30B deficit into a deficit that is \$50B and growing. It is not inconceivable that our future economic performance will mirror this actual

performance more than it will mirror the comparatively rosy fiscal trends outlined in the updates. The September Fiscal update notes that there is \$100B in variability in the projected five year growth of the Canadian economy, which translates into roughly \$15B of additional variability in the current economic projections.

Taken together, these data points suggest that Canada has entered a time of structural deficits. Certainly, some of this deficit will be retired as the Canadian economy recovers. Even in the best case scenario, however, it seems likely that the federal government, be it Conservative or Liberal, will have a significant structural deficit to address in the near term.

Given this reality, it is important to understand how the Harper government is planning to approach this structural deficit?

POLICY APPROACH

The government has a number of policy tools at its disposal to address the deficit. The September Fiscal Update makes a commitment not to use many of the tools that could be deployed. It promises:

- Not to raise taxes
 - *This means that the Children's Fitness Tax Credit is likely to be protected from any spending restraint initiatives.*
- Not to reduce the growth track for entitlement programs to seniors, children and EI
- Not to reduce the growth track of transfers to provinces (the approach that was taken by the Liberal government in the mid-nineties to address the last structural deficit)
 - *This means that multi-lateral transfers to the provinces are also likely to be protected from any cuts or spending restraint initiatives.*

These statements are echoed in the December update which states that:

Once we are certain recovery has fully taken hold, we will move forward on our plan to return to balanced budgets over the medium term.

Along the way, there are certain things our Government won't do.

- *We won't raise taxes;*
- *We won't put in jeopardy the growth track of major transfers to persons—our seniors, our children, those receiving EI benefits; and*
- *We will not reduce transfers to other levels of government.*

When the time is right, when the economic recovery is clear and entrenched and if it's necessary, we will determine the amount of spending growth restraint required to balance the budget.

As I've said before, if we have to restrain growth in spending, when the time comes we will find that restraint in the remaining \$100 billion of federal program spending that is projected to grow at 3.3 per cent a year.

Given these limitations, the government has committed to the one option that remains - restraint on growth for direct program spending. So what does this mean for the sport sector?

Total federal program spending in 2009-2010 is estimated to be \$235.8B. The main components of this program spending are:

Transfers to other levels of government	\$50.0B
Transfers to persons (elderly, children, EI)	\$54.3B
Public Debt Charges	\$31.9B
Payments to Crown Corporations	\$5.2B
Operating and Capital	\$59.7B
Other Transfer Payments and Subsidies	\$34.1B

There are a few other smaller categories of spending that are not material to this analysis. Statements by the Prime Minister suggest that the first two of these components will not be cut while the third cannot be reduced without the Government of Canada defaulting on its debt. This means that the entire program of spending restraint and/or cuts will be deployed in the last three categories of spending: Crown Corporations, Operating and Capital and Other Transfer Payments, which total \$99B in annual spending. Further, a significant portion of the operating expense is salaries that are governed by existing collective bargaining agreements which have limited if any flexibility to restrain growth.

The Prime Minister reinforced this finding when he stated that:

The Government will ensure that there is spending growth restraint on direct program spending — the component of total program spending over which the Government has greatest control, as required to achieve balanced budgets. This will require sustained discipline. The extent to which spending is restrained will depend on economic performance.

The growth in direct program spending will be restrained as necessary based on the economic situation.

This analysis suggests that there will have to be significant cuts in direct program spending if this is the only tool that will be deployed to avoid a position of permanent or structural deficit.

The extent of the cuts (or of spending restraint) that will be required is unclear. It is possible to estimate the level of restraint that will be required; however, by looking at the projected deficit in the out years after the stimulus spending comes to a completion. Currently, estimates of the remaining deficit are that it will be approximately \$19B.

Based on the total available program spending of \$99B, this would suggest that it is likely that spending reductions of up to 20% can be expected once the government begins to impose the fiscal discipline required to move out of deficit. If our economic performance continues to run significantly behind expectations these cuts could be even more significant.

