

# 2010 Ontario Budget Webcast



The Honourable  
Dwight Duncan  
Minister of Finance

Investor Relations  
Webcast  
March 31, 2010

# 2010 Ontario Budget Highlights

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- Laying out the new Open Ontario plan
- Lower than forecast deficits lead to lower funding requirements
- Eliminating the deficit by 2017-18

# Open Ontario – Five-year Plan

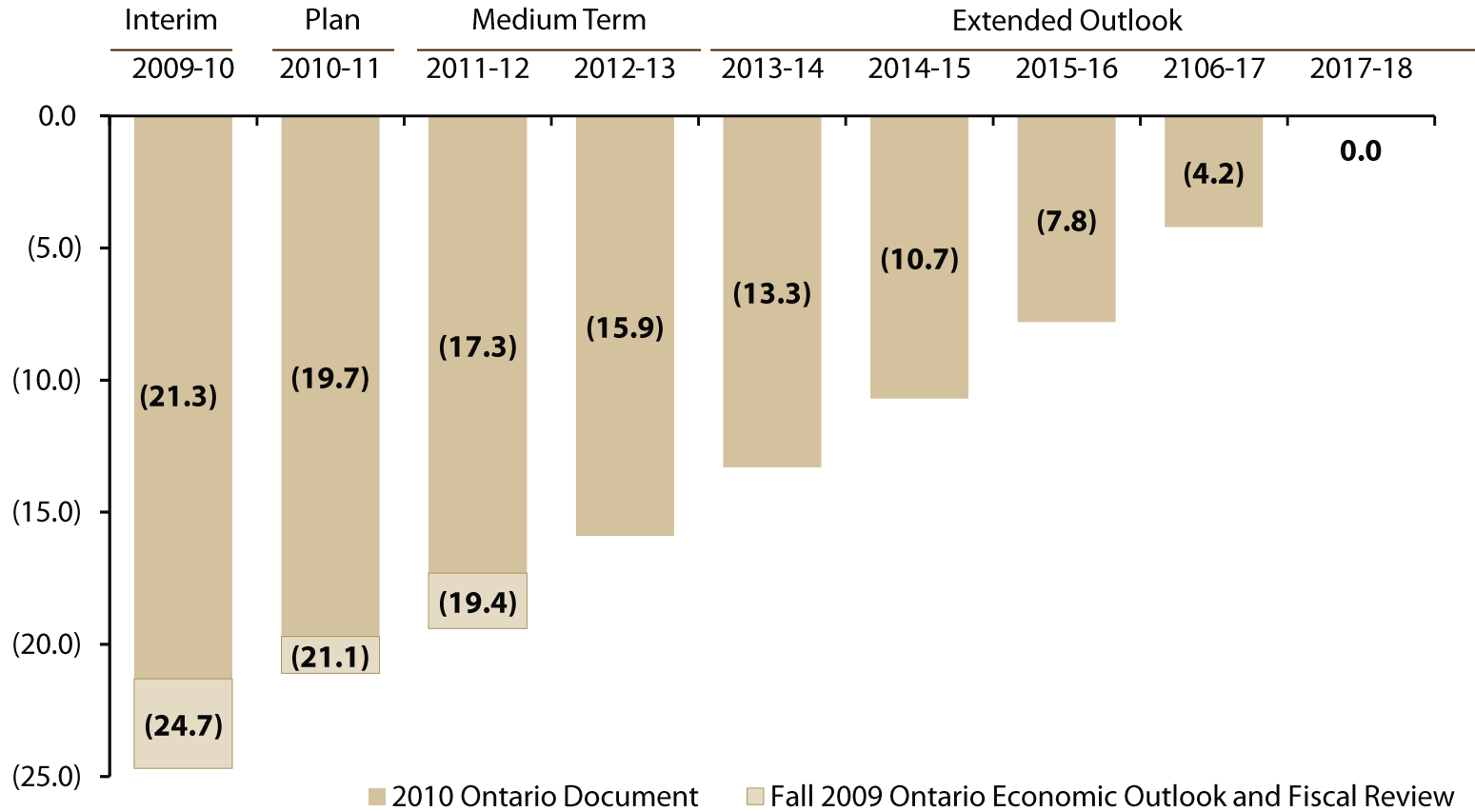
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Framework for education and economic development, including:

- Opening northern Ontario to investment and job creation by developing emerging economic opportunities such as the Ring of Fire
- Making Ontario a leader in the green economy and protecting water resources
- Creating a national securities regulator
- Promoting international and interprovincial trade
- Completing the second year of infrastructure investments
- Introducing the tax plan for jobs and growth

