QR 05

Institute for
Competitiveness & Prosperity

QUARTERLY REPORT 5
DECEMBER 2016

QR

FALL 2016

Policy Report Card

Government of Ontario

Term: Fall 2016

Policy	Comments	Grade
Business Growth Initiative – scaling up programs	The programs target funds towards scaling up activities and opportunities with high-growth potential. Still, there is no clear measurement for success in place.	A-
Renewed math strategy	The strategy devotes significant resources toward professional development and increased math instruction. However, it does not address issues in the curriculum or inadequate math training of teachers *before* they begin teaching.	B
Creating 100,000 new childcare spaces	The policy directly tackles the lack of available spaces. As the province with the highest childcare costs, affordability concerns should have been addressed.	B
Relief on electricity bills	The rebate does not address the issue of continually increasing prices. A solution that improves efficiency to bring costs down is not provided.	C
Increasing the land transfer tax refund	The initiative fails to counteract housing price inflation. By reducing the after-tax price of a home, the policy may stimulate demand, causing prices to increase even further.	C
	Grade Average	B-

A = Excellent policy • B = Good policy, needs adjustment
C = Policy needs significant redesign • D = Eliminate policy

Institute for
Competitiveness & Prosperity

Welcome to the Institute for Competitiveness & Prosperity's *Quarterly Report: Fall 2016*. In this *Report*, we cover key announcements from Ontario's Speech from the Throne: creating 100,000 new childcare spaces, providing relief on electricity bills, and implementing a renewed math strategy. We also look at new policies introduced in the 2016 Ontario Economic Outlook and Fiscal Review: addressing housing affordability and two new programs under the Business Growth Initiative that are aimed at helping firms scale up. A number of other policy updates are discussed briefly.

For an update on the state of the provincial economy, please visit the Institute's recent blog post: *Fall 2016: Quarterly economic update*.

PROGRESS SINCE SUMMER 2016

Over the past quarter, there were developments on a number of policies that are still too early to be evaluated, but are nevertheless worth mentioning:

CPP enhancement: On November 29, 2016, legislation to enhance the Canada Pension Plan (CPP) was passed by the House of Commons.

Internal trade: There are still no signs of progress on the Canadian Free Trade Agreement (interprovincial trade deal). Ontario's Minister of Economic Development and Growth expected the deal to be finalized by the premiers this fall.[1] Unfortunately, it does not appear likely that this is going to happen.

Highly Skilled Workforce Expert Panel: One of the main priorities of the Expert Panel is to establish a Planning and Partnership Table, which is scheduled to launch shortly.[2] This foundational body will contain a cross-representation of expertise and work to increase links between skills, experiential learning, entrepreneurship, and employment.[3] Other priorities still need to be focused on, including: adult education, work-integrated-learning, the specialist high school major program, and STEAM (science, technology, engineering, arts, and mathematics) education.[4]

Basic income pilot: Until January 31, 2017, Ontario is gathering public input for the design of its basic income pilot.[5] The discussion paper on the topic, put forward by the Honourable Hugh Segal, recommends setting the basic income at 75 percent of the low income measure threshold (working out to a basic income of around $16,989 for a single adult, $24,027 for a couple, and $33,979 for a couple with two children per year).[6]

RECENT POLICY INITIATIVES

Business Growth Initiative – scaling up programs

A-

Given an A- for:

- Targeting funds towards scaling up activities and opportunities with high-growth potential
- No clear measurement for success is in place

Both high-growth firms (those with employment growth of 20 percent per year or higher) and large firms (those employing at least 500 people) provide significant benefits to Ontario's economy. High-growth firms accounted for 47 percent of total gross employment creation in Canada between 2000 and 2009.[7] Large firms, on the other hand, only represented 0.3 percent of all firms in Canada, yet contributed 47.9 percent to Canadian Business Sector GDP in 2008.[8] Relative to small- and medium-sized businesses, larger firms are, on average, more productive, invest more in R&D, and generate greater export value.[9] To enjoy the benefits of both large and high growth firms, it is critical that public officials and policy makers ensure that initiatives and programs seeking to promote scaling up in Ontario are properly designed.

The 2016 Ontario Economic Outlook and Fiscal Review included two specific programs—the Scale-Up Voucher and the Small Business Innovation Challenge Pilot Program—as a part of Ontario's $400-million Business Growth Initiative. These programs specifically seek to support firms with significant growth potential and help them become globally competitive.