In terms of the impact of spending restraint versus outright cuts, the primary difference will be seen in terms of timing. Under a program of restraint, programs that would regularly be renewed may not have their funding continued after their current funding envelope expires. Further, it will be very difficult to access additional funding for new programs or services that are not currently being funded and those new programs that are introduced are likely to be comparatively small and short-term in nature.

PROVINCIAL IMPACTS

As with the federal government, provincial governments are also entering a period of fiscal uncertainty. **Annex 1** of this Report outlines an analysis undertaken by SMG on the potential impact of budgetary constraint in Ontario, as one provincial example. The key findings of this analysis are worth quoting:

The current economic environment in Ontario has deteriorated significantly since Budget 2009. Currently, Ontario has projected deficits of:

*\$24.7B in 09/10,
\$21.1B in 10/11, and
\$19.4B in 11/12.*

This is on a revenue base of \$90.2B in 09/10 growing to \$100.0B in 11/12. In other words, the deficit remains close to \$20B in the out year despite the fact that all of the time limited stimulus expenditures will have come off the books. Realistically, this means that most of the \$19.4B deficit in 11/12 is a structural deficit (with the exception of components like the \$1.2B reserve fund).

Even a very conservative projection, therefore, would suggest that the government will need to make reductions in its core spending of a minimum of ~10% per year, which might address the deficit over time if coupled with significant domestic and international growth over the next five to eight years.

Other provinces are facing similar fiscal forecasts.

IMPACT ON THE SPORT SECTOR

It is important for the sport sector to begin to think through the implications of how to continue to grow and prosper in a time of scarcity. With federal and provincial budgets facing deficits for the foreseeable future, it will be more important than ever for the sector to think about:

- New sources of funding
- Ways to enable greater efficiency and effectiveness in resource allocation
- Strategies to leverage existing funding support
- Other public policy gains with non-monetary outcomes
- Further development of our own “better way” strategies

ANNEX 1: Analysis of the Ontario Economic Environment

Prepared by the Sport Matters Group based on the:

2009 Ontario Economic Outlook and Fiscal Review

November 5, 2009

A. Summary

The current economic environment in Ontario has deteriorated significantly since Budget 2009. Currently, Ontario has projected deficits of:

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These projections are based on economic modeling with an unprecedented level of uncertainty (*page 5*). The economic update outlines the potential projected impact of four key factors:

Impacts of Changes in Key Assumptions on Ontario Real GDP Growth ¹ (Percentage Point Increase)	Table 3	
	First Year	Second Year
Canadian Dollar Depreciates by Five Cents US	0.1 to 0.8	0.5 to 1.2
World Crude Oil Prices Decrease by \$10 US per Barrel ²	0.1 to 0.3	0.1 to 0.3
U.S. Real GDP Growth Increases by One Percentage Point	0.3 to 0.7	0.4 to 0.8
Canadian Interest Rates Decrease by One Percentage Point	0.1 to 0.5	0.2 to 0.6

¹ Impacts based on changes being sustained. The estimated impacts shown in the table are most applicable to small changes in key assumptions. Very large shocks are likely to have less predictable effects, particularly due to their potential impact on confidence and expectations.

² The impact estimates for lower world oil prices reflect the positive effect of lower oil prices on Ontario alone, and exclude the stimulative impact on U.S. and rest-of-world economic activity.

Source: Ontario Ministry of Finance.

It is worth noting that although each of these is listed with a positive directionality a sensitivity analysis would suggest that:

1. Under current models and despite the actions of the central bank, the Canadian dollar remains strong in comparison with the US
2. A global recovery will drive up the demand for oil leading to likely pricing increases
3. This is the factor that is most volatile although there is certainly potential for growth in the US to outstrip projections
4. Given the current rates there is almost no room for interest rate decrease in the foreseeable future

In other words it is highly unlikely that the economy will outperform the current projections.

