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Ontario Speech From the Throne

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On Tuesday, February 19th, 2013, the Honourable David Onley, Ontario's Lieutenant Governor, delivered the Wynne government's *Speech from the Throne* in the Ontario legislature. Entitled *The Way Forward*, this speech officially opened the 2nd Session of the 40th Parliament of Ontario and outlined the government's priorities for the coming legislative session and marks the new Premier's stamp on what is expected to be a turbulent session of the Ontario Legislature.

Highlights

The Speech from the Throne centered on three themes; *Strong Economy, Fair Society, and Effective Legislature*, and represents the Wynne government's focus on fiscal and social responsibility.

The measures highlighted by the government, include the following:

- Continuing with the goal of eliminating the provincial deficit by 2017-18;
- Reduce Ontario's debt-to-GDP ratio to pre-recession levels by reducing program spending;
- Continued implementation of Drummond recommendations;
- Focus on improving youth employment;
- Expanding access to capital for small and medium sized businesses;
- Changes to the threshold for employer health taxes;
- Review corporate tax compliance;

- Reduce auto-insurance rates, through anti-fraud measures;
- A continued focus on trade promotion with China, India, but also in Southeast Asia, eastern Europe, the Middle East and South America;
- Reaffirmation of ending coal fired generation in Ontario by 2014;
- Measures for local input on the location of energy infrastructure projects, and casinos;
- Reforms to social assistance which will allow recipients to keep more of what they earn;
- Tougher consumer protection legislation;
- A change in tone on labour negotiations; and,
- A continued focus on improving health care and education.

Analysis

Ontario continues a slow economic recovery. Ontario's projected deficit for 2012-13 is approximately \$12 billion, and Ontario's unemployment rate continues around 7.7%. Ontario's projected growth has been estimated to be less than 2%. Given the reality of these numbers, and the continued uncertainty in the global markets, Ontario's financial situation is the most significant challenge for Premier Wynne.

This is a political reality as much as a financial one. Premier Wynne has to establish herself as a good manager of Ontario's economy (or at least a better manager than the opposition parties) before the next election. In order to do this, Premier Wynne needs time. Whether she gets that time, will depend on the positions the opposition parties take, as the Liberals will need support from at least one party to continue

governing beyond April, when the next provincial budget is expected.¹

Given this reality, Premier Wynne has demonstrated that she will take a pragmatic approach. Premier Wynne continues to outreach to the opposition parties, sending the message that the Liberal government is collaborative, going as far as to include opposition parties' policies in the Speech from the Throne. The opposition parties, in turn, risk public relations issues, if they do not appear to be willing to work with the government to manage the economy.

It is highly expected that the government will focus on the relationship with NDP, as the Progressive Conservatives have taken the public position that they will not support government. Whether the NDP decide to vote against the provincial budget in April will depend on if (1) the NDP considers conditions to be right for an NDP victory, and (2) whether the NDP can find a justifiable reason to vote against the budget.

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For further information, please contact a member of our [National Public Policy Group](#).

¹ The Ontario Liberal Party currently has 51 seats. If the NDP (18 seats), and the Progressive Conservatives (36 seats), vote together against the budget, they can force an election.