The Scale-Up Voucher program will dedicate $32.4 million dollars over four years to assist high-growth companies in navigating barriers to growth by giving them access to critical resources. These vouchers will cater to financing activities such as specialized talent development and recruitment (like hiring a chief information officer or export manager), expanding into new markets, and IP protection services. Additionally, the program is structured to offer matching grants and "wrap-around services" including executive-in-residence and executive peer-to-peer networks.[10] A major strength of the program is that it is responsive to businesses' timely needs—supports can flow from government to businesses in as quickly as one week.[11]

This program makes a significant stride in strategically directing resources towards activities that will help firms achieve their growth objectives. The focus on high-growth firms and growth-oriented activities will help allocate funds specifically towards scaling up efforts in Ontario. The Laziridis Institute has emphasized that talent gaps in scaling up capabilities, access to markets, and access to capital are the main factors preventing Canadian businesses from achieving scale.[12]

The Small Business Innovation Challenge Pilot Program is an investment of $28.8 million over five years to give small- and medium-sized firms the opportunity to develop innovative technology solutions to solve specific public sector problems. Demonstrating real-world application will signal greater commercial viability for the firm's products and/or services in the wider market. The firm will be better positioned to scale up and compete in the global market after its initial success in Ontario.

While the Scale-Up Voucher program is a supply-side solution to promoting scaling up, the Small Business Innovation Challenge uses a demand-side approach to harness the government's buying power in order to foster commercialization of innovative solutions. The program will generate solutions to critical problems in the public sector while simultaneously fostering innovation. According to the Ontario government, the program will be modelled after similar programs in the US and the UK. The Small Business Innovation Research Program (SBIR) in the US has been active since 1982 and has been successful in promoting innovation, supporting firm growth, encouraging cooperation, and attracting commercial interest from other parties.[13] The Institute applauds the efforts to initiate such a program in Ontario.

While these programs allocate funds to directly tackle impediments to scaling up, there is currently no clear mechanism to track and evaluate the impact of these initiatives on their particular objectives, and ultimately the impact on business growth. By setting a clear guideline and assessment tools, the Ministry of Economic Development and Growth will be able to assess the use of these funds towards their policy objectives. Econometric program evaluations for the SBIR (widely regarded as a model program) convey that the results of the program may in fact be mixed; and the Small Business Research Initiative in the UK was markedly worse in its outcome versus its US counterpart.[14] This underscores the need for a clear objective and evaluation mechanism for these programs to improve their effectiveness and maximize their impacts on the economy.

The scaling up programs introduced through the Business Growth Initiative are great for targeting barriers to scaling up. Still, the government must create clear measurement and evaluation mechanisms to gauge performance towards achieving their objectives and adjusting them accordingly.

Renewed math strategy

B

Given a B for:

- Devoting resources toward professional development and increased math instruction
- Strategy does not address issues in the curriculum or the inadequate math training of teachers *before* they begin teaching

The Institute previously highlighted Ontario's declining performance in students' math skills in the Thirteenth Annual Report. The Programme for International Student Assessment (PISA) mathematics test scores for Ontario have declined between 2003 and 2015.[15] This issue has been confirmed with the recent EQAO mathematics assessments: the percentage of third graders meeting the provincial math standard dropped to 63 percent from 68 percent 5 years ago; and only 50 percent of sixth graders met the standard, down from 58 percent 5 years ago.[16] Given the growing trend towards math-based occupations, it's important that this problem is addressed effectively and in a timely manner.

In light of these results, the Ontario government has committed $60 million towards a renewed math strategy. Components of this strategy include:

- Sixty minutes daily of protected time for math instruction and assessments for grades one through eight.
- Up to three math lead teachers per school designated to improving their math knowledge for application in their own classes as well as to assist other teachers.
- Increased opportunities for educators to enhance their understanding and teaching of math, especially for underperforming schools.
- Other elements include grants allowing parents to support their child's learning.[17]

The Ontario government recognizes the increasing importance of math in key provincial industries. In the face of declining math scores, revisiting math education in Ontario's schools is necessary. These changes will devote more time and resources to teaching math, but will also give educators the tools to become better teachers and improve the learning experience for students.