# Fiscal Recovery Plan

Fiscal Balance  
\$ Billions



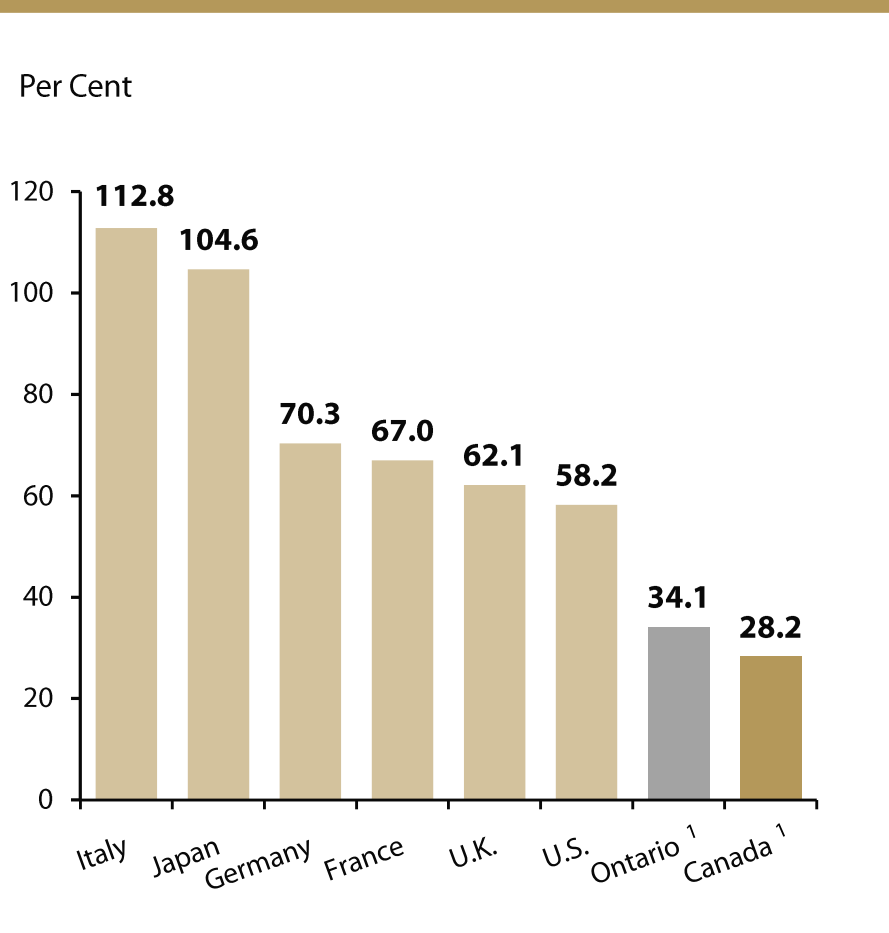
# Eliminating the Deficit

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- Compensation measures
- Freeze base operating expenses over the medium-term
- Slow the pace of some long-term infrastructure investments
- Ongoing expenditure management review

