



# **BLUEPRINT FOR MAKING ONTARIO OPEN FOR BUSINESS**

*Letters to Each Provincial Cabinet Minister Outlining Key Policy Priorities*

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July 16, 2018

The Honourable Doug Ford  
Premier of Ontario  
Minister of Intergovernmental Affairs  
7 Queen's Park Crescent  
6<sup>th</sup> Floor, Frost Building  
Toronto, ON  
M7A 1Y7

## **RE: A blueprint for making Ontario open for business**

Dear Premier Ford:

Ontario businesses are the backbone of our economy, and on behalf of 60,000-member businesses in 135 communities across Ontario, I would like to congratulate you and the Ontario Progressive Conservative Party on a successful campaign in the provincial election.

The Ontario Chamber of Commerce (OCC) spent the better part of the last year engaging in a broad discussion called *Vote Prosperity*, an initiative that outlined the Ontario business community's priorities for the 2018 provincial election campaign. With that campaign now over, the work must begin to ensure Ontario can achieve coherent, comprehensive pro-growth policies.

At the centre of your campaign message was a call to ensure that Ontario is "open for business." We commit to be a steadfast partner as your government works to achieve this goal. The OCC believes that pursuing economic development in Ontario is the shared responsibility of every ministry, as all ministries, whether considered "economic" or "social" in scope, are integral to the successful development of our shared prosperity.

*Vote Prosperity* presented 18 policies that will support economic growth in Ontario. But those ideas are only some of the many recommendations we put forth in recent years through our reports, letters, and submissions to government.

I am pleased today to not only be writing to you, but to all of Ontario's Cabinet Ministers, with a series of ideas we are calling, **A Blueprint for Making Ontario Open for Business**. As you and your colleagues review these letters, you will see clear themes emerge, including fiscal balance, business competitiveness, investment growth, and government accountability.

### **Fiscal balance**

Fundamental to economic growth is ensuring that the Government of Ontario's own fiscal house is in order. As you pointed out on the campaign trail, this province holds one of the highest debts of any non-sovereign jurisdiction in the world, your government must create a meaningful plan to tackle the debt and move towards balanced or surplus budgets.

Beyond balancing the budget, Ontario needs a clear path for long-term fiscal prudence to regain our status as an economic leader in Canada and a reliable investment destination globally. This can be achieved by adopting a value-based approach to government procurement and service delivery, so that government spends public funds more strategically and with improved understanding of the ROI of those dollars.

## **Business competitiveness**

Ontario has a competitiveness problem. To help make Ontario open for business, your government must also consider how it will strengthen business competitiveness. The most powerful tool in making this province competitive is reducing red tape; we ask that your government prioritize lowering the administrative burden on business and ensure that regulation is streamlined and effective. Your actions to create a separate Deputy Minister for Red Tape and Regulatory Burden Reduction is an excellent start.

The Ontario government must also cease the piecemeal approach to new regulations that are negatively impacting Ontario business, by instituting a practice of conducting robust and public cost-benefit analyses of all new regulations to determine their impact on competitiveness, reviewing legislation and regulation to reveal the degree of conflict and/or duplication, and considering where old regulations can be updated rather than new regulations implemented.

Corporate tax reform policies in the U.S. are also contributing to Ontario's competitiveness problem. The OCC is very pleased with your government's commitment to reduce Ontario's corporate tax rate. This is an important step in rewarding job creators and ensuring shared prosperity. To further support this, we recommend your government also work to standardize and lower the Business Education Tax, reduce the Employer Health Tax, and delay taxation of corporate income growth to help businesses scale. The Ontario government should also work with the federal government to tackle the serious challenges posed by these U.S. reforms, ideally through tax and regulatory reform that is focused on enhancing competitiveness and attracting and incentivizing productive investment.

In this drive to make Ontario open for business, we cannot overlook the needs of small enterprises: small business makes up 98 percent of all Ontario businesses and 30 percent of the provincial GDP. To support them, your government should create a bracketed small business deduction, in place of the existing flat rate, for all businesses with an annual revenue of less than \$500,000. We also recommend instituting a regulatory 'concierge service' to assist small businesses in understanding, navigating, and achieving compliance with provincial regulatory requirements, regardless of ministry of origin.

Ontario's competitiveness challenge is very real, particularly for those many businesses impacted by the significant labour reforms and increase to the minimum wage implemented last year. Your government must work with the business community over the coming months to resolve these challenges. Your government has committed to pausing the minimum wage at \$14 an hour before its timed increase to \$15 on January 1, 2019. This move will necessitate legislative changes to the *Employment Standards Act* (ESA) in 2018. At that time, the OCC is calling upon the Government of Ontario to undo the vast majority of amendments introduced in Bill 148, not only to the ESA but also to the *Labour Relations Act* (LRA). We would then like to see this reform process begun anew, with a re-assessment of the Changing Workplaces Review recommendations, a longer timeline to legislation, more in-depth stakeholder consultations, and a comprehensive economic impact analysis for all proposed changes.

A timely challenge to Ontario's competitiveness is the recent tariffs placed by the United States on Canadian steel and aluminium. They have already made an impact, particularly on steel- and aluminium- producing communities such as Hamilton, Sault Ste. Marie, and Windsor. These tariffs, coupled with the protracted and often antagonistic renegotiation of NAFTA, have resulted in significant uncertainty for Ontario businesses. In this environment, the Ontario government should take an active role in promoting positive bilateral cooperation with American states, especially those with which Ontario conducts a significant amount of

trade. The signing of subnational bilateral Memoranda of Understanding (MOUs) between Canadian provinces and American states could be a useful tool for protecting our shared economic interests.

### **Investing in Ontario**

Investing in Ontario through strategic spending is essential to fostering job creation and for building healthy and productive communities across the province.

Energy infrastructure is central to our future. Ontario's nuclear fleet is one of our key advantages: Not only does the nuclear industry contribute to the economy by providing less costly and more reliable electricity, it creates jobs across Ontario, it has a high-tech supply chain and contributes to health research and innovation through the development of critical isotopes. We applaud your personal support for the continued operation of the Pickering Nuclear Generating Station and protecting thousands of jobs. Similarly, Ontario should leverage this advantage by completing the Darlington Nuclear Generating Station refurbishment and moving forward with the Bruce Power life-extension project.

The Ontario government should also prioritize building adaptable and resilient infrastructure that can handle future pressures such as climate change and population growth. Equally important, infrastructure investments cannot just be promised; Ontario needs shovels in the ground.

Despite large investments, tens of thousands of homes and businesses across Ontario still lack adequate access to high speed internet. This compromises the ability of communities to innovate and modernize, attract and retain business, educate their populace, and engage with the global economy. Your government can kick-start economic growth and spread prosperity by developing and acting upon a comprehensive broadband internet infrastructure strategy.

Similarly, a province-wide Long-Range Transportation Plan (LRTP) is needed to manage the movement of goods and people between Ontario's diverse regions. An LRTP will contribute to employment and economic growth by improving linkages between transportation modes, enabling the province to effectively develop and implement policies that improve and better utilize Ontario's extensive network of road, rail, marine and airport facilities.

Infrastructure investment creates jobs, but increasingly there are not enough skilled workers to fill jobs in Ontario. As employers' struggle to recruit properly qualified talent, the skills mismatch is becoming a serious threat to economic growth. Your government should invest in comprehensive, up-to-date, and shared labour market information to strategically manage investment, as well as ensure that post-secondary institutions and employers are aligned with respect to current and future labour market needs. The Ontario government should also modernize the apprenticeship system and revise the journeyman-to-apprentice ratio framework to create more opportunities within the skilled trades.

Ontario is increasingly viewed as a leader in the health sciences sector, thanks to our world-class research, discoveries, and entrepreneurs. Yet local innovations struggle to make their way into our health care system. As the public system represents two-thirds of health spending in Ontario, creating a demand-driven environment is largely in the hands of government. Your government must be a proactive partner in building and maintaining a self-sustaining health science ecosystem that acts as an economic driver and brings the highest quality of care to Ontarians.

### **Government transparency and accountability**

Poor implementation of government initiatives in the past has led to resource waste, mismanagement, and disruption for both businesses and residents. To improve accountability, the Ontario government should

ensure all proposed policy, regulation, and legislation has been evaluated against sound, quantitative evidence. Criteria should also be established to measure progress toward the attainment of strategic goals, with results released to ensure transparency. During the recent election, you rightfully committed to an important audit of all government spending. This will be a key exercise in restoring transparency and accountability to Ontario taxpayers. Throughout this process, we urge you to consult widely with the private sector on potential opportunities to improve the efficiency and quality of public services.

With many vibrant sectors and regions across the province, a “one-size-fits-all” approach to policy is not appropriate. In the interest of open government, and to avoid unintended consequences of government action, stakeholder input must be robust and respected, particularly with regards to timelines, roll-out processes, and design of new government initiatives. The Ontario government must practice appropriate engagement with stakeholders when revising or implementing initiatives that will impact their operations.

It is also critical that your ministries do not operate in siloes, without co-ordinating effort or budget resources in service of the same outcomes. The Ontario government should establish a Health Cabinet of representatives from all relevant Ministries, as well as select expert civil society stakeholders. Each participating agency should have a view to their mandate’s impact on Ontarians’ health and well-being, their spending related to that mandate, and how their ROI can be accurately captured across the public sector, in order to more effectively measure and evaluate decisions regarding health services. This collaborative effort could improve both the fiscal sustainability of the health care system and the care received by Ontarians.

The letters contained within the OCC’s Blueprint will be publicly available on our website for all Ontarians to read. To ensure the utmost transparency, Premier, we ask that you also publicly release the mandate letters you have provided to each of your ministers.

We are looking forward to working with your government over the course of your mandate on evidence-based policies that will help achieve shared goals and encourage economic prosperity for all.

At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario’s business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:  
Steve Orsini, Secretary of the Cabinet, Head of the Public Service

July 16, 2018

The Honourable Ernie Hardeman  
Minister of Agriculture, Food and Rural Affairs  
7<sup>th</sup> Floor, 77 Grenville Street  
Toronto, ON  
M7A 1B3

**RE: A blueprint for making Ontario open for business**

Dear Minister Hardeman,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Agriculture, Food and Rural Affairs.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes a number of communities in your own home-riding of Oxford.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Agriculture, Food and Rural Affairs, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

The Ontario agri-food sector is innovative, adaptable, and internationally competitive; it is also one of the most important economic drivers in the province. Together, the industries that make up this sector employ approximately 1 in 9 Ontarians and contribute \$36.4 billion in GDP to the provincial economy, representing 5.9% of total provincial GDP in 2015. Food and beverage manufacturing alone represents over 15 percent of

the GDP contributed by manufacturing industries in this province.<sup>1</sup> The Ontario Agricultural College at the University of Guelph performs more than \$50 million in research every year and is a partner with the Ontario Ministry of Agriculture, Food and Rural Affairs on a research program that generates an economic impact of \$1.15 billion.<sup>2</sup>

That said, Ontario cannot afford to take the continued success of the agri-food sector for granted. This sector is experiencing significant pressure to adapt to a series of new regulations and costs imposed by government, on top of the massive shifts in agri-food technology and workforce demographics with which they must similarly contend. Agri-business is also disproportionately located in rural areas, making their innovation and growth more difficult and expensive than that of urban firms.

To attract, retain and grow businesses in this sector, it is critical that your ministry adopt a holistic approach to regulatory management, improving access to risk management tools and strategic initiatives, incentivizing innovation in the sector and rural investment that is responsive to the economic context in which agri-businesses operate. In particular, we stand with the Ontario Federation of Agriculture and the Eastern and Western Wardens in calling for action on natural gas expansion, broadband infrastructure, and workforce development.

## **1. Address workforce development and demographic challenges**

Like many sectors, agri-food struggles to find the right people to keep their businesses in operation. Research suggests that food and beverage processing jobs suffer from the negative perception that careers in this sector are low paying with minimal opportunities for advancement. This has contributed to agri-food having one of the oldest workforces, with the largest share of workers in primary agriculture being over 55 years of age. Although workers in the 25-45 age group continue to represent the largest share of employees in the food and beverage processing industry, their share of workers over 55 has also increased significantly.<sup>3</sup> Due to these challenges, labour shortages have the potential to reduce the competitiveness of the entire sector.

In collaboration with the Ministry of Training, Colleges and Universities, your ministry should enact sector-specific solutions, such as:

- Work with industry and post-secondary institutions to ensure that training program offerings remain responsive to the needs of agricultural producers and processors.
- Support programs that increase public awareness of the diversity and abundance of promising career opportunities in the agri-food sector.

For more information, see [Fertile Ground: Growing the Competitiveness of Ontario's Agri-Food Sector](#).

## **2. Expand natural gas access to make life more affordable in rural Ontario**

Natural gas is a clean, affordable option for powering rural homes and businesses. As the cost of electricity is most acute in rural communities, the expansion of natural gas availability is a powerful tool for making life more affordable for many Ontarians. Your ministry should work with the Ministry of Energy, Northern Development and Mines and the Ministry of Infrastructure to expand natural gas pipeline access.

For more information, see our submission to the 2017 Long-Term Energy Plan, [Leading the Charge](#).

