

# Federal and Provincial COVID-19 Response Measures



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# Purpose and Structure

**Purpose:** To provide a summary of the COVID-19 response measures implemented in Ontario by the Government of Ontario (the Province) and the Government of Canada (the federal government)

The report has three main sections:

1. Review of the direct support measures
2. Review of the liquidity measures
3. Analysis of the Province's updated \$30 billion COVID-19 Response Action Plan

# Overview of COVID-19 Response Measures

- As of August 26, 2020, the FAO has identified 68 federal government measures and 70 provincial measures for a total of 138 COVID-19 response measures. The full list of measures is available on the FAO website
- The FAO has categorized COVID-19 response measures into two types:
  1. **Direct support measures**, which have a direct impact on the government's budget balance through either increased spending or reduced revenue (e.g., grant, subsidy, cash transfer, etc.); and
  2. **Liquidity measures**, which provide short-term cash flow support for people and businesses and must be paid back later (e.g., tax deferrals, interest-free loans, etc.)

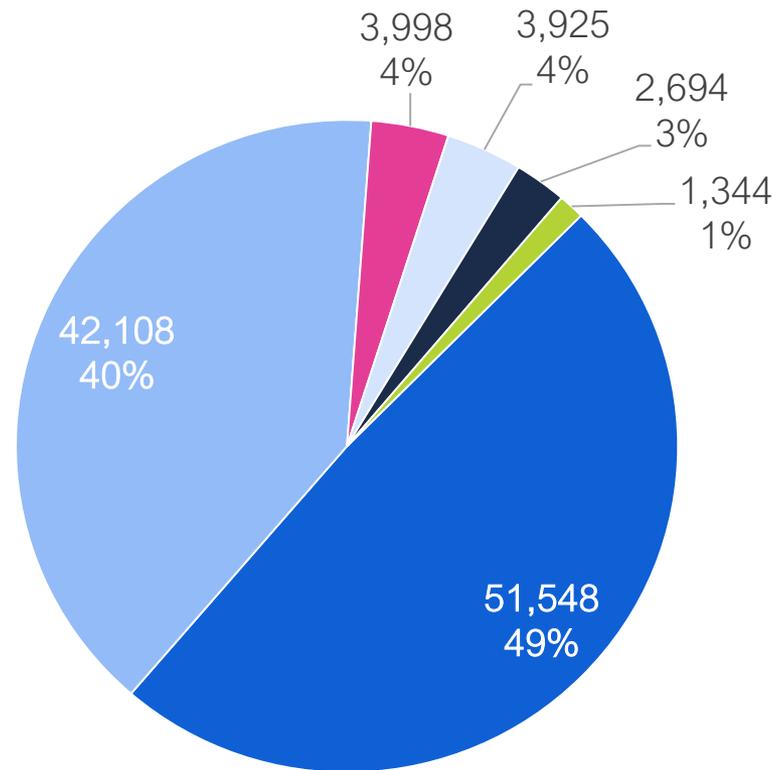
# Direct Support Measures

	Estimated Cost of Support in Ontario (\$ millions)	Number of Measures
Federal Measures (a)	102,045	61
Provincial Measures	10,759	65
Less: federal government cash transfers to the Government of Ontario to support provincial measures	-7,187	
<b>Net Cost to Province of Direct Support Measures (b)</b>	<b>3,572</b>	
<b>Net Total Direct Support Measures (a + b)</b>	<b>105,617</b>	<b>126</b>

Note: Estimated Cost of Support in Ontario excludes measures for which cost estimates are unavailable.

Source: FAO analysis of the Government of Canada's COVID-19 Economic Response Plan, the Parliamentary Budget Office's Costing of Canada's COVID-19 Economic Response Plan, the Province's 2020-21 First Quarter Finances and information provided by Treasury Board Secretariat

# Target of Support for Direct Support Measures



■ Individuals ■ Businesses ■ Health Sector ■ Municipalities ■ Other/Unknown ■ Schools & Child Care

Source: FAO analysis of the Government of Canada's COVID-19 Economic Response Plan, the Parliamentary Budget Office's Costing of Canada's COVID-19 Economic Response Plan, the Province's 2020-21 First Quarter Finances and information provided by Treasury Board Secretariat

# Benefit to Ontario from CERB and CEWS

- The Canada Emergency Response Benefit (CERB) and the Canada Emergency Wage Subsidy (CEWS) are the two largest federal measures. Combined, the two measures are estimated to provide \$72.4 billion, or 69 per cent of total direct support to Ontario.
- Over 4 million Ontarians have either received the CERB benefit or had their wages subsidized through the CEWS program. This represents one third of all working age Ontarians.