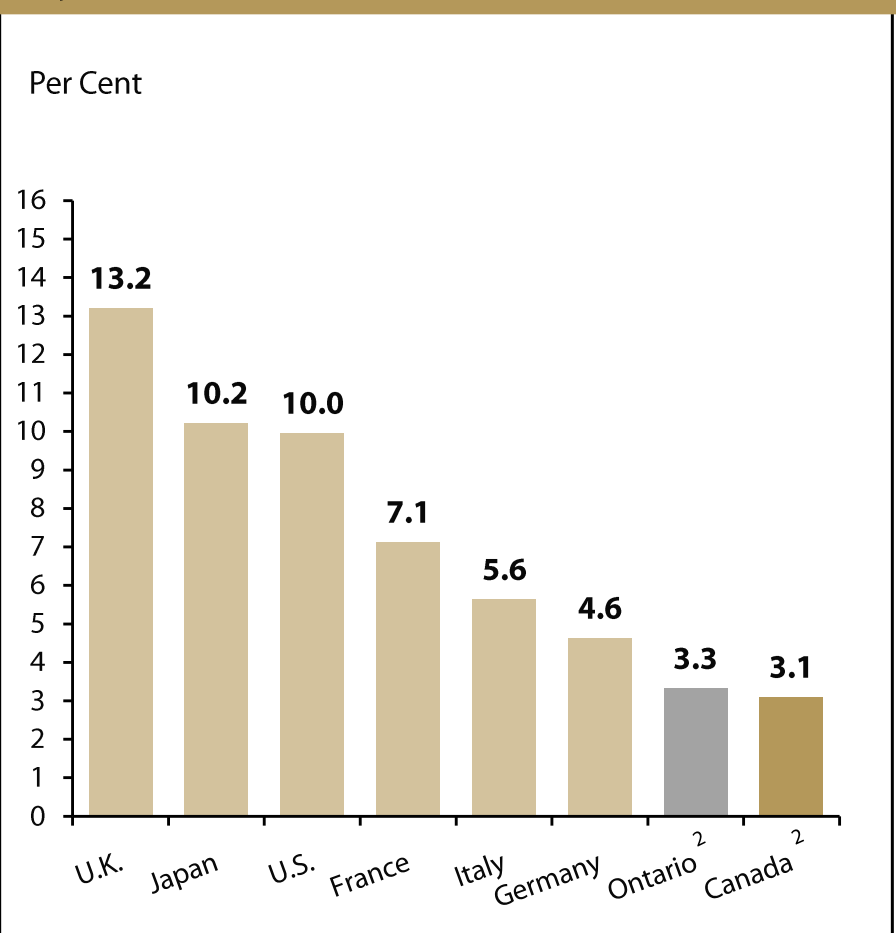
# Strong Government Fiscal Position

Net Debt-to-GDP G7 Countries, 2009



Source: IMF World Economic Outlook (October 2009) and Ontario Financing Authority.

Projected Deficit-to-GDP, 2010



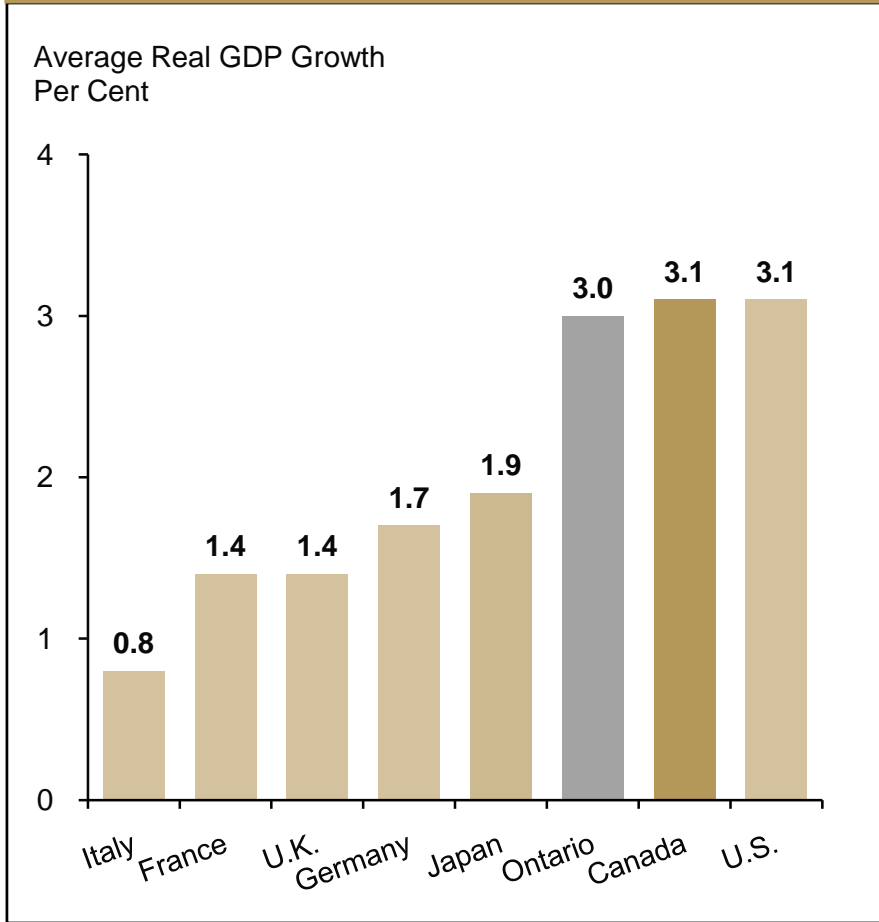
Source: IMF World Economic Outlook (October 2009) and Ontario Financing Authority and the 2010 Federal Budget.

<sup>1</sup>Data is from fiscal year 2009-10.