<sup>1</sup> Ontario Ministry of Agriculture, Food and Rural Affairs. 2016. "Gross Domestic Product, Agri-food Sector 2007-2015". [http://www.omafra.gov.on.ca/english/stats/economy/gdp\\_agrifood.htm](http://www.omafra.gov.on.ca/english/stats/economy/gdp_agrifood.htm)

<sup>2</sup> Ontario Agricultural College. <https://www.uoguelph.ca/oac/about-oac>

<sup>3</sup> Canadian Agricultural Human Resource Council Labour Task Force. 2015. *Addressing Labour Shortages in the Agriculture and Agri-Food Industry through a National Workforce Action Plan*. <http://www.cahrc-ccrha.ca/sites/default/files/RevisedAgAgriFoodWorkforceActionPlan-EN-Feb132015.pdf>

### **3. Connect all Ontarians to high-speed internet**

Despite large investments, tens of thousands of rural, remote and last mile homes and businesses in Ontario still lack adequate access to high speed internet. This is compromising the ability of communities across the province to innovate and modernize, attract and retain business, educate their populace, and engage with the global economy. The agri-food sector is particularly harmed by poor internet access, as it prevents existing innovations in connectivity, AI, and automation from being implemented on Ontario farms.

Commitments to enhance natural gas distribution in rural communities by enabling private sector participation, and using the government savings to invest in cellular and broadband expansion is a welcome first step. To build on this commitment your ministry should collaborate with the Premier's Office and the Ministry of Infrastructure – as well as the federal government and the private sector – to realize a provincial broadband strategy.

For more information, see [our letter on broadband infrastructure](#).

### **4. Fix the interest arbitration system for municipalities**

Given that interest arbitration is the only legal mechanism available to Ontario municipalities for settling disputes that arise in contract negotiations with essential services such as police and fire, the decisions made by arbiters have an outsized impact on municipal budgets.

Under the current system, awards are often based on comparisons to provincial – not regional – emergency services, challenging rural and remote municipalities that possess a significantly smaller tax base than urban centres. As a result, many municipalities are forced to contend with cost increases that are disproportionate to available revenue. In view of the economic reality of many small towns in Ontario, it is insufficient and inappropriate for arbiters to suggest that funding for increased service costs could be resolved through municipal tax increases. This is especially true in rural communities where agriculture is the primary sector, and where the health of those businesses depend on available municipal government resources to maintain local infrastructure and other priorities.

Your ministry should work with the Ministry of Labour to reform the interest arbitration system so as to more appropriately reflect the capacity of Ontario municipalities to pay for essential services.

For more information, see [our letter on interest arbitration reform](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Randy Pettapiece, Parliamentary Assistant to the Minister of Agriculture, Food and Rural Affairs  
Greg Meredith, Deputy Minister, Ministry of Agriculture, Food and Rural Affairs

July 16, 2018

The Honourable Caroline Mulroney  
Attorney General  
Minister Responsible for Francophone Affairs  
720 Bay Street  
11<sup>th</sup> Floor, McMurtry-Scott Building  
Toronto, ON  
M7A 2S9

**RE: A blueprint for making Ontario open for business**

Dear Minister Mulroney,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Attorney General and Minister Responsible for Francophone Affairs.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes a number of communities in your own home-riding of York-Simcoe.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of the Attorney General and the Ministry Responsible for Francophone Affairs, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

Rule of law is fundamental to a functioning free market, making the role of the Attorney General critical to supporting a thriving provincial economy. The Ontario business community expects your ministry to penalize bad actors in the marketplace so as to ensure legitimate businesses and consumers are safe and productive.

Correspondingly, your ministry must also contribute to the development of legislation that is reflective of contemporary market realities and delivers the outcomes Ontarians need.

Currently, effective legislation and enforcement with respect to cannabis legalization and contraband tobacco, are necessary as Ontario adapts to innovation and change in the marketplace. Your ministry should take action on these timely issues in collaboration with relevant government agencies.

Additionally, we understand that your ministry will be taking the lead with respect to the government's stated desire to challenge the federal government on their carbon pricing strategy. We have provided direction to the Ministry of the Environment, Conservation and Parks on a responsible course of action as it relates to a made-in-Ontario approach to carbon pricing and reducing greenhouse gas emissions.

### **1. Responsibly administer the legalization of cannabis**

While a plan for the legal distribution of cannabis in Ontario is currently in place, it is not responsive to larger concerns about the underground economy, health and safety, or the administrative impact on municipalities. Your ministry should re-evaluate the current plan for distribution prior to the October 17 legalization date, and consider the following principles in the process of policy design:

- *Eliminate the underground economy.* Not all market-models of distribution are equally effective in eliminating the underground economy, so special attention should be given to the unintended consequences of an overly regulated regime. Your ministry should be wary of a system that is so onerous it effectively duplicates the regime prior to legalization, thus sustaining illegal channels for production and distribution.
- *Limit points of access.* Critical to achieving the objective of social responsibility is a commitment to limited points of access for recreational marijuana; however, limiting access is not synonymous with a government-operated distribution system. A licensing system – whereby a fixed number of access points are auctioned out to both the public and private sectors – may be a more efficient model of regulated delivery.
- *Empower communities.* In addition to social responsibility, transparent and representative decision-making should be a priority for government in this period of transition. With respect to both sites of cannabis product production and distribution, municipalities should have a voice in the approval process. Additionally, municipalities should receive up to half of the provincial take of the federal cannabis excise tax, to help offset the costs associated with new administrative and enforcement functions.
- *Invest in addiction prevention and treatment.* Insofar as the Province generates net revenues from the legalization of cannabis, a significant portion of these revenues should be invested in addiction prevention and treatment. Investments should reflect local community needs, as well as support employers and employees to keep workplaces safe.
- *Ensure products are subject to best-practice health regulation.* Ontario should work with the federal government and other provinces and territories to study the health implications of recreational cannabis use and develop evidence-based health and safety regulations.

For more information, see [our letter on cannabis legalization in Ontario](#).

### **2. Consider a new approach to combating contraband tobacco**

There is more that your ministry can do to fight the sale and use of contraband tobacco, a product that increases criminal activity, harms tobacco users, and undermines the legitimate tobacco industry.

The Ministry of the Attorney General should seek to strengthen licensing requirements to include non-tobacco materials used to make tobacco products. It should also broaden offenses that are subject to penalties under the *Tobacco Tax Act*, specifically with regards to individuals selling tobacco to minors. On the whole, we recommend that your ministry consider adopting the Quebec model, to increase penalties and strengthen enforcement where it is most needed.

For more information, see our submission on Bill 186 to the Standing Committee on Finance and Economic Affairs, [Re: Bill 186, An Act to amend the Tobacco Tax Act](#).

### **3. Better facilitate francophone immigration**

As Minister of Francophone Affairs, you have a role in improving regional distribution of high-skill economic immigrants. Survey data collected by the OCC reveals that 77 percent of Ontario businesses cite attracting and retaining talent as critical to competitiveness, yet nearly all sectors are facing skills and labour shortages.<sup>1</sup> Research has indicated that much of Ontario's future net labour growth will come from immigration.<sup>2</sup> Your ministry can play a role in addressing this labour shortage by facilitating the attraction and settlement of skilled francophone talent across the province.

A five percent francophone immigration target was put in place in 2012; to meet that target, your ministry should collaborate with the Ministry of Economic Development, Job Creation and Trade, the Ministry of Children, Community and Social Services, and the federal government to implement supportive policies in key areas of the immigration process, including selection and pre-arrival, settlement and integration, and promotion and attraction.

Your ministry should also work collaboratively with local chambers of commerce and boards of trade that can act as resources to help integrate francophone talent into the workforce. Convening regular forums as well as providing public updates on the progress towards the five percent target would be valuable tools in creating strong stakeholder partnerships.

For more information, consult the 2016-17 Minister's Employer Table on Immigration report co-authored by the former Ontario Ministry of Citizenship and Immigration and the OCC.

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

<sup>1</sup> Ontario Chamber of Commerce. 2018. *Ontario Economic Report*. <http://www.occ.ca/wp-content/uploads/2018-Ontario-Economic-Report-8.pdf>

<sup>2</sup> Statistics Canada. 2012. "Projected trend to 2031 for the Canadian labour force". <https://www150.statcan.gc.ca/n1/pub/11-010-x/2011008/part-partie3-eng.htm>

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Lindsey Park, Parliamentary Assistant to the Attorney General  
Amanda Simard, Parliamentary Assistant to the Minister Responsible for Francophone Affairs  
Paul Boniferro, Deputy Attorney General, Ministry of the Attorney General  
Marie-Lison Fougere, Deputy Minister, Ministry Responsible for Francophone Affairs

July 16, 2018

The Honourable Lisa MacLeod  
Minister of Children, Community and Social Services  
Minister Responsible for Women's Issues  
14<sup>th</sup> Floor, 56 Wellesley St West  
Toronto, ON  
M7A 1E9

**RE: A blueprint for making Ontario open for business**

Dear Minister MacLeod,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Children, Community and Social Services and Minister Responsible for Women's Issues.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes organizations like the Ottawa Chamber of Commerce in your own home-riding of Nepean.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Children, Community and Social Services, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

The Ontario economy is undergoing tremendous change, bringing about a level of disruption in the labour market that will require a dedicated response from government. Innovative policy initiatives that introduce new approaches for effectively managing disruption – such as the Basic Income Pilot Project – have potential and should be explored in depth. Similarly, ensuring communities across Ontario have the labour forces they

require for growth and prosperity can only be accomplished through improved integration of women, immigrants, and other under-utilized groups into the workplace. Your ministry, therefore, has a foundational role to play in supporting the future of Ontario.

## **1. Support regional labour markets through improved distribution of immigrant talent**

Employers in communities across Ontario note their continued inability to access needed talent as a serious challenge to their ability to grow. This challenge contributes to the economic hollowing out of rural and remote areas across the province. Economic class immigrants are needed to weather the demographic changes shaping Canada and Ontario, including the erosion of the tax base from an aging population, low labour productivity, and the skills mismatch.

In partnership with the federal government, your ministry should take action to:

- *Lead a federal/provincial renewal of the Municipal Immigration Information Online Program:* The Municipal Immigration Information Online Program was designed to address the challenge of newcomers lacking social support networks in rural and remote communities, leading to economic isolation. Initially developed as part of the Canada-Ontario Immigration Agreement in 2005, the program increased the online capacity, resources, and information provided to immigrants by municipalities, particularly at the pre-arrival stage. It led to the launch of 28 municipal immigration portals representing over 120 communities in Ontario.
- *Increase Ontario's allocation under the Ontario Immigrant Nominee Program:* Ontario's current allocation of 6,600 nominations make ours the largest provincial nominee program in Canada. However, the number of economic immigrants Ontario can nominate is the smallest in proportion to our population. In 2016, Ontario received 29 percent of Canada's economic class immigrants, while making up 38.3 percent of the population – giving us the smallest proportion of immigration intake from the economic class.<sup>1</sup> Your ministry should advocate for the federal government to rectify this imbalance.
- *Better facilitate francophone immigration.* A five percent francophone immigration target was put in place in 2012; to meet that target, your ministry should collaborate with the federal government to implement supportive policies in key areas of the immigration process, including selection and pre-arrival, settlement and integration, and promotion and attraction. Similarly, your ministry should also work collaboratively with local chambers of commerce and boards of trade that can act as resources to help integrate francophone talent into the workforce. Convening regular forums as well as providing public updates on the progress towards the five percent target would be valuable tools in creating strong stakeholder partnerships.

For more information, see [Passport to Prosperity: Ontario's Priorities for Immigration Reform](#), our [letter to the federal Minister of Immigration, Refugees and Citizenship](#), and the 2016-17 Minister's Employer Table on Immigration report co-authored by the former Ontario Ministry of Citizenship and Immigration and the OCC.

<sup>1</sup> Institute for Competitiveness & Prosperity. 2017. *Immigration in Ontario: Achieving best outcomes for newcomers and the economy*. [https://www.competeprosper.ca/uploads/2017\\_Immigration\\_in\\_Ontario\\_Achieving\\_best\\_outcomes\\_Full\\_report.pdf](https://www.competeprosper.ca/uploads/2017_Immigration_in_Ontario_Achieving_best_outcomes_Full_report.pdf).

## **2. Continue the Basic Income Pilot Project and thoroughly examine its results**

The business community is watching the Basic Income Pilot Project with interest, anticipating informative results. Most prominently, we are keen to understand if basic income payments:

- Influence recipients' socio-economic outcomes, their participation in the labour market, and/or their uptake of education/training opportunities;
- Alter participants' use of existing social and/or income redistribution programs;
- Lead to an increase in entrepreneurial activity.

As such, your ministry should continue this experiment through to its planned conclusion. Once complete, ensure that appropriate time is dedicated to analyzing the results and examining their implications, including how a permanent basic income program might be successfully implemented. This analysis should include an understanding of the effects of such a program on the Province's finances, social/redistribution programs, Ontarians' socio-economic outcomes, and the labour market.