While commendable as a reactionary measure, the renewed math strategy leaves much room for improvement in Ontario's math system. There is still considerable skepticism surrounding the math curriculum in Ontario and the strategy doesn't fully address many of the concerns raised in the reports, Closing the Numeracy Gap and What to Do about Canada's Declining Math Scores. Critical concepts and math skills that build the foundation for math must be re-emphasized in the curriculum to better equip students for success. Additionally, more needs to be done to ensure future teachers are proficient in math content before they set foot into a classroom. The Thirteenth Annual Report identified that only 19 percent of students in Ontario were taught math by a teacher with a major in math. In contrast, other comparable North American jurisdictions had a median of 65 percent. Required undergraduate coursework in math and proficiency tests for math teachers could help streamline well-prepared teachers to teach math in Ontario's schools.

Creating 100,000 new childcare spaces

B

Given a B for:

- Addressing the issue of child care availability with a clear goal of 100,000 new spaces
- Failing to improve affordability

Child care costs in Ontario are higher than in any other Canadian province and most international peer regions.[18] Improving the availability and affordability of child care will help boost the labour force participation rate, and is an important step in closing the gender wage gap.

In the September 2016 Speech from the Throne, Ontario announced a commitment to build 100,000 new licensed child care spaces across the province over the next five years. There is a critical need to expand the number of child care spaces across the province. There are currently only enough licensed spaces for 20 percent of children under four years old, while demand is estimated to be around 45 to 50 percent.[19] The spaces will provide a mix of school-based, community-based, and home-based options. The commitment will require $1 to $3 billion in infrastructure (capital) costs. Operating costs, which include fee subsidies for qualified families, will run up to approximately $600 to $750 million per year.[20]

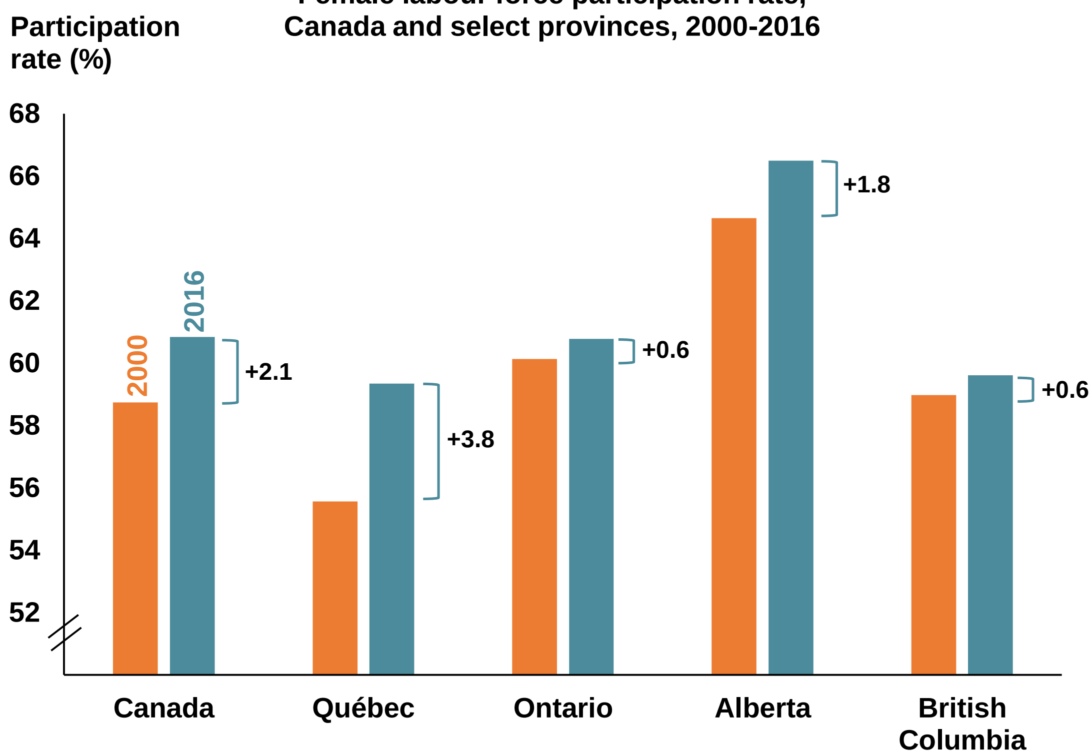
While the plan is welcomed by many, it has its critics. Some argue that as the plan would run four years beyond the next provincial election, it is essentially a campaign promise.[21] While the plan does extend beyond the next provincial election date, a medium- to long-term strategy which requires capital planning is needed to address an issue as critically important as child care.

