



Committee of the Whole

Meeting Date: May 27, 2025

Submitted by: Paul Shipway, General Manager of Strategic Initiatives & Innovation

Subject: 2025 Ontario Budget

BACKGROUND:

On May 15, 2025, Ontario's Minister of Finance released the [2025 Ontario Budget](#). This budget introduces measures aimed at bolstering the province's economy amidst global uncertainties, including U.S. trade tensions. The budget outlines investments in housing, infrastructure, economic development, and public safety, many of which have direct implications for municipalities. A number of municipal associations including [AMO](#), [MFOA](#), and [AMCTO](#) have completed preliminary analysis to assess the implications for Ontario's municipal sector.

ANALYSIS:

The following information identifies and summarizes highlights of the 2025 Ontario Budget that have potential implications for Middlesex County. Emphasis is placed on initiatives that align with the County's strategic priorities, service responsibilities, and regional context.

Housing and Infrastructure

- Municipal Housing Infrastructure Program (MHIP) and Housing-Enabling Water Systems Fund (HEWSF):
An additional \$400 million is allocated to these programs to support infrastructure projects that facilitate new housing developments. This may provide for additional applications to the Middlesex County Loan program as potential local water/wastewater projects are advanced to address local infrastructure needs that align with housing growth objectives.

Transportation

- Connecting Links Program:
Annual funding increases from \$30 million to \$45 million to support municipalities in maintaining roads that connect provincial highways.

Economic Development

- Trade-Impacted Communities Program (TICP):
A new \$40 million program aims to support communities and businesses affected by trade disruptions.
- Invest Ontario Fund:
An additional \$600 million is allocated to attract investments and create jobs.

Revenues - Property Tax and Assessment

- MPAC Data Access:
Starting in 2026, municipalities will have enhanced access to MPAC data and electronic assessment notices. This modernization aims to improve assessment base management and streamline property tax processes in Middlesex County. No updates on the reassessment cycle.
- Gasoline and Fuel Tax Rates:
The province proposes to permanently set gasoline and fuel tax rates at 9 cents per litre, effective July 1, 2025. This measure is not expected to impact the portion of the gas tax allocated to municipalities for public transit.

FINANCIAL IMPLICATIONS:


While the 2025 Ontario Budget introduces a number of targeted investments that may benefit municipalities there are no structural changes to the provincial-municipal fiscal framework. AMO, and a number of municipal associations have reiterated that municipalities continue to face systemic fiscal pressures due to rising costs, limited revenue tools, and growing infrastructure and service demands.

Although the budget offers opportunities for application-based funding and sector-specific investments, the lack of a comprehensive fiscal realignment means that municipalities must continue to rely on ad hoc program funding rather than predictable, sustainable revenue streams.

Staff will continue to monitor funding program details and assess financial impacts as application criteria, timelines, and allocations are announced.

ALIGNMENT WITH STRATEGIC FOCUS:

This report aligns with the following Strategic Focus, Goals, or Objectives:

Strategic Focus	Goals	Objectives
<p>Promoting Service Excellence</p> 	<p>Innovate and transform municipal service delivery</p>	<ul style="list-style-type: none"> • Anticipate and align municipal service delivery to emerging needs and expectations • Strengthen our advocacy and lobbying efforts with other government bodies • Collaborate with strategic partners to leverage available resources and opportunities •

RECOMMENDATION:

THAT the 2025 Ontario Budget Report be received for information.