## **3. Improve employer engagement in closing the gender pay gap**

Current legislation designed to address the gap between women's wages and men's wages for the same work is widely misunderstood by the employer community, due in part to poor resourcing for education and engagement initiatives from previous governments. To address this, the Ministry of Labour should repeal the *Pay Transparency Act* and then, in collaboration with your ministry, conduct a thorough review and update of the *Pay Equity Act*, amending that legislation as required to improve compliance and narrow the pay gap.

In order to improve the ability of employers to address pay equity, the Province should focus on improving compliance, by:

- Dedicating resources towards improving awareness and accountability under the *Pay Equity Act* through further empowerment of the Pay Equity Office. This should include improved communications with employers, the development of digital tools to help employers assess and report on pay equity, clear timeframes for employers to meet obligations, and recognition/sharing of best practices from compliant employers.
- Avoiding inflicting duplicative and burdensome reporting obligations on employers by harmonizing with existing reporting requirements for businesses.
- Conducting an analysis of reported data to not merely accurately identify and track the wage gap, but to reveal insights into its causes. From that analysis, identify and implement targeted policy solutions.

For more information, see our submission to the Standing Committee on Social Policy [Re: Bill 3, Pay Transparency Act, 2018](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Amy Fee, Parliamentary Assistant to the Minister of Children, Community and Social Services  
Belinda Karahalios, Parliamentary Assistant to the Minister of Children, Community and Social Services  
Janet Menard, Deputy Minister, Ministry of Children, Community and Social Services

July 16, 2018

The Honourable Michael Tibollo  
Minister of Community Safety and Correctional Services  
25 Grosvenor Street  
18<sup>th</sup> Floor, George Drew Building  
Toronto, ON  
M7A 1Y6

**RE: A blueprint for making Ontario open for business**

Dear Minister Tibollo,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Finance and Chair of Cabinet.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes organizations like the Vaughan Chamber of Commerce in your own home-riding of Vaughan-Woodbridge.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Community Safety and Correctional Services, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

Ineffective policies within the justice system are not only a source of unnecessary costs to the taxpayer, but also negatively impact the health and wellness of Ontarians. The misdirection of individuals with mental illness through the criminal justice system is one such example of policy failure; proactive measures to diagnose and treat individuals with mental illness would not only decrease the strain on correctional services, but allow more Ontarians to live healthy, productive, and dignified lives. Another is the continued illicit sale

of contraband cigarettes, which represents lost government revenue otherwise collected from tobacco tax, and a genuine harm to Ontario consumers. Soon, with the legalization of cannabis, our province will face a series of new health and safety challenges.

Your ministry has an important role to play in the functioning of the province's social fabric and shared prosperity: supporting and rehabilitating the vulnerable, and protecting Ontarians from harm.

## **1. Responsibly administer the legalization of cannabis**

While a plan for the legal distribution of cannabis in Ontario is currently in place, it is not responsive to larger concerns about the underground economy, health and safety, or the impact on municipalities. Your ministry should consult with the Ministries of Finance and the Attorney General to re-evaluate the current plan for distribution prior to the October 17 legalization date, and consider the following principles in the process of policy design:

- *Eliminate the underground economy.* Not all market-models of distribution are equally effective in eliminating the underground economy, so special attention should be given to the unintended consequences of an overly regulated regime. Your ministry should be wary of a system that is so onerous it effectively duplicates the regime prior to legalization, thus sustaining illegal channels for production and distribution.
- *Limit points of access.* Critical to achieving the objective of social responsibility is a commitment to limited points of access for recreational marijuana; however, limiting access is not synonymous with a government-operated distribution system. A licensing system – whereby a fixed number of access points are auctioned out to both the public and private sectors – may be a more efficient model of regulated delivery.
- *Empower communities.* In addition to social responsibility, transparent and representative decision-making should be a priority for government in this period of transition. With respect to both sites of cannabis product production and distribution, municipalities should have a voice in the approval process. Additionally, municipalities should receive up to half of the provincial take of the federal cannabis excise tax, to help offset the costs associated with new administrative and enforcement functions.
- *Invest in addiction prevention and treatment.* Insofar as the Province generates net revenues from the legalization of cannabis, a significant portion of these revenues should be invested in addiction prevention and treatment. Investments should reflect local community needs, as well as support employers and employees to keep workplaces safe.
- *Ensure products are subject to best-practice health regulation.* Ontario should work with the federal government and other provinces and territories to study the health implications of recreational cannabis use and develop evidence-based health and safety regulations.

For more information, see [our letter on cannabis regulation](#)

## **2. Prioritize routing individuals suffering from mental illness away from the criminal justice system**

Placing greater emphasis on programs that support individuals with mental illness would not only alleviate the criminal justice system of unnecessary burden, but also more effectively care for those Ontarians who are struggling. In partnership with the Ministry of Health and Long-Term Care and the Ministry of Children, Community and Social Services, your ministry should:

- Relieve pressure on local police services by providing funding for 24-hour mental health crisis response teams.

- Develop a process whereby individuals who enter the criminal justice system are automatically screened for mental illness and provided with access to treatment when needed.
- Provide support and prevention measures for those with mental illness who are re-entering their communities after encountering the criminal justice system.

### **3. Consider a new approach to combating contraband tobacco**

Funding over 175 criminal organizations,<sup>1</sup> contraband tobacco not only poses a significant threat to public safety, but also robs the Ontario people of valued, unrealized tax dollars. By undermining the price of legitimate tobacco sales and neglecting safety precautions such as ID checking, contraband tobacco becomes more accessible to youth and harms legitimate tobacco manufacturers and sellers.

We recommend your ministry consider adopting a model similar to Quebec's, which in addition to implementing broader legislated action, looks to introduce new control measures for tobacco manufacturing equipment, and empowers provincial and municipal police to enforce certain section of the Tobacco Tax Act.

There is more that your ministry can do in order to fight the sale and use of contraband tobacco, a product that increases criminal activity, harms tobacco users, and undermines the legitimate tobacco industry. Emboldening the fight against tobacco will not only protect youth from accessing harmful tobacco products, but will diminish funding to organized crime and instill greater efficiency in critical government revenue streams.

For more information, see our submission on Bill 186 to the Standing Committee on Finance and Economic Affairs, [Re: Bill 186, An Act to amend the Tobacco Tax Act.](#)

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Prabmeet Sarkaria, Parliamentary Assistant to the Minister of Community Safety and Correctional Services  
Matt Torigan, Deputy Minister, Ministry of Community Safety and Correctional Services

<sup>1</sup> 2010 National Coalition Against Contraband tobacco: Ontario Report Card, p.3 – [https://www.stopcontrabandtobacco.ca/pdf/NCACT\\_Report\\_Card\\_on\\_Ontario\\_Government\\_action\\_on\\_Contraband.pdf](https://www.stopcontrabandtobacco.ca/pdf/NCACT_Report_Card_on_Ontario_Government_action_on_Contraband.pdf)

July 16, 2018

The Honourable Jim Wilson  
Minister of Economic Development, Job Creation and Trade  
777 Bay Street  
18<sup>th</sup> Floor, College Park  
Toronto, ON  
M7A 1S5

**RE: A blueprint for making Ontario open for business**

Dear Minister Wilson,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Economic Development, Job Creation and Trade.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes a number of communities in your own home-riding of Simcoe-Grey.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Economic Development, Job Creation and Trade, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

The clarion call from Premier Doug Ford that Ontario is "open for business" has sent a very powerful message about the desire of this government to prioritize economic development in all its activities. Now, it is the role of your ministry to lead that charge.

At a time when the relationship between our ability to sustain ourselves economically is so closely related to trade tensions, the re-consolidation of trade within this ministry is a welcome decision. Trade is a vital element of Ontario's competitiveness; it represents a major component of Ontario's GDP, contributing over \$8 billion to the province's economy in 2017.<sup>1</sup>

Yet trade uncertainty is not the only serious challenge to Ontario's competitiveness: recent U.S. corporate tax reform must be acknowledged and acted upon by the Province, ideally through tax and regulatory reform that is focused on attracting and incentivizing productive investment (particularly investment in technology) and improving the ease of doing business in Ontario. We are encouraged by the decision to appoint centrally a Deputy Minister-level official charged specifically with red tape and regulatory burden reduction. The OCC views economic development as the responsibility of the whole of government, not merely the Ministry of Economic Development, Job Creation and Trade.

We believe it should be within the mandate of your ministry to help all other ministries understand their role in spurring and supporting economic growth – and that we are your partner in delivering on this mandate. We look forward to building close relationships with your ministry and working in collaboration to make Ontario open for business.

## **1. Take swift action on reducing unproductive regulation**

Ontario is the most regulated jurisdiction in Canada, hampering economic growth, burdening business with outsized administrative costs, and dissuading foreign investment. Your ministry should take immediate action to streamline and modernize regulation with the goal of increasing business competitiveness, by means such as:

- *Build on the Red Tape Challenge.* As your ministry charts a course of action on reducing the regulatory burden, we ask that you consider the existing Red Tape Challenge, through which the business community worked diligently to uncover examples of ineffective regulation in a variety of sectors. Your ministry should take advantage of the information that has hitherto been gathered and act on those recommendations.
- *Avoid a piecemeal approach to new regulations.* Your ministry should encourage all of government to adopt a principled approach to reduce the total cost of regulation to business and identify where modernization is needed to ensure government is responsive to marketplace changes such as technological innovation and consumer empowerment. Legislation and regulation should be regularly reviewed for their degree of conflict, duplication and/or integration with existing legislation/regulation. Consider where old regulations can be updated rather than new regulations implemented.
- *Measure the economic impact of regulation.* In addition to current impact analysis that attempts to measure the social, political, and/or environmental impact of legislation, your ministry should guide the government towards consistent and automatic measurement of a proposed regulation's economic impact. Ontario should move to a regulatory model whereby all proposed legislation and regulations are supported by publicly available cost-benefit analysis and an examination of the regulation's economic impact versus its effectiveness in achieving other goals.
- *Advocate for regulatory harmonization.* Work with the federal government to adopt a standard of regulatory harmonization between the two levels of government, and to improve intra-provincial action on harmonization.
- *Publish a cost of doing business (CODB) index.* A CODB index would be an effective snapshot of business competitiveness, as well as a benchmark against which your ministry could measure Ontario's

<sup>1</sup> Ministry of Finance. 2018. "Ontario Fact Sheet". <https://www.fin.gov.on.ca/en/economy/ecupdates/factsheet.html>

competitiveness relative to neighbouring jurisdictions. Where Ontario performs well, this measure could be used to attract new business and investment; where we perform poorly, your ministry would have direction for reducing barriers and cutting red tape.

For more information, see [Red Tape Holding You Back? Smarter Regulations for a Competitive Economy](#).

## 2. Tackle Ontario's scale-up challenge

To spur the creation of new and innovative companies, governments, institutions, and the business community have done much to tap into the entrepreneurial spirit of Ontarians. However, too few entrepreneurs are continuing to build their business, or “scale up”, in Ontario. As such, the province is foregoing many of the economic benefits that could be provided by this untapped growth potential. To tackle this challenge, your ministry should work with the Ministry of Finance and the Ministry of Government and Consumer Services to implement the following solutions:

- *Delay taxation on corporate income growth to help businesses scale.* The government should exempt firms' incremental income from the corporate income tax in a given year, allowing them to reinvest into their business. Conditions to qualify for the exemption could be set to target high-growth firms; for example, it could require a minimum rate of income growth over the previous year.
- *Bracket the Small Business Deduction (SBD).* The current structure of the SBD may discourage small business owners from growth thanks to the substantial rise in the tax rate as annual income increases above \$500,000. To address this challenge, the government should create a bracketed small business deduction, rather than a flat rate, for all businesses with an annual income less than \$500,000.
- *Make it easier for SMEs to participate in government procurement.* The government should make use of its status as an anchor customer by better leveraging public sector procurement to strategically invest in growing businesses. This could include the expansion of an existing preferred procurement program targeted at SMEs. The U.S. Small Business Innovation and Research program is a good model, as it specifies that government designate a small percentage of all public procurement spending for small, innovative businesses.

For more information, see [Breaking Barriers: Ontario's Scale Up Challenge](#).

## 3. Advocate for growth-focused R&D tax reform

Ontario is a province that excels in research, innovation, and invention. Our post-secondary institutions, research institutes, academic hospitals, private firms, and entrepreneurs create incredible value and contribute immeasurably to our high quality of life. Looking just at universities, Ontario institutions conduct more than \$5.3 billion in R&D that helps fuel innovation in health sciences, artificial intelligence, agriculture, mining, and more, resulting in a \$24.7 billion impact on Ontario's GDP.<sup>2</sup>

Tax reform at both the federal and provincial levels is necessary to support those innovators as they attempt to bridge the commercialization ‘valley of death’; that critical period in which a nascent business requires considerable capital to translate discoveries into product. Successful commercialization is fundamental to turning research into wealth. To make headway on narrowing the valley of death, your ministry should:

- Work with the Ministry of Finance to replicate the British Columbia angel investor tax credit here in Ontario.
- Encourage both the provincial and federal governments to extend flow-through shares to high-growth, research-intensive sectors such as tech and the life sciences.