# Status of Federal Cash Transfers to Ontario

- The Province will receive \$7.2 billion in cash transfers from the federal government through four federal streams
- As of August 26, 2020, there is still \$3.5 billion remaining to be allocated to specific provincial measures

	Total Funds	Funds Allocated to Provincial Measures	Remaining Unallocated Funds
COVID-19 Response Fund for Provinces and Territories	194	194	0
Essential Workers Wage Top-up	1,129	1,129	0
Safe Restart Fund	5,100	2,012	3,088
Safe Return to School Fund	763	381	382
<b>Total</b>	<b>7,186</b>	<b>3,716</b>	<b>3,470</b>

Source: FAO analysis of the Government of Canada's COVID-19 Economic Response Plan, the Parliamentary Budget Office's Costing of Canada's COVID-19 Economic Response Plan, the Province's 2020-21 First Quarter Finances and information provided by Treasury Board Secretariat

# Status of Unallocated Provincial Funds

- In the 2020-21 Expenditure Estimates, the Province included two COVID-19 funds: a \$1.8 billion Health Sector Response Fund (the Health Fund) and a \$2.0 billion Support for People and Jobs Fund (SPJF)
- In the 2020-21 First Quarter Finances, the two funds received top-ups bringing the total Health Fund to \$6.2 billion and the SPJF to \$5.0 billion
- As of August 26, 2020, the FAO estimates \$6.7 billion remains to be allocated to specific measures

	Total Funds	Funds Allocated to Measures	Remaining Unallocated Funds
COVID-19 Health Sector Response Fund	6,167	1,996	4,171
Support for People and Jobs Fund	4,966	2,478	2,488
<b>Total</b>	<b>11,133</b>	<b>4,474</b>	<b>6,659</b>

Source: FAO analysis of the Government of Canada's COVID-19 Economic Response Plan, the Parliamentary Budget Office's Costing of Canada's COVID-19 Economic Response Plan, the Province's 2020-21 First Quarter Finances and information provided by Treasury Board Secretariat

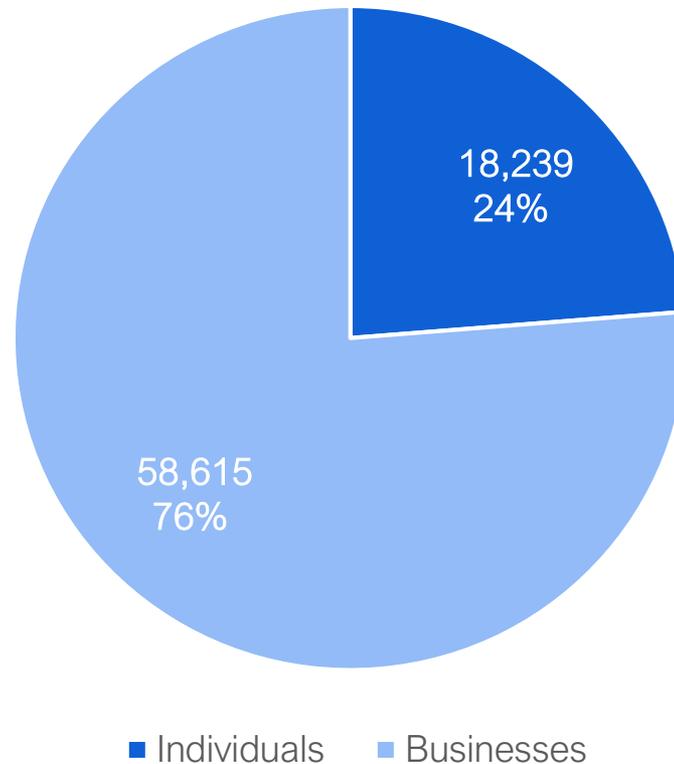
# Liquidity Measures

	Estimated Liquidity Support in Ontario (\$ millions)	Number of Measures
Federal Liquidity Measures	66,192	11
Provincial Liquidity Measures	10,662	7
<b>Total Liquidity Measures</b>	<b>76,854</b>	<b>18</b>

Note: Estimated Liquidity Support in Ontario excludes six liquidity measures for which estimates are not available

Source: FAO analysis of the Government of Canada's COVID-19 Economic Response Plan, the Parliamentary Budget Office's Costing of Canada's COVID-19 Economic Response Plan, the Province's 2020-21 First Quarter Finances and information provided by Treasury Board Secretariat

# Target of Support for Liquidity Measures



Source: FAO analysis of the Government of Canada's COVID-19 Economic Response Plan, the Parliamentary Budget Office's Costing of Canada's COVID-19 Economic Response Plan, the Province's 2020-21 First Quarter Finances and information provided by Treasury Board Secretariat

# Review of the Province's Updated \$30 Billion COVID-19 Response Action Plan

- Main reason for the **\$1.9 billion** difference:
  - **\$2.7 billion:** Province's inclusion of spending in the health sector and for electricity subsidy programs unrelated to COVID-19
  - **-\$0.8 billion:** FAO's inclusion of new measures announced since the Updated Action Plan and differences due to FAO's own costing of some measures

	FAO Identified Measures and Unallocated Funds	Ontario's \$30 Billion Updated Action Plan
Provincial Direct Support Measures	10.8	11.2
Remaining Unallocated Provincial Funds	6.7	7.5
Provincial Liquidity Measures	10.7	11.3
<b>Total Available Provincial Support</b>	<b>28.1</b>	<b>30.0</b>
<b>Difference</b>		<b>-1.9</b>

Note: Excludes measures for which cost estimates are unavailable.

Source: FAO analysis of the Province's 2020-21 First Quarter Finances and information provided by Treasury Board Secretariat



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