So what does this mean for the Sport Sector in Ontario? If we map current expenditures (*page 7*) we can get a sense of the current investment in areas of priority. Unlike the federal government the province has not indicated that any areas of spending will not be cut. That being said, they do identify the following priority areas: job creation, health care, education, strong fiscal management and economic growth. Given these areas of focus, the following areas of investment are unlikely to shift downwards

Current Spending (\$B)	113,695.9
Education	492.9
School Boards	13,723.5
Health and Long Term Care	23,576.2
Hospitals	19,293.6
Government Pensions	932.0
Power Purchases	964.1
Interest on Debt	9,406

So the envelope of Current Spending minus Priority Investments is about \$45.3B. It is likely that the preponderance of the deficit reduction activities will take place in this envelope. **In the context of an \$18B structural deficit, this would suggest that the cuts to discretionary spending could be as high as 30-40%.** Under this scenario, it would seem prudent to assume cuts of a minimum of 10% scaling towards this higher figure if the economic recovery is slower than predicted.

The government of Ontario has outlined what they have termed a “strategic spending review” (*page10*). Given the scope of reductions that will be required (at least 10% across the board, although likely higher in areas that are not deemed to be of strategic value) it is likely that these consultations will see a very high level of participation and will be extremely contentious as a number of interests try to position themselves in a time of severe spending austerity.

B. Key Data Points

Changes in the Current Budget Year

The changes in the projections for the current budget year are as follows:

2009–10 In-Year Fiscal Performance (\$ Millions)		Table 1	
	Budget Plan	Current Outlook	In-Year Change
Revenue	95,980	90,180	(5,800)
Expense			
Programs	99,579	104,290	4,711
Interest on Debt	9,301	9,406	105
Total Expense	108,880	113,696	4,816
Reserve	1,200	1,200	–
Surplus/(Deficit)	(14,100)	(24,716)	(10,616)

Key components leading to the deficit are:

- Total revenue in 2009–10 is projected to decrease by \$5.8 billion from the 2009 Budget forecast
- Total expense in 2009–10 is projected to increase by \$4.8 billion from the 2009 Budget forecast. Primary investments in this regard include:

2009–10 Summary of In-Year Expense Changes Since Budget (\$ Millions)		Table 3
Program Expense Changes		
Non-Core Program Expense Changes		
One-Time Expense		
Automotive Sector Support ¹	4,000.0	
Ministry of Health and Long-Term Care — Province's response to the H1N1 Flu Virus	650.0	
Total One-Time Expense		4,650.0
Additional Funding Related to the Economic Downturn		
Ministry of Training, Colleges and Universities — Labour Market and Training Programs	294.7	
Ministry of Community and Social Services — Social Assistance	254.2	
Ministry of Education: School Boards — Lower-than-Forecast Education Property Tax Revenues	30.0	
Total Additional Funding Related to the Economic Downturn		578.9
Total Non-Core Program Expense Changes		5,228.9
Core Program Expense Changes		
Ministry of Health and Long-Term Care — OHP Increase	700.0	
Ministry of Training, Colleges and Universities — OSAP and Enrolment Pressures	95.0	
All Other Core Program Expense	16.9	
Total Core Program Expense Changes		811.9
Net Changes to Contingency Funds		(1,330.0)
Total Program Expense Changes		4,710.9
Interest on Debt	105.0	
Total In-Year Expense Changes Since Budget		4,815.9

¹ As published in the First Quarter Ontario Finances.
Note: Numbers may not add due to rounding.

- The 2009 Budget allocated \$32.5 billion for infrastructure investments over two years

Medium Term Fiscal Outlook

If we look at the Medium Term Fiscal Projections we see a shallow decrease in the deficit over the current and the proceeding two fiscal years. This would seem to be indicative of a significant structural deficit. Even in the third year with a return to a projected rate of growth of 3.5% Ontario will still be running a deficit of ~20% of total revenue (although this does include a \$1.2B reserve).

Medium-Term Fiscal Projections (\$ Billions)		Table 7		
	Actual	Projected Outlook		
	2008-09	2009-10	2010-11	2011-12
Revenue	90.5	90.2	99.3	100.0
Expense				
Programs	88.3	104.3	108.6	106.3
Interest on Debt	8.6	9.4	10.6	11.9
Total Expense	96.9	113.7	119.2	118.2
Reserve	-	1.2	1.2	1.2
Surplus/(Deficit)	(6.4)	(24.7)	(21.1)	(19.4)

Note: Numbers may not add due to rounding.