<sup>2</sup> Statistics Canada, Table 358-0001; Council of Ontario Universities. 2017. *Driving a Prosperous Future: Economic Analysis of the Lasting Impact of Ontario Universities*. <http://cou.on.ca/wp-content/uploads/2017/07/COU-Economic-Report-2017-FINAL.pdf>

- Lead a campaign to advocate for an extensive re-working of the federal Scientific Research and Experimental Development (SR&ED) credit, including making the application process easier to navigate and designating the qualifying variable as rate of firm growth rather than firm size.

For more information, see [Adopting our Advantage: Supporting a Thriving Health Science Sector in Ontario](#) and [Breaking Barriers: Ontario's Scale Up Challenge](#).

#### **4. Build a 'one-window' concierge service to help small business navigate regulation**

The OCC has long advocated for a regulatory 'concierge service' to assist small businesses in understanding, navigating, and achieving compliance with regulatory requirements. Your ministry should lead this approach, by:

- Expanding the Small Business Access phone number so that businesses can receive guidance on all Ontario regulations, regardless of Ministry of origin.
- Resourcing one-on-one assistance from an expert advisor who can identify and prevent common challenges in the compliance process.
- Ensuring all necessary materials and forms are readily available online.

For more information, see [Obstacles and Opportunities: The Importance of Small Business in Ontario](#).

#### **5. Advocate for a proportional allocation for the Ontario Immigrant Nominee Program**

Employers in communities across Ontario note their continued inability to access talent as a serious challenge to their growth, and one that contributes to the economic hollowing out of rural and remote areas. Labour market projections indicate that over the 2017-2026 period, 76 percent of jobs created by economic expansion are expected to be in occupations generally requiring post-secondary education.<sup>3</sup> Economic class immigrants are needed to weather the demographic and economic changes shaping Ontario, including the erosion of the tax base from an aging population, low labour productivity, and the skills mismatch. Your ministry should communicate these needs to the federal government, with the goal of increasing Ontario's allocation under the Ontario Immigrant Nominee Program. Our current allocation of 6,600 nominations make ours the largest provincial nominee program in Canada. However, the number of economic immigrants Ontario can nominate is the smallest in proportion to our population. In 2016, Ontario received 29 percent of Canada's economic class immigrants, while making up 38.3 percent of the population – giving us the smallest proportion of immigration intake from the economic class.<sup>4</sup>

#### **6. Develop more experiential learning opportunities**

The most effective way for workers to attain job-relevant skills training is through experiential learning opportunities, which provide job seekers with hands-on education in real workplaces. Increasing the number of experiential learning opportunities would not only provide employers with a more capable workforce able to meet timely and job-specific needs, but also give individuals the chance for greater economic mobility.

In collaboration with the Ministry of Training, Colleges and Universities, your ministry should utilize the expertise and networks of Local Employment Planning Councils, Ontario Workforce Boards, the Ontario

<sup>3</sup> Government of Canada. 2017. "Imbalances Between Labour Demand and Supply (2017-2026)".

<http://occupations.esdc.gc.ca/sppc-cops/l.3bd.2t.1ilshhtml@-eng.jsp?lid=16%20&fid=1&lang=en>

<sup>4</sup> Institute for Competitiveness & Prosperity. 2017. *Immigration in Ontario: Achieving best outcomes for newcomers and the economy*. [https://www.competeprosper.ca/uploads/2017\\_Immigration\\_in\\_Ontario\\_Achieving\\_best\\_outcomes\\_Full\\_report.pdf](https://www.competeprosper.ca/uploads/2017_Immigration_in_Ontario_Achieving_best_outcomes_Full_report.pdf).

Centre for Workforce Innovation, and local chambers of commerce/boards of trade to create more experiential learning opportunities. These organizations offer existing frameworks for such initiatives, are highly integrated within their respective communities, and can easily coordinate targeted programs with educational institutions, locally-oriented SMEs, and larger industry.

For more information, see [Talent in Transition: Addressing the Skills Mismatch in Ontario](#).

## **7. Pursue Ontario-US state trade MOUs**

The recent tariffs placed by the United States on Canadian steel and aluminium have already impacted Ontario, particularly steel-and aluminium-producing communities such as Hamilton, Sault Ste. Marie, and Windsor. These tariffs, coupled with the protracted and often antagonistic renegotiation of NAFTA, have resulted in significant uncertainty for Ontario businesses. With the Government of Canada having introduced retaliatory tariffs on American products on July 1, the financial damage to Ontario will likely grow.

In this environment, your ministry should take an active role in promoting positive bilateral cooperation with American states, especially those with which Ontario conducts a significant amount of trade. The signing of subnational bilateral Memoranda of Understanding (MOUs) between Canadian provinces and American states could be a useful tool for publicizing Ontario's pro-trade message, and illustrating our shared interests in areas such as the auto industry, tourism, environment protections, and economic development.

## **8. Develop a strategic plan to improve Ontario's export performance**

Your ministry should develop a proactive plan to improve Ontario's trade performance by increasing the exporting capacity of key industries such as manufacturing, automotive, and the high-tech sector. This plan should:

- Contain measurable goals and benchmarks;
- Be adjusted periodically if Ontario's trade performance is not meeting those benchmarks;
- Include an increased scope of incentives and export grants aimed at helping small-and medium-sized companies reduce the time, cost, and risk of exporting; and
- Outline strategies for helping industry take advantage of free trade agreements such as the Comprehensive Economic and Trade Agreement (CETA) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

## **9. Connect all Ontarians to high-speed internet**

Despite large investments, tens of thousands of homes and businesses in Ontario still lack adequate access to high speed internet. This is compromising the ability of communities across the province to innovate and modernize, attract and retain business, educate their populace, and engage with the global economy. Broadband infrastructure is not merely a rural or remote issue; urban communities and those located in Southern Ontario also struggle with connectivity. Your ministry should collaborate with the Premier's Office and the Ministry of Infrastructure – as well as the federal government and the private sector – to realize a provincial broadband strategy.

For more information, see [our letter on broadband infrastructure](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Michael Parsa, Parliamentary Assistant to the Minister of Economic Development, Job Creation and Trade  
Donna Skelly, Parliamentary Assistant to the Minister of Economic Development, Job Creation and Trade  
Shirley Phillips, Deputy Minister, Ministry of Economic Development, Job Creation and Trade  
Giles Gherson, Deputy Minister, Red Tape and Regulatory Burden Reduction

July 16, 2018

The Honourable Lisa Thompson  
Minister of Education  
900 Bay Street  
22<sup>nd</sup> Floor, Mowat Block  
Toronto, ON  
M7A 1L2

**RE: A blueprint for making Ontario open for business**

Dear Minister Thompson,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Education.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes a number of communities in your own home-riding of Huron-Bruce.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Education, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

Young Ontarians should be given the tools and opportunities they need to successfully navigate the labour market and the economy. Your ministry plays a critical role in preparing our youth to contribute to the future of the province, and our future prosperity.

### **1. Promote the skilled trades as a viable career option for young people**

Students and their parents are often unaware of how lucrative and rewarding a career in the trades can be. While many such careers only require a high school education, others require challenging post-secondary training. Your ministry should collaborate with the Ontario College of Trades to develop a curriculum that communicates the challenging and valuable work of the skilled trades.

### **2. Develop a comprehensive financial literacy curriculum**

To ensure all Ontarians have the knowledge and skills needed to understand the financial structures that create economic growth and personal wealth, your ministry should create mandatory elementary and secondary-level courses focused on personal financial literacy and entrepreneurship. The curriculum should include:

- The fundamentals of the Canadian banking system;
- Calculating and understanding various types of debt such as compound interest, student loans, credit cards, lines of credit, secured and unsecured loans, and mortgage payments;
- Retirement planning;
- Saving;
- Securities;
- Financial products such as RESPs, RRSPs, and TSFAs;
- Basic income tax; and
- Business financing and entrepreneurship

In the development of this curriculum, your ministry should consult with organizations such as Junior Achievement, which have successfully delivered financial literacy programs for decades.

### **3. Improve school board accountability**

In collaboration with the Ministry of Municipal Affairs and Housing, your ministry should advocate for a standing committee of the legislature to review and report on the disbursement of property tax monies collected in support of the education system. Currently there is a lack of transparency and accountability to taxpayers and municipalities with respect to decision-making by school boards. This committee should also review school closure policies.

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Sam Oosterhoff, Parliamentary Assistant to the Minister of Education

Bruce Rodrigues, Deputy Minister, Ministry of Education

July 16, 2018

The Honourable Greg Rickford  
Minister of Energy, Northern Development and Mines  
99 Wellesley St West – Room 5630  
5<sup>th</sup> Floor, Whitney Block  
Toronto, ON  
M7A 1W1

**RE: A blueprint for making Ontario open for business**

Dear Minister Rickford,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Energy, Northern Development and Mines.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen’s Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes a number of communities in your own home-riding of Kenora-Rainy River.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario’s business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC’s *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario’s economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Energy, Northern Development and Mines, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

Energy is top of mind for all Ontarians, as the province’s economic prosperity is intrinsically tied to the reliability and cost effectiveness of our energy supply. From 2008 to 2016, Ontario’s electricity prices rose by 71 percent, far outpacing electricity price growth in other provinces, as well as increases in income and

inflation.<sup>1</sup> Both commercial and residential ratepayers are feeling the pressure from high energy prices, with the business community citing rising input costs (caused in part by electricity) as one of the most common and acute concerns affecting their competitiveness.

Presently, Ontario's energy prices place us at a competitive disadvantage relative to neighbouring jurisdictions. If our province is to be truly "open for business", then we must be sure that our energy planning is principled, pragmatic, and promotes competitiveness.

Similarly, critical to our competitiveness is ensuring the promotion of shared prosperity for all regions of the province, including the North. Challenges in Ontario's far north have been enhanced by poorly designed legislation, such as the *Far North Act* which has paralyzed development and has hindered opportunities for economic development in the region. Also, central to Northern prosperity is the mining sector, one of the most important economic drivers in the province. Our long history of mineral production has been successfully leveraged to position the province as a global hub for mining finance and technical expertise. The local mining industry is also a significant contributor to the provincial economy, producing approximately \$10.6 billion in non-fuel minerals and accounting for more than a quarter of Canada's total value of mineral production. Moreover, mining is the largest private-sector employer of Aboriginal Canadians, who hold 11 percent of all mining jobs in Ontario.<sup>2</sup>

This province already possesses many of the ingredients necessary for the mining sector to remain an economic driver, but these opportunities must be exploited. Your ministry should take immediate action to re-ignite mining investment and activity in Ontario.

## **1. Place a greater emphasis on affordability and flexibility in long-term planning**

The principles of affordability and flexibility should be foundational to provincial energy planning, as a careful balance between the two will promote economic competitiveness and strengthen ratepayer confidence. Affordability ensures that cost-savings can be realized by both the consumer and the government, either directly (through financial incentives or rebates) or indirectly (by lowering system-wide costs). Flexibility ensures that Ontario has the ability to respond to changing market conditions, allowing the province to balance electricity demand and supply.

This principled and pragmatic approach can ensure that energy planning reflects the needs of all Ontarians and promotes our province as "open for business".

For more information, see our submission for the 2017 Long-Term Energy Plan, [Leading the Charge](#).

## **2. Increase transparency for electricity consumers**

Transparency ensures that consumers understand the cost drivers associated with their energy bill, and the rationale for government decisions.

To achieve an early win on the electricity file, your ministry should perform a public analysis of the cost drivers and policy choices that affect who pays for electricity and at what price. Ontarians deserve a comprehensive, objective review of the drivers behind all electricity system costs, including the Global

<sup>1</sup> Jackson, Taylor, et al. 2017. *Evaluating Electricity Price Growth in Ontario*. Fraser Institute.

<https://www.fraserinstitute.org/sites/default/files/evaluating-electricity-price-growth-in-ontario.pdf>

<sup>2</sup> Mining Association of Canada. 2016. "Facts and Figures of the Canadian Mining Industry 2016". <http://mining.ca/sites/default/files/documents/Facts-and-Figures-2016.pdf>

Adjustment (GA). The GA currently constitutes 77 percent of a typical electricity bill,<sup>3</sup> but what it is and how it is calculated is not always clear.

### 3. Leverage Ontario's nuclear sector

Ontario's nuclear fleet is one of its key advantages. Not only does the nuclear industry contribute to the economy by providing less costly and more reliable electricity, it creates jobs across Ontario, it has a high-tech supply chain and contributes to health research and innovation through the development of critical isotopes.

To best leverage this advantage, your ministry should:

- *Complete the Darlington Nuclear Generating Station Refurbishment.* Ontario Power Generation's Darlington Nuclear Generating Station meets approximately 20 percent of Ontario's electricity needs. The on-going \$12.8 billion refurbishment is currently creating jobs and wealth across the project's supply chain, and across Ontario.
- *Move forward with the Bruce Power Life-Extension Project.* Presently, Bruce Power supplies 30 percent of Ontario's electricity at 30 percent less than the average cost to generate residential power.<sup>4</sup> The plan to refurbish its station on Lake Huron will provide Ontario with an annual contribution of 22,000 jobs and \$4 billion in economic benefit through direct and indirect spending on engineering, specialized equipment, materials, and labour income.<sup>5</sup> It will also ensure our grid has access to reliable, clean, affordable energy into the future.
- *Promote Ontario's nuclear expertise domestically and abroad.* Strong, consistent government support for Ontario's nuclear operations and supply chain through assured investment in our domestic technology and expertise is essential to establishing confidence in Canada's nuclear products and services internationally. Your ministry should work with the federal government to ensure Canada remains a leader in nuclear expertise and innovation, and the nuclear sector continues to be an economic driver for Ontario.