The plan, while high in aspiration, is also short on details of addressing important structural issues such as affordability. Among all provinces, Ontario has the highest median child care fees, even after accounting for subsidies.[22] Lower-income families are about half as likely as higher-income families to access child care.[23] In the government's plan there is no clear or specific commitment to combating this issue. Ontarians will not be able reap the full benefits of the new spaces unless there is a clear plan to lower prices. As Carolyn Ferns of the Ontario Coalition for Better Child Care puts it, "[t]here is no demand for unaffordable child care."[24] A back-of-the-envelope calculation suggests that the increased funding for operating costs will only bring the average price of care down by approximately $100 to $130 per child per month—maintaining Ontario's position among the most expensive provinces in terms of median child care fees.[25]

High cost and low availability of child care have created a scenario in which only 43 percent of parents use child care, which is significantly below the national level, and well below that of Québec (56 percent).[26] Increased enrollment in child care can improve the participation rates of either parent, but the effect is likely enhanced for women. A recent study in Ontario shows that when care is affordable, demand soars and mothers' probability of working full-time increases substantially.[27]

Since 2000, Canada's female labour force participation rate has increased by 2.1 percentage points. Québec, a province with affordable and accessible child care, experienced an improvement of nearly double the national average, a 3.8 percentage point increase. Ontario and British Columbia, the two provinces with the most expensive care, increased by a mere 0.6 percentage points. A study that compiled results from numerous studies found that lower child care prices increased the probability of employment and average number of hours worked (if employed) for both married and single mothers.[28] Moreover, a recent study of Toronto identified that for every 1 percent reduction in the price of licensed care, the principal caretakers' probability of employment increases by 0.37 percent.[29] The Gender Wage Gap Steering Committee's consultations determined that the lack of affordable care is the number one issue to close the gender wage gap.[30] The province should explore ideas such as capping fees at a certain percentage of household income, or establishing a maximum fee per child per day.

Female labour force participation rate, Canada and select provinces, 2000-2016



Note: Participation rates are for 25-64 year olds. Data for 2016 includes data from the months of January through October. Increases are expressed in percentage points.
Source: Institute for Competitiveness & Prosperity analysis based on data from Statistics Canada.

While the Institute applauds the government's actions to improve availability with a clear goal of 100,000 new spaces, specific action to target affordability must be taken. Improving access, both through the availability and affordability of care, provides potential to increase the size of the provincial labour force and contribute to greater prosperity.

Relief on electricity bills

C

Given a C for:

- Providing only a short term solution that does not address the root cause of price increases
- The policy does not provide any avenues for improving efficiency and bringing down electricity costs

Rising hydro prices are a top concern for Ontarians.[31] In the September 2016 Speech from the Throne, the government sought to address this concern and announced the *Ontario Rebate for Electricity Consumers Act* (2016). Starting January 1st, 2017, the provincial portion of the HST (8 percent) on electricity bills will be rebated for households and small businesses (retail electricity consumers).[32] Households are expected to save approximately $11 per month; while rural households will also experience a reduction in delivery charges through the Rural or Remote Electricity Rate Protection Program, saving about $45 per month in total.[33] These new programs will cost the public purse roughly $1 billion per year.[34]

Retail electricity prices have been rising at a rate of approximately 8 percent per year over the past 10 years.[35] If prices continue to rise at this rate, the 8 percent rebate will only provide one year of relief, until prices begin to rise again.

With an election less than two years away, critics argue that the rebate is likely politically motivated.[36] The rebate is simple and relatively easy to implement, has the benefit of being highly visible, and the impact is felt immediately by households (voters).

While the rebate is generally well-received by the public—who are looking for any relief on their bills—it does not confront the issue of rising hydro costs. At the end of last year, the Clean Energy Benefit, which provided a 10 percent reduction on electricity bills, was terminated.[37] Although the 8 percent rebate is 'new,' it is virtually a replacement to the Clean Energy Benefit (in terms of financial relief to households).

This rebate does not provide any avenues for improving the management or efficiency of the electricity system to bring costs down. Critics have argued that this is only a Band-Aid solution.[38] Rather than simply creating another program to provide cost relief, the province must develop creative and smart policies that provide solutions to the real problem at hand. A step in the right direction is the electricity trade agreement between Ontario and Québec—which is estimated to save consumers approximately $70 million over 7 years though importing low-cost hydro power from Québec.[39] However, this benefit works out to less than $1 for each Ontarian per year.