Economic Projections

Ontario Economic Outlook (Per Cent)								Table 1
	2005	2006	2007	2008	2009p	2010p	2011p	2012p
Real GDP Growth	2.9	2.4	2.1	(0.5)	(3.5)	2.0	3.0	3.3
Nominal GDP Growth	4.1	4.1	4.5	0.5	(3.8)	3.6	4.7	5.1
Employment Growth	1.3	1.5	1.6	1.4	(2.6)	0.6	2.3	2.5
CPI Inflation	2.2	1.8	1.8	2.3	0.4	1.9	2.5	2.0

p = Ministry of Finance planning projection.
Sources: Statistics Canada and Ontario Ministry of Finance.

Buried within these projections is an unprecedented level of uncertainty:

External Variables Private-Sector Forecast										Table 2
	2010			2011			2012			
	Low	Avg.	High	Low	Avg.	High	Low	Avg.	High	
U.S. Real GDP Growth (Per Cent)	1.1	2.5	3.7	1.3	3.1	4.4	1.9	3.3	5.3	
Crude Oil (\$US per Barrel)	66.5	74.2	90.0	68.9	77.5	86.0	74.2	83.8	95.6	
Canadian Dollar (Cents US)	88.4	93.7	99.3	90.8	94.5	102.0	92.3	96.6	105.0	
Three-Month Treasury Bill Rate (Per Cent)	0.3	0.7	1.4	1.4	2.4	3.6	2.9	3.7	4.6	
10-Year Government Bond Rate (Per Cent)	3.5	3.8	4.3	4.0	4.3	4.5	4.3	4.8	5.2	

Sources: *Blue Chip Economic Indicators* (October 2009) and Ontario Ministry of Finance Survey of Forecasts (October 15, 2009).

The economic update demonstrates the projected impact of four key factors:

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² The impact estimates for lower world oil prices reflect the positive effect of lower oil prices on Ontario alone, and exclude the stimulative impact on U.S. and rest-of-world economic activity.
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It is worth noting that although each of these is listed with a positive directionality a sensitivity analysis would suggest that:

1. Under current models and despite the actions of the central bank, the Canadian dollar remains strong in comparison with the US.
2. A global recovery will drive up the demand for oil leading to likely pricing increases
3. This is the factor that is most volatile although there is certainly potential for growth in the US to outstrip projections
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Mapping Current Expenditures

Total Expense (\$ Millions)	Table 10				
	2005-06	2006-07	2007-08	Actual 2008-09	Current Outlook 2009-10
Ministry Expense					
Aboriginal Affairs ¹	50	25	33	55	71.1
Agriculture, Food and Rural Affairs ¹	861	796	731	877	1,116.1
Attorney General	1,282	1,343	1,648	1,662	1,665.8
Board of Internal Economy	150	163	257	188	173.3
Children and Youth Services	3,284	3,277	3,733	4,056	4,406.5
Citizenship and Immigration	89	112	90	89	106.7
Community and Social Services	6,714	7,178	7,544	7,998	8,581.5
Community Safety and Correctional Services	1,728	1,856	1,982	2,142	2,260.0
Consumer Services ^{2,3}	39	39	46	45	48.8
Culture ¹	478	414	350	381	476.7
Economic Development and Trade ^{1,2}	176	199	297	218	398.9
Education ¹	440	423	446	443	492.9
School Boards' Net Expense	10,886	11,290	11,830	12,722	13,723.5
Energy and Infrastructure ¹	325	525	401	263	764.7
Environment ¹	274	314	349	365	367.2
Executive Offices	31	37	36	35	36.6
Finance ¹	578	564	455	750	670.6
Francophone Affairs, Office of	4	4	5	5	5.3
Government Services ¹	749	978	950	953	1,311.4
Health and Long-Term Care ¹	17,797	19,119	20,373	21,780	23,576.2
Hospitals' Net Expense	14,816	16,145	17,381	18,585	19,293.6
Health Promotion ¹	290	391	364	382	398.9
Labour	141	146	170	177	174.1
Municipal Affairs and Housing ¹	926	843	744	756	703.9
Natural Resources ²	626	731	794	780	788.2
Northern Development, Mines and Forestry ^{2,4,5}	332	314	341	491	378.4
Research and Innovation ¹	332	316	301	295	482.7
Revenue	442	563	554	557	820.2
Tourism	210	204	234	185	216.4
Training, Colleges and Universities ¹	3,509	4,115	4,384	4,581	5,126.4
Colleges' Net Expense ¹	1,185	1,273	1,403	1,495	1,549.5
Transportation ¹	1,795	1,787	1,892	2,044	2,112.6
Interest on Debt ⁶	9,019	8,831	8,914	8,566	9,406.0
Other Expense ¹	4,369	3,813	7,490	2,960	13,141.1
Year-End Savings ⁷	-	-	-	-	(1,150)
Total Expense	83,927	88,128	96,522	96,881	113,695.9