For more information, see [Pickering Continued Operations: An Impact Analysis on Ontario's Economy](#) and our [letter to the federal Minister of Innovation, Science and Economic Development](#).

### 4. Allow industry to purchase surplus electricity

To make Ontario competitive, your ministry should explore new ways to lower electricity bills for industry. One such initiative is to develop a program that would allow businesses to purchase surplus electricity supply, which is not currently used or exported.

While applications presently exist that are designed to identify when and how much surplus electrical energy is being generated, there is no provision that allows businesses to purchase this electricity before it is exported to other jurisdictions. Your ministry should develop a process application that would permit local industry to take advantage of those surpluses at rates equal to or better than the exported price, to use for energy storage or to ramp up production to increase productivity.

<sup>3</sup> McKittrick, Ross. "Ontario electricity has never been cheaper, but bills have never been higher". <http://business.financialpost.com/opinion/ontarioelectricity-has-never-been-cheaper-but-bills-have-never-been-higher>

<sup>4</sup> Bruce Power. 2018. "Bruce Power's 2018 Licence Renewal Briefing: Playing a Role in the Prosperity of Our Communities". [http://www.brucepower.com/wp-content/uploads/2017/09/170222-2017-Licence-Renewal\\_DigitalOct17.pdf](http://www.brucepower.com/wp-content/uploads/2017/09/170222-2017-Licence-Renewal_DigitalOct17.pdf)

<sup>5</sup> Provincial Building and Construction Trades Council of Ontario, and the Canadian Manufacturers & Exporters. 2016. "Affordable Power, Jobs & Growth By the Numbers: Securing Both Affordable Power and Growing Ontario's Economy from Bruce Power Site". <http://www.brucepower.com/wp-content/uploads/2016/11/Economic-Impact-Study-2016.pdf>

## 5. Expand natural gas access to make life more affordable in rural Ontario

Natural gas is a clean, affordable option for powering homes and businesses. As the cost of electricity is most acute in rural communities, the expansion of natural gas availability is a powerful tool for making life more affordable for many Ontarians. Your ministry should work with the Ministry of Infrastructure to expand natural gas pipeline access.

For more information, see our submission to the 2017 Long-Term Energy Plan, [Leading the Charge](#).

## 6. Take substantive action on the Ring of Fire

The Ring of Fire has been described as one of the most promising mineral development opportunities in Ontario in almost a century, yet almost two decades after its discovery we have little to show for it. We estimate that in the first 10 years of existence, an operational Ring of Fire would generate up to \$9.4 billion in GDP; generate up to \$6.2 billion for the mining industry; sustain up to 5,500 FTE jobs annually; and generate nearly \$2 billion in revenue between all three levels of government.<sup>6</sup>

Your ministry should lead the charge on unlocking the incredible economic potential in this region, working with the Ministry of Indigenous Affairs. Next, begin to work with your colleagues in Cabinet to address:

- *The physical infrastructure deficit in Northern Ontario.* The lack of adequate transportation infrastructure in the Far North is a significant barrier to the development of the Ring of Fire. Winter roads are of particular concern, as climate change shortens their usable season; this reduced access threatens the economic viability of nearby resource projects as well as the viability of local communities. Your ministry should expand the mandate of the Ring of Fire Infrastructure Development Corporation to connect mineral exploration and development projects – including, but not limited to, the Ring of Fire – with broader economic development opportunities. Alongside that expansion, the Corporation’s Board of Directors should also include industry and Indigenous representatives.
- *Energy costs:* The high cost of electricity and the inability of large industrial consumers and LDCs to use innovative energy storage deter firms from processing minerals within the province. If Ontario aims to keep or attract value-added mineral processing plants in the province, it needs to create the economic conditions that are conducive to this type of investment.
- *Indigenous community needs:* The development of the Ring of Fire can yield significant, long-term benefits for Indigenous communities in the North. These communities are seeking to maximize the opportunity it presents and should be supported in their efforts to do so.
- *Labour market shortages:* Northern Ontario suffers from pronounced labour shortages, particularly skilled labour. Forty-six percent of businesses in the northeast and 41 percent of businesses in the northwest that attempted to hire recently note that they have experienced difficulty filling vacant positions because they could not find someone with the right qualifications.

For more information, see [Beneath the Surface: Uncovering the Economic Potential of Ontario’s Ring of Fire](#).

## 7. Re-ignite Ontario’s leadership in mining innovation

Mining is a competitive advantage for our province; Ontario is home to a number of world-leading mining firms. Furthermore, Ontario’s universities and colleges partner with institutes like The Northern Centre for

<sup>6</sup> Hjartarson, Josh et al. 2014. *Beneath the Surface: Uncovering the Economic Potential of Ontario’s Ring of Fire*. Ontario Chamber of Commerce. [http://www.occ.ca/wp-content/uploads/Beneath\\_the\\_Surface\\_web-1.pdf](http://www.occ.ca/wp-content/uploads/Beneath_the_Surface_web-1.pdf)

Advanced Technology and SNOLab to help researchers and mining companies test new products and accelerate innovation and growth.

With mines becoming deeper and more remote, new research and innovation is increasingly essential to develop the necessary tools and techniques. Unfortunately, Ontario mining firms have been scaling back on investments in these areas in recent years and focusing on core operating priorities, due to the difficult economic climate they face.

Your ministry should leverage government research investment to demonstrate that Ontario values its position as a leader in mining innovation. This could include:

- Increasing the relative government-to-industry funding ratio for innovation and commercialization projects, and manage funding flows as appropriate, based on the size and timeframe of such projects.
- Providing funding for projects that go beyond academic research and incorporate the mining industry, the supply and service industry, and other cross-sector industries to support implementation and commercialization.

For more information, see [Digging Deeper: Strengthening Ontario's Mining Advantage](#).

## **8. Establish a standard framework on the duty to consult**

The lack of clarity regarding the provincial government's approach to many Indigenous issues—including the duty to consult any unresolved land claims—threatens the future socio-economic well-being of communities across Ontario while hindering meaningful discourse on the development of natural resource sector projects. In some cases, a lack of clarity has led to delay or outright halting of projects with potential economic and social benefits for the local Indigenous communities and Ontario at large, i.e. the Ring of Fire.

Your ministry should develop a consistent, coordinated approach to Indigenous consultation and accommodation, which:

- Clearly identifies the duties of industry and of the Crown;
- Harmonizes provincial and federal processes;
- Reflects relevant factors such as new and existing obligations within established case law; and
- Ensures sufficient resources are dedicated to communicating and implementing this approach across government, industry, and Indigenous communities.

For more information, see [Digging Deeper: Strengthening Ontario's Mining Advantage](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Paul Calandra, Parliamentary Assistant to the Minister of Energy, Northern Development and Mines  
Ross Romano, Parliamentary Assistant to the Minister of Energy, Northern Development and Mines  
Stephen Rhodes, Deputy Minister, Ministry of Energy  
David de Launay, Deputy Minister, Ministry of Northern Development and Mines

July 16, 2018

The Honourable Rod Phillips  
Minister of the Environment, Conservation and Parks  
77 Wellesley Street West  
11<sup>th</sup> Floor, Ferguson Block  
Toronto, ON  
M7A 2T5

**RE: A blueprint for making Ontario open for business**

Dear Minister Phillips,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Environment, Conservation and Parks.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes organizations like the Ajax-Pickering Board of Trade in your own home-riding of Ajax.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Environment, Conservation and Parks, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

Active environmental stewardship is critical for Ontario, both to "keep it beautiful" and to demonstrate leadership in preserving the sustainability of our planet. However, it is essential that this stewardship does not come at undue cost to the economy.

Your ministry must ensure that efforts to address global environmental challenges are effective for Ontario, fiscally responsible, maintain business competitiveness, and are implemented with considerable stakeholder engagement and evidence-based thinking.

## **1. Responsibly wind-down the cap and trade program by mitigating financial loss and investment uncertainty**

As the Government of Ontario begins the process of withdrawing from the joint agreement linking Ontario, Quebec and California's cap and trade markets and Western Climate Initiative, it is imperative that this process is respectful of industry. In order to preserve investor confidence in our province, your ministry must guarantee fair and equitable treatment for those businesses holding credits.

Ontario's cap and trade program was implemented within a short time frame with limited stakeholder consultation. It is critical that the wind-down process not unfold in a similar fashion, but rather is a more methodical, collaborative and evidence-based approach. Providing consistent, clear, and detailed information with respect to the government's plan, including what kind of GHG reduction program or mechanism will replace the Cap and Trade system and what will happen to the purchased credits that businesses have, would ensure that businesses have the stability and certainty they require to make the necessary accommodations and adjustments, including future financial and investment planning.

## **2. Take concrete action to reduce Ontario-produced greenhouse gas emissions while protecting business competitiveness**

Businesses across Ontario value environmental stewardship and our provincial contribution to reducing GHG emissions and fighting climate change. They also understand the role that obligations to international environmental agreements such as the Paris Accord have when crafting public policy.

The Government of Canada has provided provinces with a certain degree of autonomy on achieving GHG emissions reduction targets. We recommend that your ministry embrace the autonomy the federal government has granted provinces and propose a comprehensive plan to reduce GHG emissions. Such a plan would provide stability and certainty for Ontario businesses. This is especially important given our understanding that the federal carbon tax would add significant new cost burdens to Ontario businesses and residents at a time when we can ill afford to accommodate that.

Any government-led approaches to reducing Ontario-produced GHGs should include the following considerations:

- Adequate implementation time for the research and development of new technologies to support the on-going transition to the low-carbon economy.
- Appropriate offsets to safeguard business competitiveness, i.e. ensuring that exposed industries are supported in the process of developing techniques for meeting emissions targets.
- Investment in those regional economies that are uniquely impacted by carbon reduction policies.
- Allocation of revenue collected towards proven GHG-reduction programs, including returning revenue to impacted businesses and communities through tax cuts or rebates.
- Objective and transparent accounting for all revenues collected under the auspices of GHG reduction.
- Alignment between energy, climate change and conservation policy.

For more information, see [Energize Ontario: Developing Sustainable Climate Change Policy](#), [Clean Profits: Pricing Carbon and Embracing the Economic Potential of Cap and Trade](#), our [letter regarding the implementation of the cap and trade program](#), and our submission for the 2017 Long-Term Energy Plan, [Leading the Charge](#).

### **3. Fix inefficient and ineffective recycling and waste management policies**

The current *Waste-Free Ontario Act* has failed to accomplish the goals of increasing diversion of recyclable materials to the Blue Box program, reforming the ineffective stewardship structure, and moving to a producer-led waste diversion system. The legislation's emphasis on the circular economy also reflects a lack of engagement with industry best practices.

Your ministry should take action to improve waste management systems in Ontario, by:

- Hosting intensive working consultations with impacted stakeholders to identify the inefficiencies within both the in-progress reform of the Blue Box system, as well as existing systems slated for reform (i.e. organics). Consultations should contain ample time for any policies to be fully considered by stakeholders. Working consultations should also be held on defining what brands and owners will be impacted and what materials will be impacted by any proposed plan changes to waste management policies.
- Conducting detailed economic impact analyses, taking into consideration factors such as the cost of the proposed path, the availability of infrastructure to support the path under consideration, and risk assessment. An economic analysis should also recognize that economies of scale in recycling are critically important, and that enough barriers to effective recycling already exist for small-and medium-sized enterprises, remote or sparsely-populated regions, and small municipalities.

For more information, see: [Consensus & Contention: Business Perspective on Ontario's Proposed Waste Reduction Act](#), [Sustainable Recycling for the Next Generation](#), [Renewing Recycling in Ontario](#), and our [letter regarding amendments to the Blue Box program](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Andrea Khanjin, Parliamentary Assistant to the Minister of Environment, Conservation and Parks  
Serge Imbrogno, Deputy Minister, Ministry of Environment, Conservation and Parks

July 16, 2018

The Honourable Victor Fedeli  
Minister of Finance and Chair of Cabinet  
7 Queen's Park Crescent  
7<sup>th</sup> Floor, Frost Building  
Toronto, ON  
M7A 1Y7

**RE: A blueprint for making Ontario open for business**

Dear Minister Fedeli,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Finance and Chair of Cabinet.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes organizations like the North Bay and District Chamber of Commerce in your own home-riding of Nipissing.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Finance, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

The Ministry of Finance faces perhaps the most difficult challenge of any government portfolio: in 2016/7, Ontario's net debt was \$301.6 billion – one of the highest of any sub-sovereign jurisdiction; due to sweeping tax reform in the US, we no longer have a competitive advantage in corporate taxation; and only 23 percent

of Ontario businesses are confident in the province's economic outlook.<sup>1</sup> There is much work to be done to bring Ontario back to fiscal sustainability, and back to a position of competitiveness.