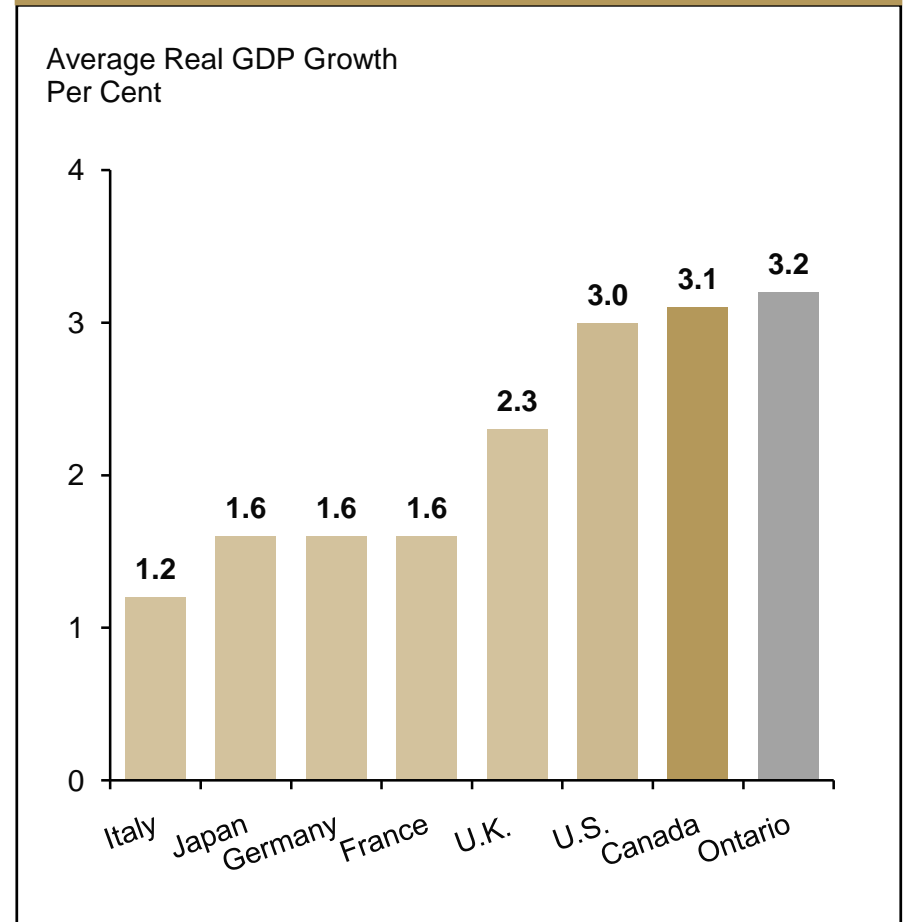
<sup>2</sup>Data is from fiscal year 2010-11.