¹ Details on other ministry expense can be found in Table 11, Other Expense.

² Future updates will reflect the impacts of previously announced ministry restructuring details.

³ Expense presented is that of the former Ministry of Small Business and Consumer Services.

⁴ Expense presented is that of the former Ministry of Northern Development and Mines.

⁵ 2008-09 amount reflects an accounting adjustment of \$112.1 million resulting from the reclassification of the Ontario Northland Transportation Commission from a Government Business Enterprise to a Government Organization.

⁶ Interest on debt is net of interest capitalized during construction of tangible capital assets of \$78 million in 2009-10.

⁷ As in past years, the Year-End Savings provision reflects anticipated underspending that has historically arisen at year-end due to factors such as program efficiencies, and changes in project startups and implementation plans.

Note: Numbers may not add due to rounding.

Areas of significant increase are highlighted in red.

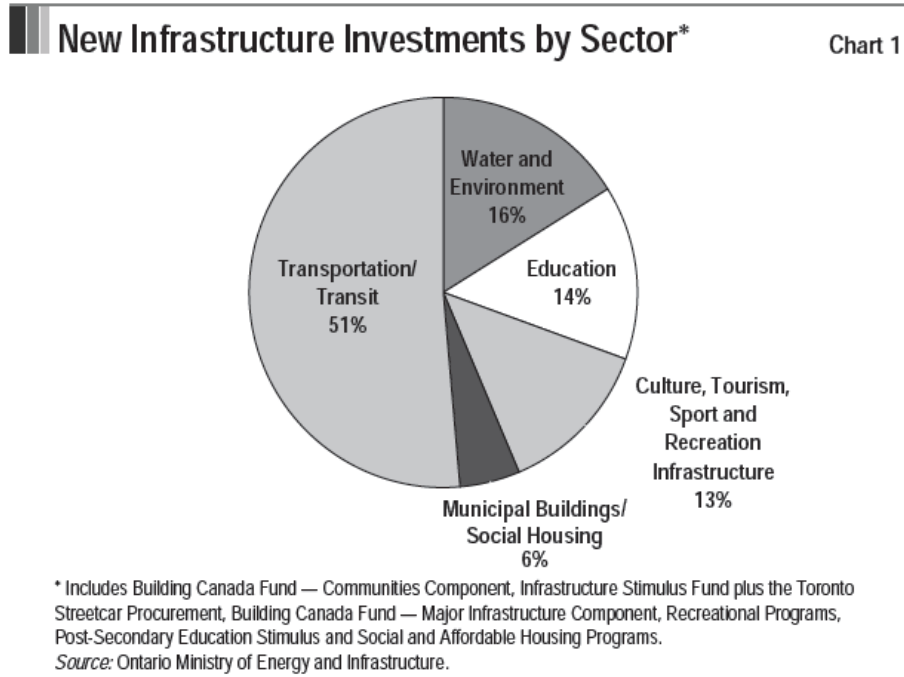
Other Expense (\$ Millions)	Table 11				
	2005-06	2006-07	2007-08	Actual 2008-09	Current Outlook 2009-10
Ministry Expense					
Aboriginal Affairs					
One-Time Expense for the First Nations Gaming Agreement	-	-	201	-	-
Agriculture, Food and Rural Affairs					
One-Time Extraordinary Assistance	125	259	274	-	-
Time-Limited Investments in Infrastructure	-	-	-	-	1,055.8
Time-Limited Assistance	157	19	76	13	164.0
Culture					
One-Time Investments	-	-	57	-	-
Economic Development and Trade					
One-Time Investments	-	-	152	-	-
Education					
Teachers' Pension Plan ¹	295	345	342	50	259.0
Energy and Infrastructure					
Capital Contingency Fund	-	-	-	-	200.0
One-Time Investments in Municipal Infrastructure	-	140	450	-	-
Time-Limited Investments in Infrastructure	-	-	-	-	676.5
Environment					
One-Time Investments	-	-	-	68	-
Finance					
One-Time Automotive Sector Support	-	-	-	-	4,000.0
Investing in Ontario Act Investments	-	-	1,149	-	-
Ontario Municipal Partnership Fund	714	758	907	905	782.9
Operating Contingency Fund	-	-	-	-	1,880.0
Power Purchases	803	863	929	953	964.1
Government Services					
Pension and Other Employee Future Benefits	729	557	531	971	932.0
Health and Long-Term Care					
H1N1 Response One-Time Expense	-	-	-	-	650.0
Health Promotion					
Time-Limited Investments in Infrastructure	-	-	-	-	192.6
Municipal Affairs and Housing					
Time-Limited Investments in Municipal Social and Affordable Housing Stock	-	-	100	-	585.3
Research and Innovation					
One-Time Investments	-	-	87	-	20.0
Training, Colleges and Universities					
Time-Limited Investments – Training, Colleges and Universities	-	-	699	-	695.2
Time-Limited Investments – Colleges' Net Expense	-	-	-	-	83.7
Transportation					
One-Time Transit and Infrastructure Investments	1,546	872	1,536	-	-
Total Other Expense	4,369	3,813	7,490	2,960	13,141.1