The OCC and its members are firm in our belief that Ontario needs a clear path for long-term fiscal prudence if we are to regain our status as an economic leader in Canada. Our goal is to stimulate critical economic activity like investment, entrepreneurship, and job creation, and promote ourselves as a reliable investment destination globally.

## **1. Improve Ontario's tax competitiveness**

In Ontario, the business tax challenge is two-fold: both the amount of taxes paid and the mechanisms through which businesses are taxed create impediments to competitiveness. The OCC is pleased to see a commitment in your election platform to reduce the Corporate Income Tax to 10.5 percent. But there is more action that can be taken to improve Ontario's competitive position; therefore, your ministry should immediately act to:

- Standardize the Business Education Tax across regions and reduce that tax where appropriate.
- Reduce the Employer Health Tax to an appropriate level that would help mitigate increased payroll costs imposed by the *Fair Workplaces, Better Jobs Act*.
- Create a bracketed small business deduction, rather than a flat rate, for all businesses with an annual income less than \$500,000.
- Delay taxation on corporate income growth to help businesses scale.
- Scrap the plan to have Ontario mimic the federal government's passive investment rules, which punishes legitimate small businesses.
- Address the underground economy by establishing tougher penalties for noncompliance and increase compliance/audit capabilities with a focus on high-risk industries.
- Work with the federal government to address the serious challenge posed by US corporate tax reform, ideally through tax and regulatory reform that is focused on enhancing competitiveness, attracting and incentivizing productive investment, and improving the ease of doing business in Ontario.
- Support those sectors – such as insurance, credit unions, and real estate – that are seeking to collaboratively modernize the legislation and agencies that regulate them, as well as achieve fairer tax treatment for their industries.
- Introduce legislation to require all revenues raised by carbon pricing<sup>2</sup> to be returned to businesses and consumers through tax cuts or rebates, and protect businesses in energy intensive, trade-exposed industries by providing free carbon credits or rebates to ensure they are not put at a competitive disadvantage with other jurisdictions.

## **2. Take swift action to balance the Budget and begin reducing the debt**

The size of Ontario's debt makes us vulnerable to rising interest rates, reduces the government's capacity to make productivity-enhancing investments, compromises its ability to respond to future economic slowdowns, and places an unjustified fiscal burden on young Ontarians. Beyond balancing the budget, we need a clear path for long-term fiscal prudence. Your ministry should present a meaningful plan to tackle the debt and move towards a balanced or surplus Budget for 2019.

<sup>1</sup> Ontario Chamber of Commerce. 2018. *Ontario Economic Report*. <http://www.occ.ca/wp-content/uploads/2018-Ontario-Economic-Report-8.pdf>

<sup>2</sup> This includes the current cap and trade scheme, a potential carbon tax "backstop" levied by the federal government, or any other carbon pricing mechanism implemented by government.

### 3. Adopt sound quantitative measurement and evaluation practices

The increased availability of data, and the capability to analyze that data through advanced analytics, has given policymakers an expanded ability to evaluate the costs and benefits of new initiatives – including assessing whether they will achieve their intended outcomes. Your ministry should take advantage of this increased quantitative capacity.

- *Ensure all proposed policy, regulation and legislation has been evaluated against sound, quantitative evidence.* Government decisions should be based on reliable and publicly available evidence, and analysis should have a clear acceptability threshold against which a change is evaluated.
- *Establish criteria for measuring progress toward the attainment of strategic goals and publicly publish these targets to ensure transparency.* The government’s long-term planning cycles should include a framework for specific and measurable growth targets, as well as a timeline to achieve those goals (a practice adopted by many other jurisdictions). To do so, policymakers should clearly define the type of outcome an initiative is intended to achieve, as well as methods for measuring and evaluating checkpoints and achievements.

### 4. Demonstrate accountability to Ontario taxpayers

Accountability and transparency in fiscal decision-making is paramount to building trust and confidence in government. In order to move toward true fiscal sustainability, your ministry should take steps to enhance return on investment for tax dollars through evidenced-based, outcomes-focused policymaking.

In collaboration with the Treasury Board, your ministry should:

- *Establish outcomes-based incentives and accountability in the public service sector.* Closely linking incentives and accountability for public servants to specific outcomes can increase efficiency, improve program and service quality, and help the government do more with less. Public sector compensation is the most accessible tool to achieve this outcome. For example, instead of cancelling pay-for-performance incentives, the Province should reinvigorate them for all levels of the public service and tie them to specific and measurable outcomes appropriate to each Ministry.
- *Adopt a formal policy on asset recycling.* Asset recycling is a tool that could have a substantial impact on the Province’s infrastructure deficit in the context of a reduced fiscal capacity. Beyond the Premier’s Council on Government Assets, your ministry should support the Treasury Board as it promotes a broader policy that regularizes the asset review process.
- *Work constructively with the Auditor General.* Public auditing discrepancies and disputes between the Auditor General and the Ministry of Finance have undermined confidence in government while failing to solve any of the Province’s fiscal challenges. Your ministry should address this matter in a meaningful way and work to resolve it in advance of the next budget cycle.

### 5. Review municipal revenue and taxation tools

The downloading of provincial government responsibilities onto municipal governments has resulted in a multi-billion-dollar funding gap, as revenue streams were not downloaded to match. Your ministry should review existing revenue generation options for municipalities, to determine the most appropriate means by which they operationalize their budgets. This could include tactics such as:

- Provide municipalities with up to half of the provincial take of the federal cannabis excise tax, largely to help offset the costs associated with new administrative and enforcement functions.
- In collaboration with the Ministry of Municipal Affairs and Housing, cap the Municipal Accommodation Tax at four percent, except in municipalities where existing Destination Marketing Program fees exceed four percent (in which case, the cap should match that total and all funds be directed to the appropriate non-profit tourism organization). Ensure businesses that pay a Municipal

Accommodation Tax can participate in the oversight and distribution of the tourism-focused portion of revenues.

- Increase the Heads and Beds Levy to \$100 per student/bed and then tie future yearly increases to the Consumer Price Index.
- Strike a standing committee of the legislature to review and report on the disbursement of property tax monies collected in support of the education system. Currently there is a lack of transparency and accountability to taxpayers and municipalities with respect to decision-making by school boards. This committee should also review school closure policies.

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:  
Doug Downey, Parliamentary Assistant to the Minister of Finance  
Greg Orencsak, Deputy Minister, Ministry of Finance

July 16, 2018

The Honourable Todd Smith  
Minister of Government and Consumer Services  
Government House Leader  
900 Bay Street  
6<sup>th</sup> Floor, Mowat Block  
Toronto, ON  
M7A 1L2

**RE: A blueprint for making Ontario open for business**

Dear Minister Smith,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Government and Consumer Services and Government House Leader.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes organizations like the Quinte West Chamber of Commerce and the Prince Edward County Chamber of Commerce in your own home-riding of Bay of Quinte.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Government and Consumer Services, the OCC has outlined key priorities below for making Ontario open for business.

## **Key Priorities:**

In order for government to effectively regulate – and for businesses to effectively comply with those regulations – the process of compliance must be supportive and streamlined. While the OCC and its members would like to see red tape reduced in Ontario, we believe it is equally as important to ensure government makes the process of complying with regulation as smooth as possible, particularly for small business.

Generally, your ministry should lead other ministries in putting a customer service lens to all government interactions with the public, whether they be individual clients or whole organizations. This can be achieved, in part, through improved digital service offerings. We also expect that you work closely with industry associations as they seek to modernize regulation to better serve their own customers.

In addition, there is an opportunity for your ministry to provide leadership and guidance across the whole of government with respect to procurement reform. Government has the potential to be a powerful anchor customer by purchasing local innovation from SMEs and start-ups, and collaborating with the private sector on solutions to some of the biggest challenges Ontario faces as a society and an economy. Your ministry should lead the move away from a commodities view of purchasing towards a strategic procurement model.

### **1. Build a ‘one-window’ concierge service to help small business navigate regulation**

The OCC has long advocated for a regulatory ‘concierge service’ to assist small businesses in understanding, navigating, and achieving compliance with regulatory requirements. Your ministry should lead this approach, which includes:

- Working with the Ministry of Economic Development, Job Creation and Trade to expand the Small Business Access phone number so that businesses can receive guidance on all Ontario regulations, regardless of Ministry of origin.
- Resourcing one-on-one assistance from an expert advisor who can identify and prevent common challenges in the compliance process.
- Ensuring all necessary materials and forms are readily available online.

For more information, see [Obstacles and Opportunities: The Importance of Small Business in Ontario](#).

### **2. Put taxpayers at the centre of government service delivery**

Improving customer service is an important goal for your ministry, one which can be achieved through the use of a ‘client-centric’ delivery model. This entails:

- Building capacity at the staff level to reduce delays and improve one-on-one encounters.
- Advancing digital design and delivery to ensure a modern and streamlined experience.
- Undertaking internal reviews to identify opportunities for transformation within existing service delivery models.
- Collaborating with industry partners, such as chambers of commerce and boards of trade, to identify best practices in service delivery.

A prime opportunity for client-centred reform is employment service providers. These organizations play a critical role in the job-matching process through the provision of individual employment counselling, interpersonal skills development, and creating networking and training opportunities. One of the principles of Employment Ontario service delivery is that services are client-centric, meaning they are tailored to meet the

needs of each individual, employer, or community. However, the employment outcomes of these providers, as revealed by the Auditor General, suggest that this principle is not being honoured.

Similarly, your ministry plays a vital role in supporting those sectors – such as insurance, credit unions, and real estate – that are seeking to collaboratively modernize the legislation and agencies that regulate them. This modernization can include the development of voluntary professional codes and standards, as well as reducing barriers to the kind of innovation that benefits consumers and promotes economic growth.

For more information, see [Talent in Transition: Addressing the Skills Mismatch in Ontario](#).

### **3. Reform government procurement to emphasize value and innovation**

The OCC was pleased to have been consulted as part of study on strategic or ‘value-based’ procurement that the Ministry of Government and Consumer Services conducted with the Ivey School of Business last year. There are tremendous efficiencies and opportunities to be found in transforming government procurement, and we expect your ministry to actively pursue reform, by:

- Creating a centralized, independent body with the goal of improving government’s capacity to undertake strategic and complex procurement.
- Developing evaluative tools able to differentiate between simple (commodities) and strategic (value-based) procurement, based on the complexity of the desired outcomes.
- Actively collaborating with industry to define the problems, outcomes, and solutions necessary to meet complex needs through the procurement process.
- Improving access to procurement opportunities for SMEs by considering an initiative like the U.S. Small Business Innovation and Research program, which specifies that government designate a percentage of all public procurement spending for small, innovative businesses.
- Integrating local knowledge as a criterion in strategic procurement.
- Designating a portion of procurement funds to assist the development of innovative products and services in response to complex public needs.

For more information, see [Spend Smarter, Not More: Leveraging the Power of Public Procurement](#) and [Prescription for Partnership: How New Models of Collaboration in Health Care Can Make Outcomes a Priority](#).

To ensure Ontario’s economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario’s business community.

Sincerely,



Rocco Rossi  
President and CEO

Ontario Chamber of Commerce

cc:

Robert Bailey, Parliamentary Assistant to the Minister of Government and Consumer Services

Hillary Hartley, Deputy Minister, Ministry of Consumer Services

Kevin French, Deputy Minister, Ministry of Government Services

July 16, 2018

The Honourable Christine Elliott  
Minister of Health and Long-Term Care  
80 Grosvenor Street  
10<sup>th</sup> Floor, Hepburn Block  
Toronto, ON  
M7A 1R3

**RE: A blueprint for making Ontario open for business**

Dear Minister Elliott,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Health and Long-Term Care.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes organizations like the Aurora Chamber of Commerce and Newmarket Chamber of Commerce in your own home-riding of Newmarket-Aurora.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Health and Long-Term Care, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

The OCC and its members view the health care system as an economic driver; a \$52 billion investment that has the potential to kick-start Ontario's economy and deliver higher quality of care to all Ontarians. The key is

removing those barriers that prevent innovation in the procurement and delivery of care, since innovation is the best way to both save money and improve patient outcomes.

As you seek to find efficiencies in the health care system, we recommend looking not necessarily at how to reduce cost, but how to improve output and make the system run more efficiently. Examples of this, detailed below, include reforming the procurement system and ramping up the ability of Ontario technologies to enter and scale within the system. In short, your ministry must make health care “open for business”.

## **1. Create efficiencies through value-based health care**

The Ontario public health care system needs to be aligned around a tangible definition of value, with a renewed focus on patient outcomes for money spent. Substantial investment should be made in enhanced data collection, analysis, and dissemination capabilities, so as to improve decision-making across all points of the system (particularly in procurement and supply chain processes).

The government should begin by undertaking structural reform of the current procurement system, potentially through a Lean review that will identify where purchasing bodies and guidelines are cumbersome or lack transparency. This review should focus on how to create a procurement process that emphasizes value, not lowest cost, as health care purchasing is generally not commodity purchasing. Your ministry should investigate broader use of the commissioning approach to generating solutions, purchasing innovation, and improving service delivery.