Overall, the rebate is essentially a replacement to the Clean Energy Benefit, and does not confront the issue of rising hydro prices. Furthermore, spending an additional $1 billion will make it all the more difficult to balance the budget in 2017-18.

Increasing the land transfer tax refund

C

Given a C for:

- Not addressing market forces that are causing housing price inflation
- The policy stimulates demand, which may cause prices to further increase

Between October 2015 and October 2016, housing prices in the Greater Toronto Area (GTA) increased by 20 percent.[40] Price increases in the Vancouver area have tended to be greater, however, with new policies such as the foreign buyers tax and the vacancy tax, speculative real estate investment is likely to be redirected to the GTA.[41] This will likely cool the Vancouver market (to an extent) and push prices up even further here in Ontario. There is some evidence of this already happening. Since 2010, the greatest increase in the GTA composite housing price index from September to October had been 0.77 percent, while this year prices shot up by 2 percent.[42] Furthermore, a popular Chinese international property finder website, Juwai, identified that buying inquiries are down for Vancouver and up for Toronto.[43]

A good measure of housing affordability is the price-to-income ratio (housing price divided by annual household income).[44] While a ratio of three is said to be affordable, Toronto's ratio has risen above eight.[45] To make home ownership more affordable, the Ontario government announced in the 2016 Ontario Economic Outlook and Fiscal Review that it will provide up to an additional $2,000 refund on the land transfer tax (LTT) for first-time homebuyers. The maximum refund of the LTT will increase from $2,000 to $4,000, which means that buyers will not be paying any LTT on the first $368,000 purchase price of a new home.[46] To balance this policy fiscally, the LTT on homes worth over $2 million will increase from 2 percent to 2.5 percent.[47]

The increase in the LTT refund is not a well thought out policy and does not solve the issue of rising real estate prices. An additional $2,000 refund on a $368,000 home works out to a price reduction of about a half of a percent; and a quarter of a percent for the average GTA home (with a price of $763,000).[48] In light of a housing price increase of 20 percent last year, a quarter to a half percent refund is not going to solve an affordability crisis. In fact, by reducing the after-tax price of a home, the refund will likely stimulate demand. If the policy is going to have any effect on the market, it will simply add fuel to an already hot market, causing even greater price inflation. Increasing the LTT refund does not solve the root cause of housing price inflation. Like hydro price relief, the government is trying to throw money at problems without tackling the root causes.

To cool the market and improve affordability, the government must identify the driving force behind the boom, and identify policies to directly confront these forces. Ontario must introduce policies to *reduce* demand, rather than *increase* demand. For example, last year the federal government increased the minimum down payment on the $500,000 to $1 million portion of a home's purchase price.[49] Recently, in Vancouver, a 15 percent foreign buyers tax was introduced to reduce real estate speculative investment; and a 1 percent vacancy tax is being introduced to increase the supply of rental housing.[50] Specific policies like these work to address a particular issue, and confront it head on. Ontario's approach is myopic, and will not help homebuyers in the long-run.

In conclusion, just like the 8 percent rebate on hydro bills, the government is attempting to address affordability issues in Ontario without actually solving the underlying problems. Rather than introducing another rebate, the government must take a more strategic approach to identify and confront the market forces that are driving housing price inflation.

CONCLUDING REMARKS

In this quarter, the province introduced policies to improve conditions across a number areas, with varying success. The scaling up programs are well-targeted and specifically address the challenges that businesses in the province face. The renewed math strategy and creation of new child care spaces will likely produce positive results, but the child care policy should have directly dealt with affordability, and the math strategy should have addressed teachers' math capabilities *before* they begin teaching. The rebates on the LTT and electricity bills are nothing but short term solutions that will not solve the real problem of continually increasing prices. Overall, most of the policies lack proper foresight.