# Economic Outlook

G7 Economic Growth, 2010



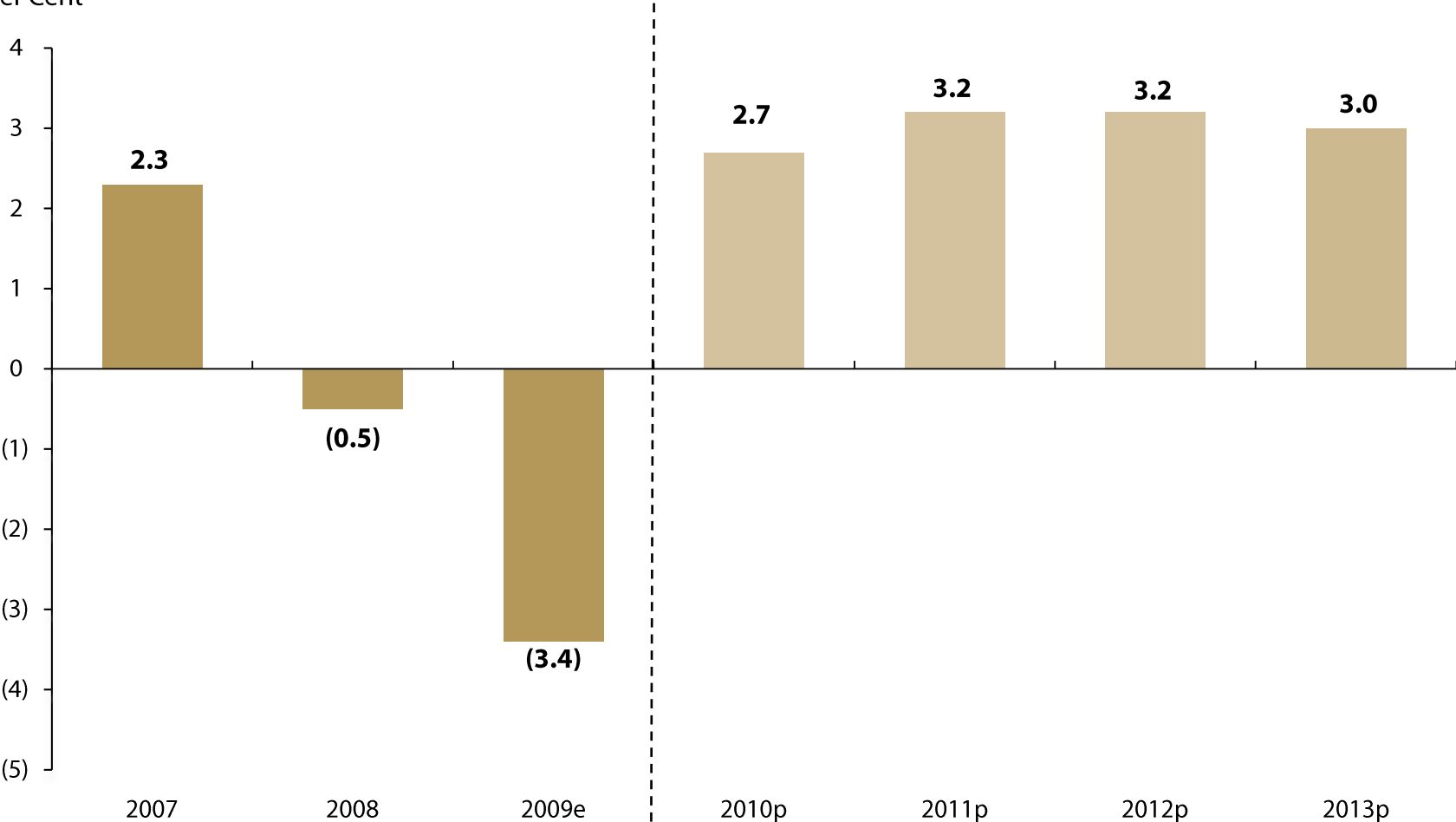
Projected G7 Economic Growth, 2011



Sources: Consensus Economics (March 2010), Blue Chip Economic Indicators (March 2010), and Ontario Ministry of Finance Survey of Forecasts (March 2010).

# Ontario's Economic Outlook

Real GDP growth  
Per Cent



e = estimate  
p = Ministry of Finance Planning Projection.  
Sources: Statistics Canada and Ontario Ministry of Finance

# Medium-Term Borrowing Outlook

| (C\$ Billions)                                   | Fall<br>Outlook | Interim<br>2009–10 | 2010–11     | 2011–12     | 2012–13     |
|--|-----------------|--------------------|-------------|-------------|-------------|
| Deficit  | 24.7            | 21.3               | 19.7        | 17.3        | 15.9        |
| Investment in Capital Assets                     | 9.5             | 8.5                | 9.8         | 10.6        | 10.4        |
| Non-Cash Adjustments                             | 0.5             | (0.6)              | (1.7)       | (3.0)       | (2.8)       |
| Net Loans/Investments                            | 1.6             | 1.3                | 1.9         | 1.8         | 1.0         |
| Debt Maturities                                  | 14.7            | 14.6               | 15.6        | 14.0        | 17.3        |
| Debt Redemptions                                 | 0.4             | 0.4                | 0.4         | 0.4         | 0.5         |
| <b>Total Funding Requirement</b>                 | <b>51.5</b>     | <b>45.5</b>        | <b>45.6</b> | <b>41.1</b> | <b>42.2</b> |
| Canada Pension Plan Borrowing                    | (1.1)           | (1.1)              | (0.8)       | (1.1)       | (0.8)       |
| Decrease/(Increase) in Short-Term Borrowing      | (7.8)           | (6.0)              | (1.6)       | (1.2)       | (1.2)       |
| Increase/(Decrease) in Cash and Cash Equivalents | -               | 5.5                | (3.5)       | -           | -           |
| <b>Total Long-Term Public Borrowing</b>          | <b>42.6</b>     | <b>43.8</b>        | <b>39.7</b> | <b>38.8</b> | <b>40.2</b> |

Note: Numbers may not add due to rounding

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