¹ Numbers reflect PSAB pension expense. Ontario's matching contributions to the plan grow from \$740 million in 2005-06 to \$1,070 million in 2008-09 and \$1,249 million in 2009-10.

Note: Numbers may not add due to rounding.

One time investments are highlighted in green and total approximately ~8B

Infrastructure Spending



In terms of the sport and recreation sectors, this investment includes a transfer of \$192.6M to the Ministry of Health Promotion to support the *Ontario Recreation Program* and the *Recreational Infrastructure Canada Program* in Ontario.

The Budgetary Review

The mandate of the current review is to protect key services while returning to a sustainable fiscal footing

*In addition to its existing responsibilities for approving the Province's annual expenditure plans, the **Treasury Board/Management Board of Cabinet** will conduct a rigorous strategic spending review focused on high-impact areas to ensure continued relevance and effectiveness of government programs and services and the way they are funded. This review will be guided by a policy framework that reflects the government's values of fairness, targeting those who need it most, investing for the future, and value-for-money. The Board will make recommendations and provide continued support as these are considered and implemented by the government. The Board's recommendations will be announced as a plan-of-action in the 2010 Budget.*

The economic update outlines the avenues for participation in the budgetary review:

- There will be a number of roundtables with groups plus larger pre-budget consultation sessions,
- Submissions can be made on the Ministry of Finance website at www.fin.gov.on.ca by clicking on "Tell Us What You Think" in the What's New menu and complete the form provided.
- They can also be made by e-mail your input to submissions@ontario.ca,
- Fax it to 416-325-0969 or
- Mail it to: The Minister of Finance, c/o Budget Secretariat, Frost Building North, 3rd Floor, 95 Grosvenor Street, Toronto, ON M7A 1Z1.

In particular, the Minister of Finance is interested in hearing Ontarians' views on what more the government can do during uncertain economic times to manage Ontario's finances and protect important public services.

When preparing your comments, please use the following questions to frame your submission:

1. What processes should the government put in place to enable it to move out of deficit?
2. What steps should the government take to streamline and provide better public services to Ontarians?
3. Government priorities are job creation, health care, education, strong fiscal management and economic growth. How should the government balance this multitude of priorities? Given the considerable fiscal challenges, what should be the core priorities of the 2010 Budget?

Information on which communities and locations the Minister plans to visit will be posted at www.fin.gov.on.ca in November 2009. Individuals who wish to attend one of these consultations can call toll-free 1-800-263-7965 or 1-800-263-7776 TTY.