Fiscally, the province maintains that it is on track to a balanced budget in 2017-18—despite the Financial Accountability Office's projection of a $2.6 billion deficit.[51] An accounting change to pension plans and the relief on electricity bills will increase the deficit by $1.5 and $1 billion, respectively. To balance the new costs, the government is banking on a growing economy to generate strong income and sales tax revenues.[52]

Looking forward, developments at the federal level will certainly impact Ontario. The Canada-EU Comprehensive Economic and Trade Agreement (CETA) will present new challenges for some sectors (for example, dairy), but will also provide new opportunities for others (including advanced manufacturing, information and communication technologies, and professional services).[53]

The federal funding for infrastructure is rolling out and is welcomed, but the terms of the funding are not quite ideal. The federal government's insistence for incrementality requires that funds support projects that fall outside the scope of the province's and municipalities' asset management plans—which means that projects lower on the priority list may be built first.

Despite the mixed evaluation of new policies and the tight fiscal situation of the province, private sector forecasts maintain a positive outlook for Ontario. Real GDP growth is projected to remain above two percent for each of the next three years.[54]

[1] McGregor, Janyce. "Details of interprovincial free trade deal won't be public for months." *CBC News,* July 30, 2016.
[2] Office of the Premier. *Premier's Highly Skilled Workforce Expert Panel Releases Final Report.* June 23, 2016.
[3] *Ibid.*
[4] Matthews, Deb. "Building Up Ontario's Workforce in the Age of Disruption." Presentation at the Canadian Club of Toronto, Toronto, Ontario, November 28, 2016.
[5] "Basic Income Pilot: public survey." *Ministry of Community and Social Services – Government of Ontario.* November 16, 2016. https://www.ontario.ca/form/basic-income-pilot-public-survey.
[6] *Ibid.*
[7] Dixon, Jay and Anne-Marie Rollin. *The Distribution of Employment Growth Rates In Canada: The Role Of High-Growth And Rapidly Shrinking Firms*. Economic Analysis (EA) Research Paper Series. Statistics Canada. 2014.
[8] Leung, Danny, Luke Rispoli, and Raymond Chan. *Small, Medium-Sized, And Large Businesses In The Canadian Economy: Measuring Their Contribution To Gross Domestic Product From 2001 To 2008*. Economic Analysis (EA) Research Paper Series. Statistics Canada. 2012.
[9] *A Place To Grow: Scaling Up Ontario's Firms*. Institute for Competitiveness & Prosperity. 2016.
[10] *Building Ontario up for Everyone: 2016 Ontario Economic Outlook and Fiscal Review.* Ontario Ministry of Finance. 2016.
[11] Duguid, Brad. "Ontario's Economy: Ours to lead or Lose." Presentation at the Canadian Club of Toronto, Toronto, Ontario, November 16, 2016.
[12] Galang, Jessica. "Lazaridis Institute Believes Connecting Startups With C-level Execs Will Scale Canada's Next Big Companies." *Betakit,* September, 2016.
[13] *Public Procurement Programmes For Small Firms – SBIR-Type Programmes*. OECD. 2010.
[14] *Ibid*
[15] *Programme For International Student Assessment (PISA), 2015 Highlights Of Ontario Student Results*. The Education Quality and Accountability Office. 2016.
[16] Stokke, Anna. "Ontario's math system is broken. So why isn't the government fixing it?" *Globe and Mail,* September, 2016.
[17] Ontario Ministry of Education. *A Renewed Math Strategy For Ontario,* April, 2016.
[18] Sinha, Maire. *Child care in Canada (Catalogue no. 89-652-X – No. 005).* Statistics Canada, Social and Aboriginal Statistics Division. 2014; *Looking beyond GDP: Measuring prosperity in Ontario.* Institute for Competitiveness & Prosperity, 2016: 31.
[19] Office of the Premier. *Affordable, Accessible, Quality Child Care for More Families,* September 12, 2016.
[20] Csanady, Ashley. "Ontario premier defends plan to create 100,000 child care spaces—four years after her mandate ends." *National Post,* September 13, 2016.
[21] *Ibid.*
[22] Sinha, Maire. *Child care in Canada (Catalogue no. 89-652-X – No. 005).* Statistics Canada, Social and Aboriginal Statistics Division. 2014.
[23] *Ibid.*
[24] Monsebraaten, Laurie. "Vast majority of Toronto parents can't afford daycare." *The Star,* October 18, 2016.
[25] Author's calculations. The figure was calculated by dividing the increase in operating costs ($600 to $750 million) across all existing and new child care spaces (approximately 490,000 by 2021).
[26] Sinha, Maire. *Child care in Canada (Catalogue no. 89-652-X – No. 005).* Statistics Canada, Social and Aboriginal Statistics Division. 2014.
[27] Monsebraaten, Laurie. "Vast majority of Toronto parents can't afford daycare." *The Star,* October 18, 2016.
[28] Gong, Xiaodong, Breunig, Robert, and King, Anthony. "How Responsive is Female Labour Supply to Child Care Costs: New Australian Estimates." *Institute for the Study of Labor (IZA),* Discussion Paper Series, no. 5119 (2010).