Your ministry should also move to accept and implement all recommendations in the Healthcare Sector Supply Chain Expert Panel’s report, *Advancing Healthcare in Ontario: Optimizing the Healthcare Supply Chain - A New Model*. Implementing proper supply chain standards within the health care system is critical to understanding the value of purchases, as well as preventing medical error and keeping Ontario patients safe.

Similarly, the Ministry needs to prioritize the implementation of digital health tools, particularly patient records, in order to support continuums of care and other integrated care solutions. These tools can make patient interactions with the health care system more effective and prevent individuals from falling through the cracks as they are transferred from one care provider to another.

For more information, see [Prescription for Partnership: How New Models of Collaboration in Health Care Can Make Outcomes a Priority](#) and [Transformation Through Value and Innovation: Revitalizing Health Care in Ontario](#).

## **2. Prioritize the integration of Ontario innovations into the health care system**

As the public health care system represents two-thirds of health spending in Ontario, creating a demand-driven environment for innovative health technologies and services is largely in the hands of government. Currently, the Office of the Chief Health Innovation Scientist (OCHIS) is mandated to coordinate with health stakeholders and improve the pathways for innovation into the system. While OCHIS is a leading and necessary partner in bringing ground-breaking technology to Ontarians, it is currently limited in scope and its ability to achieve more than one ‘win’ at a time. It lacks the capacity to provide guidance on development and implementation for both vendors and purchasers, and is disconnected from planning and delivery models (including change management and tools for learning, which are critical when new technologies are introduced).

Ontario needs political leadership on the health innovation agenda. The Province is a critical partner in building and maintaining a self-sustaining health science ecosystem, and the stewardship of OCHIS is central to that partnership. Your ministry should reimagine the OCHIS mandate more broadly, providing it with greater capacity to more quickly and more effectively inject innovation in the health care system and unlock the potential of the system to be an economic driver.

An example of the intractable link between Ontario innovation and our health care system is medical isotopes. Ontario currently supplies 70 percent of the world's Cobalt-60, an isotope used in sterilization, medical imaging, diagnostic development, and cancer therapy. The demand for a reliable supply of these critical isotopes continues to grow as health care advances around the world. Isotopes such as Cobalt-60 and molybdenum-99 are excellent examples of the influence of Ontario's health and life science sector globally and how it contributes to Ontario's economic prosperity. Recognizing how health care can be an economic driver and a source of innovation is fundamental to ensuring the system is sustainable and effective.

For more information, see [Adopting our Advantage: Supporting a Thriving Health Science Sector in Ontario](#).

### **3. Strike a Health Cabinet to better understand health spending across government**

The health of Ontarians has an impact on more than just the official health budget; Ministries as diverse as Seniors and Accessibility, Children, Community and Social Services, Government and Consumer Services, and Economic Development, Job Creation and Trade, all manage issues that are related to the health and well-being of residents. Yet these Ministries are not aligned in their actions to keep Ontarians healthy, nor do they understand how their initiatives and investments may have an impact on another Ministry's budget.

The Ministry of Health and Long-Term Care should work with the Premier's Office and the Treasury Board to establish a Health Cabinet of senior representatives from all relevant Ministries. Each participating agency should have a view to their mandate's impact on Ontarians' health and well-being, and how their value proposition can be accurately captured across the public sector to more effectively measure and evaluate fiscal decisions regarding the broader health care system. This co-ordination of mandate and spending will result in greater efficiencies across Ministries and better care for all Ontarians.

For more information, see [Health Transformation: An Action Plan for Ontario](#).

### **4. Ensure government drug coverage programs are strategically designed and fiscally sustainable**

The OCC and its members were disappointed by the surprise announcement of the OHIP+ youth pharmacare plan in the 2017 Budget, and the subsequent rushed design and implementation of that program. Industry was not substantially involved in the creation of the program, and so government lost out on the advantages that Ontario-based insurance and pharmaceutical companies could have offered to young patients. We were therefore pleased to see the recent action taken by your government to ensure that taxpayers will no longer pay twice for drugs under OHIP+.

There is more that can be done to ensure Ontario's public drug coverage is effective. Your ministry should undertake a review of OHIP+ at the one-year mark to guarantee the following:

- The program is fiscally sustainable.
- Program design does not impede young people from either accessing the medicines they need nor from choosing their preferred medication. It should also not complicate patients' ability to quickly access their medications, for example through unreasonable administrative barriers.

- Recognition of the critical role of innovative medicines and private drug coverage in keeping Ontarians healthy, with OHIP+ designed to leverage those assets rather than crowd them out.

Recognizing that pharmacare is now an important issue at the federal level, we expect that once a program design and funding model has been outlined, your government will negotiate for an arrangement that provides the greatest benefit to both Ontario residents and the Ontario life science sector. The OCC has developed a document that outlines five principles which the implementation of public drug coverage should reflect; see [Principles for an Effective Pharmacare Program](#).

## **5. Shine a light on mental health in the workplace**

Ensuring Ontario workplaces are mentally healthy is a priority of the business community, with private sector leadership having been demonstrated by recent awareness campaigns, capacity-building and training programs, and sharing of best practices. Given the \$3.8 billion investment in mental health your government intends to make over 10 years, it is critical that industry be involved in the design and implementation of related initiatives. The OCC and its partners look forward to working with the Ministry of Health and Long-Term Care to determine how best to foster mental wellness in the workplace.

For more information, see [Working Towards Mental Wellness: A Toolkit for Employers](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Robin Martin, Parliamentary Assistant to the Minister of Health and Long-Term Care  
Effie Triantafilopoulos, Parliamentary Assistant to the Minister of Health and Long-Term Care  
Helen Angus, Deputy Minister, Ministry of Health and Long-Term Care

July 16, 2018

The Honourable Greg Rickford  
Minister of Indigenous Affairs  
4<sup>th</sup> Floor, 160 Bloor St East  
Toronto, ON  
M7A 2E6

**RE: A blueprint for making Ontario open for business**

Dear Minister Rickford,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Indigenous Affairs.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes a number of communities in your own home-riding of Kenora-Rainy River.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Indigenous Affairs, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

The barriers that prevent Indigenous Ontarians from accessing economic opportunity undermine their potential to contribute to the province's larger prosperity, and to benefit from that prosperity. Your ministry should work closely with the Ministries of Infrastructure, Energy, Northern Development and Mines, Education, and Training, Colleges and Universities to ensure that Indigenous Ontarians not only have access to opportunities, but that their interests are more broadly reflected in government policy.

## **1. Support Indigenous peoples' participation in the Ontario economy**

While educational attainment for Indigenous persons has been on the rise, more must be done to ensure that all Ontarians have the education and training needed to succeed in a modern economy. Bridging this gap would have a considerable economic impact: if the education and labour market outcomes of Indigenous Canadians reached the level of the general population by 2026, government spending would drop by \$14.2 billion and Indigenous income would rise by \$36.5 billion.<sup>1</sup>

As the provincial government is responsible for education of the Indigenous population living off-reserve, Ontario's efforts to address these responsibilities falls within the Ontario First Nation, Métis, and Inuit Education Policy Framework. Your ministry should therefore:

- Strengthen implementation of the First Nation, Métis and Inuit Education Policy Framework by identifying and earmarking the financial resources necessary to ensure consistent funding of Framework priorities.
- Develop Indigenous learner reporting mechanisms at both the system and institutional levels to allow for collection of the type of reliable data needed to set baselines and measure progress on academic achievement.
- Follow through on commitments for working with the Aboriginal Institutes Consortium to develop a policy to sustainably deliver operational funding and incorporate them into the provincial post-secondary system.

## **2. Establish a standard framework on the duty to consult**

The lack of clarity regarding the provincial government's approach to many Indigenous issues—including the duty to consult any unresolved land claims—threatens the future socio-economic well-being of communities across Ontario while hindering meaningful discourse on the development of natural resource sector projects. In some cases, a lack of clarity has led to delay or outright halting of projects with potential economic and social benefits for the local Indigenous communities and Ontario at large, i.e. the Ring of Fire.

Your ministry should develop a consistent, coordinated approach to Indigenous consultation and accommodation, which:

- Clearly identifies the duties of industry and of the Crown;
- Harmonizes provincial and federal processes;
- Reflects relevant factors such as new and existing obligations within established case law; and
- Ensures sufficient resources are dedicated to communicating and implementing this approach across government, industry, and Indigenous communities.

For more information, see [Digging Deeper: Strengthening Ontario's Mining Advantage](#).

## **3. Develop a strategy to mitigate the loss of winter roads**

While there has long been a push to develop permanent alternatives to winter roads in the North – primarily linked to natural resource projects – the need for more resilient infrastructure has become pressing as climate change continuously shortens the useful season of these roads. This reduced access threatens the economic viability of nearby resource projects as well as the viability of local communities.

Your ministry should consult with Northern Indigenous communities to determine the impact of climate change on their transportation infrastructure and the broader consequences of a shorter winter road season,

<sup>1</sup> Statistics Canada.2011. "Educational attainment of Aboriginal peoples in Canada". [http://www12.statcan.gc.ca/nhs-enm/2011/as-sa/99-012-x/99-012-x2011003\\_3-eng.pdf](http://www12.statcan.gc.ca/nhs-enm/2011/as-sa/99-012-x/99-012-x2011003_3-eng.pdf)

then work with local and federal governments to subsequently develop a strategy to implement solutions, such as all-season road networks, where appropriate.

For more information, see [Building Better: Setting up the Next Long-Term Infrastructure Plan for Success](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Ross Romano, Parliamentary Assistant to the Minister of Indigenous Affairs  
Deborah Richardson, Deputy Minister, Ministry of Indigenous Affairs

July 16, 2018

The Honourable Monte McNaughton  
Minister of Infrastructure  
900 Bay Street  
8<sup>th</sup> Floor, Hearst Block  
Toronto, ON  
M7A 2E1

**RE: A blueprint for making Ontario open for business**

Dear Minister McNaughton,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Infrastructure.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes a number of communities in your own home-riding of Lambton-Kent-Middlesex.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Infrastructure, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

Infrastructure investment is an economic driver: for every \$1 billion in infrastructure spending, GDP is boosted by \$1.14 billion.<sup>1</sup> Your ministry, therefore, is critical to economic growth and development in Ontario, as well as a continued high quality of life for its residents.

<sup>1</sup> Broadhead, J., et al. 2014. *Crisis and Opportunity: Time for a National Infrastructure Plan for Canada*. <http://canada2020.ca/crisis-opportunity-time-national-infrastructure-plan/canada/>

By prioritizing the construction of adaptable and resilient infrastructure, the use of asset management planning, the development of broadband internet resources, and improved transparency and accountability in government spending, the Ministry of Infrastructure will have a significant impact on the future of this province.

### **1. Support communities in building resilient and adaptable infrastructure**

The province of Ontario is facing four serious challenges to the viability of its infrastructure stock: climate change-induced weather events, demographic change, aging assets, and a tendency to build for past (rather than future) needs. Your ministry should develop adaptable and resilient infrastructure standards to support communities across Ontario as they wrestle with these challenges. This support should include:

- Recommending adaptation methods based on local conditions, such as retrofitting local storm water infrastructure and shoring up stress breakwalls.
- Identifying both productive structural changes and non-structural or “soft” measures, including regular maintenance of pipes and reducing storm water runoff.
- Consulting with Northern communities to determine the impact of climate change on their transportation infrastructure (i.e. the broader consequences of a shorter winter road season), then working with local and federal governments to subsequently develop a strategy to implement solutions, such as all-season road networks, where appropriate.

### **2. Prioritize the use of asset management planning by municipalities**

The use of asset management plans is the optimal means of assessing and addressing infrastructure needs, as this practice results in informed and strategically sound decisions that optimize investments, better manage risk, and consider the impact of external factors such as climate change. Asset management ensures that municipalities take a long-term perspective on infrastructure spending, which allows for the maximization of benefits provided by infrastructure. It also affords the opportunity to achieve cost savings by spotting deterioration early on and acting to rehabilitate or renew the asset.

Your ministry should continue to provide resources to municipalities – including long-term, predictable funding and educational tools – to support the consistent use of asset management plans.

### **3. Expand the use of alternative financing and procurement models**

Current government procurement practices are preventing the most effective and accountable use of public dollars, as they are characterized by limited interaction between purchaser and vendor, little flexibility to address common overruns and timing delays, and a segregation of design and construction teams.<sup>2</sup>

Your ministry should lead a shift towards strategic procurement practices that will address these challenges. Look to the example of Infrastructure Ontario, which has developed a successful model for assessing project suitability for alternative funding and procurement (AFP) and then delivering through innovative public-private partnerships. By developing principles and best practices based on this approach, your ministry could translate strategic procurement for smaller-scale projects, such as those commissioned by municipalities. This guidance should include:

- Up-front planning
- Empirical data to improve budgeting

<sup>2</sup> Canadian Centre for Economic Analysis (CANCEA). 2016. *The economic impact of Canadian P3 Projects: why building infrastructure 'on time' matter.*  
[http://www.pppcouncil.ca/web/pdf/cancea\\_report\\_economic\\_impact\\_of\\_p3s.pdf](http://www.pppcouncil.ca/web/pdf/cancea_report_economic_impact_of_p3s.pdf)

- Proper people resourcing
- Integrating project elements, or avoiding breaking large integrated public infrastructure projects up into smaller contracts
- Negotiating leverage
- Bidding as a consortium
- Engaging SMEs
- Taking externalities into account
- Selecting appropriate partners

#### **4. Improve transparency and accountability for infrastructure spending**

Given that the federal government is at risk of not realizing its infrastructure spending as intended, your ministry should take this opportunity to review Ontario's spending commitments to ensure that they are on track, and appropriately planned and funded.