[29] Cleveland, Krashinsky, Colley, Avery-Nunez. *Technical Report: City of Toronto Licensed Child Care Demand and Affordability Study*. City of Toronto, 2016.
[30] Ferns, Carolyn J. "Ontario must act on child care recommendations in Gender Wage Gap report: OCBCC." August 25, 2016. http://www.childcareontario.org/ontario_must_act_child_care_recommendation_in_gender_wage_gap_report.
[31] Russell, Andrew. "Premier Kathleen Wynne calls Ontario hydro rates an 'urgent issue' for her government." *Global News,* September 7, 2016.
[32] Ministry of Energy. *Ontario Reducing Electricity Costs for Families and Businesses.* September 13, 2016.
[33] *Building Ontario up for Everyone: 2016 Ontario Economic Outlook and Fiscal Review*. Ontario Ministry of Finance. 2016.
[34] Ferguson, Bob. "Liberals' hydro rebate criticized for doing little to stem cost of electricity." *The Star,* September 13, 2016.
[35] "Historical Energy Prices." *Ontario Energy Board.* October 19, 2016. http://www.ontarioenergyboard.ca/OEB/Consumers/Electricity/Electricity+Prices/Historical+Electricity+Prices.
[36] Leslie, Keith. "Ont. Liberal promise to remove province's portion of HST from hydro bills." *CTV News,* September 12, 2016.
[37] *Ibid.*
[38] Ferguson, Bob. "Liberals' hydro rebate criticized for doing little to stem cost of electricity." *The Star,* September 13, 2016; Leslie, Keith. "Ont. Liberal promise to remove province's portion of HST from hydro bills." *CTV News,* September 12, 2016.
[39] Office of the Premier. *Ontario and Québec Working Together to Drive Economic Growth,* October 21, 2016;
[40] "HPI Tool." *The Canadian Real Estate Association.* Accessed December 5, 2016. http://www.crea.ca/housing-market-stats/mls-home-price-index/hpi-tool/.
[41] Slattery, Jill. "Goodbye Vancouver: Foreign buyers now flooding Seattle and Toronto real estate markets." *Global News,* September 16, 2016.
[42] "HPI Tool." *The Canadian Real Estate Association.* Accessed December 5, 2016. http://www.crea.ca/housing-market-stats/mls-home-price-index/hpi-tool/.
[43] Slattery, Jill. "Goodbye Vancouver: Foreign buyers now flooding Seattle and Toronto real estate markets." *Global News,* September 16, 2016.
[44] Carrick, Rob. "A house for three times your income? Think again." *Globe and Mail,* November 8, 2015.
[45] *Ibid.*
[46] *Building Ontario up for Everyone: 2016 Ontario Economic Outlook and Fiscal Review.* Ontario Ministry of Finance. 2016.
[47] *Ibid.*
[48] Sherman, Josh. "What economists say about Ontario offering bigger tax rebates to first-time homebuyers." *Buzz Buzz News,* November 14, 2016.
[49] "Bill Morneau tightens mortgage rules on homes over $500K." *CBC News,* December 11, 2015.
[50] Marr, Garry. "B.C. slaps 15% additional tax on foreign nationals buying property in Metro Vancouver." *Financial Post,* July 26, 2016.
[51] *Fall 2016 Update: Economic and Fiscal Outlook.* Financial Accountability Office of Ontario. 2016. Note: the forecasted budget deficit excludes any reserve.
[52] Jones, Allison. "Ontario government using reserve fund to help balance the budget." *Global News,* November 14, 2016.
[53] Briere, Karen. "Programs help dairy sector offset impact of CETA." *The Western Producer,* November 17, 2016; *How CETA Will Benefit Ontario.* Global Affairs Canada - Government of Canada. 2016.
[54] *Building Ontario up for Everyone: 2016 Ontario Economic Outlook and Fiscal Review.* Ontario Ministry of Finance. 2016.