Accountability and transparency measures for infrastructure investment should include:

- Transparency of project funding that allows for public tracking from project announcement to implementation.
- Tracking of projects currently under construction, including accurate timelines to completion.
- Tracking of spending commitments by government, and their fulfilment.
- Provincial- and municipal-level transparency for spending, project status, and timelines to completion.

#### **5. Ensure the Canada Infrastructure Bank is an effective tool for Ontario**

Your ministry should work with the federal government to ensure that the design of the Canada Infrastructure Bank attracts private investment, provides new tools, and is dedicated to funding revenue-positive projects.

The Bank should not be designed to capture the work of existing provincial agencies that deliver infrastructure projects, but rather should complement these agencies; nor should it compete with private sector and institutional investors for investment opportunities. The Bank's role should be to provide capacity for new financial tools that eliminate those market or 'viability' gaps which would otherwise prevent priority projects from private investment.

Investments could include mezzanine debt (which would 'de-risk' and attract additional, more senior debt from the private sector) or loan guarantees (which would credit-enhance the project and encourage incremental private sector lending at reduced rates). These financial instruments would require repayment, although potentially at below market rates, to stimulate the delivery of priority projects.

At minimum, the Bank should have clear investment policies, performance indicators, and transparency reporting structures independent from external political forces. The purpose of the Bank as an institution dedicated to funding revenue-positive projects must be maintained, and the Ontario government should encourage the federal government to hold to this mission.

Your ministry and the Ministry of Intergovernmental Affairs should work to build a strong relationship with the Bank, especially as it is based in Toronto.

For more information on all of the above, see [Building Better: Setting up the Next Long-Term Infrastructure Plan for Success](#).

## **6. Connect all Ontarians to high-speed internet**

Despite large investments, tens of thousands of homes and businesses in Ontario still lack adequate access to high speed internet. This is compromising the ability of communities across the province to innovate and modernize, attract and retain business, educate their populace, and engage with the global economy.

Broadband infrastructure is not merely a rural or remote issue; urban communities and those located in Southern Ontario also struggle with connectivity. Your ministry should collaborate with the Premier's Office – as well as the federal government and the private sector – to realize a provincial broadband strategy.

For more information, see [our letter on broadband infrastructure](#).

## **7. Expand natural gas access to make life more affordable in rural Ontario**

Natural gas is a clean, affordable option for powering homes and businesses. As the cost of electricity is most acute in rural communities, the expansion of natural gas availability is a powerful tool for making life more affordable for many Ontarians. Your ministry should work with the Ministry of Energy, Northern Development and Mines to expand natural gas pipeline access.

For more information, see our submission to the 2017 Long-Term Energy Plan, [Leading the Charge](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Stephen Lecce, Parliamentary Assistant to the Minister of Infrastructure  
Scott Thompson, Deputy Minister, Ministry of Infrastructure

July 16, 2018

The Honourable Doug Ford  
Premier of Ontario  
Minister of Intergovernmental Affairs  
7 Queen's Park Crescent  
6<sup>th</sup> Floor, Frost Building  
Toronto, ON  
M7A 1Y7

**RE: A blueprint for making Ontario open for business**

Dear Premier Ford,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Premier and Minister of Intergovernmental Affairs.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes organizations like the Toronto Region Board of Trade in your own home-riding of Etobicoke North.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

During the recent provincial election, you made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Intergovernmental Affairs, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

As the world becomes increasingly interdependent, it is important Ontario not only identify opportunities for collaboration but proactively seek out alignment with other governments. This should include not only the

federal government, but provincial and territorial governments, as action is desperately needed to break down interprovincial trade barriers – and Ontario is well-placed to provide leadership on that file.

Immediately, your ministry will be faced with responding to new federal initiatives such as the Canada Infrastructure Bank and pharmacare. It is critical Ontario's perspective is reflected in the design and implementation of federal policy, as well as that our needs as a province and an economy are not neglected. Comprising nearly 40 percent of the Canadian population and possessing a \$600 billion economy, Ontario is vital to a thriving national economy.

## **1. Ensure the Canada Infrastructure Bank is an effective tool for Ontario**

Your ministry should work with the federal government to ensure that the design of the Canada Infrastructure Bank attracts private investment, provides new tools, and is dedicated to funding revenue-positive projects.

The Bank should not be designed to capture the work of existing provincial agencies that deliver infrastructure projects, but rather should complement these agencies; nor should it compete with private sector and institutional investors for investment opportunities. The Bank's role should be to provide capacity for new financial tools that eliminate those market or 'viability' gaps which would otherwise prevent priority projects from private investment.

Investments could include mezzanine debt (which would 'de-risk' and attract additional, more senior debt from the private sector) or loan guarantees (which would credit-enhance the project and encourage incremental private sector lending at reduced rates). These financial instruments would require repayment, although potentially at below market rates, to stimulate the delivery of priority projects.

At minimum, the Bank should have clear investment policies, performance indicators, and transparency reporting structures independent from external political forces. The purpose of the Bank as an institution dedicated to funding revenue-positive projects must be maintained, and the Ontario government should encourage the federal government to hold to this mission.

Your ministry and the Ministry of Infrastructure should work to build a strong relationship with the Bank, especially as it is based in Toronto.

For more information, see [Building Better: Setting up the Next Long-Term Infrastructure Plan for Success](#).

## **2. Pursue Ontario-U.S. state trade MOUs**

The recent tariffs place by the United States on Canadian steel and aluminium have already impacted Ontario, particularly steel- and aluminium-producing communities such as Hamilton, Sault Ste. Marie, and Windsor. These tariffs, coupled with the protracted and often antagonistic renegotiation of NAFTA, have resulted in significant uncertainty for Ontario businesses. With the Government of Canada introducing retaliatory tariffs on American products on July 1, the financial damage to Ontario will likely grow.

In this environment, your ministry should take an active role in promoting positive bilateral cooperation with American states, especially those with which Ontario conducts a significant amount of trade. The signing of subnational bilateral Memoranda of Understanding (MOUs) between Canadian provinces and American states could be a useful tool for publicizing Ontario's pro-trade message and illustrating our shared interests in areas such as the auto industry, tourism, environment protections, and economic development.

### 3. Advocate for greater immigration resources

Employers in communities across Ontario note their continued inability to access necessary talent as a serious challenge to their growth, and one that contributes to the economic hollowing out of rural and remote areas across the province. Economic class immigrants are needed to weather the demographic changes shaping Ontario, including the erosion of the tax base from an aging population, low labour productivity, and the skills mismatch. Immigration must therefore be a priority of your ministry, through action that includes:

- *Lead a federal/provincial renewal of the Municipal Immigration Information Online Program.* The Municipal Immigration Information Online Program was designed to address the challenge of newcomers lacking social support networks in rural and remote communities, leading to economic isolation. Initially developed as part of the Canada-Ontario Immigration Agreement in 2005, the program increased the online capacity, resources, and information provided to immigrants by municipalities, particularly at the pre-arrival stage. It led to the launch of 28 municipal immigration portals representing over 120 communities in Ontario.
- *Increase Ontario's allocation under the Ontario Immigrant Nominee Program.* Ontario's current allocation of 6,600 nominations make ours the largest provincial nominee program in Canada. However, the number of economic immigrants Ontario can nominate is the smallest in proportion to our population. In 2016, Ontario received 29 percent of Canada's economic class immigrants, while making up 38.3 percent of the population – giving us the smallest proportion of immigration intake from the economic class.<sup>1</sup> Your ministry should advocate for the federal government to rectify this imbalance.

### 4. Negotiate the best pharmacare solution for Ontario

Once a federal pharmacare program and funding model has been outlined, your government will have to negotiate for an arrangement that provides the greatest benefit to both Ontarian residents and the Ontario life science sector. The OCC has developed a document that outlines five principles which the implementation of public drug coverage should reflect; see [Principles for an Effective Pharmacare Program](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

<sup>1</sup> Institute for Competitiveness & Prosperity. 2017. *Immigration in Ontario: Achieving best outcomes for newcomers and the economy*. [https://www.competeprosper.ca/uploads/2017/Immigration\\_in\\_Ontario\\_Achieving\\_best\\_outcomes\\_Full\\_report.pdf](https://www.competeprosper.ca/uploads/2017/Immigration_in_Ontario_Achieving_best_outcomes_Full_report.pdf).

cc:

Norm Miller, Parliamentary Assistant to the Minister of Intergovernmental Affairs

Lynn Betzner, Deputy Minister, Intergovernmental Affairs

July 16, 2018

The Honourable Laurie Scott  
Minister of Labour  
14<sup>th</sup> Floor, 400 University Avenue  
Toronto, ON  
M7A 1T7

**RE: A blueprint for making Ontario open for business**

Dear Minister Scott,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Labour.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes a number of communities in your own home-riding of Kawartha Lakes-Brock.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Labour, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

Employers are the economic drivers of Ontario; to effectively govern, your ministry must therefore ensure that the business community is thoroughly engaged in amending labour legislation and regulation. In consultation with other ministries, the Ministry of Labour should seek opportunities to increase business competitiveness through a combination of improved workforce development opportunities, labour and

employment standards legislation reform, and balancing of stakeholder needs. Central to your mandate should be understanding how best to spur economic development and prosperity for all Ontarians.

## **1. Bring balance back to the *Employment Standards Act* and the *Labour Relations Act***

The goals of economic growth and improved employee rights are not mutually exclusive. The OCC believes that what supports the competitiveness of Ontario's economy can also help enhance quality of work. In 2017, the Government of Ontario introduced and passed Bill 148, the *Fair Workplaces Better Jobs Act*. This sweeping legislation was introduced less than 10 days after the release of the Changing Workplaces Review, a study of provincial labour and employment standards legislation with which the employer community already had serious concerns.

Despite the considerable scale of this study, the government did not take the necessary time to consider its findings, test its recommendations, or conduct in-depth stakeholder consultations on its results before proceeding with legislation. In many cases, the government went beyond the recommendations of the Changing Workplaces Review, introducing amendments such as the most dramatic increase to the minimum wage we have seen anywhere in North America. These amendments are now beginning to have the perverse effect of discouraging investment and eliminating jobs, thereby diminishing economic opportunities in Ontario. The legislation has also instigated a flurry of confusion and around interpretation and implementation, leading to on-going litigation. The true scope of the unintended consequences resulting from this rush to legislation is only starting to come to light.

Your government has committed to pausing the minimum wage at \$14 an hour before its timed increase to \$15 on January 1, 2019. This move will necessitate legislative changes to the *Employment Standards Act* (ESA) in 2018. At that time, the OCC is calling upon the Government of Ontario to undo the vast majority of amendments introduced in Bill 148, not only to the ESA but also to the *Labour Relations Act* (LRA).

Politics cannot drive decision-making; evidence must. That is why we are asking your ministry to spend the coming months appropriately subjecting the proposed reforms in the final report of the Changing Workplaces Review to an economic impact analysis. This analysis should have clear acceptability thresholds and any reforms subsequently implemented should be limited to those that pass such thresholds or can be implemented with a commensurate economic offset measure. We support reform where and when it is needed, but caution against change for change's sake as with the rushed and flawed Bill 148.

An economic impact analysis is the only way the Government of Ontario can protect both employers and employees against the unintended consequences that will come as a result of implementing the *Fair Workplaces, Better Jobs Act*. The new labour standards established by that legislation comes at too high a cost to the economy, as it will limit the ability of business to grow, hire, and invest. Your ministry should not proceed with amendments to the ESA and the LRA until the government can fully identify and justify the scale of their impact.

For more information, see [Changing Workplaces Review Final Report](#) and [Maintaining Ontario's Competitive Edge: The Business Perspective on Labour Reform](#).

## **2. Build a ready workforce**

Strengthening our workforce through skills development is imperative to ensuring Ontario is competitive in the global economy. Through collaboration with the Ministry of Training, Colleges and Universities, and the Ministry of Economic Development, Job Creation, and Trade, your ministry should:

- Improve the Coordination of Labour Market Integration and Settlement Services and leverage the Municipal Immigration Information Online Program. This will allow for a coordinated outreach strategy to retain immigrants in rural and northern communities, which experience specific challenges attracting and retaining workers.
- Work with industry and post-secondary institutions to ensure that program offerings remain responsive to the changing labour market dynamics and the regional and sectoral needs of Ontario's business community.
- Increase collaboration between educators, employers, and workforce development organizations to promote place-based approaches to experiential learning that are responsive to the diverse capacities and business models of the SME category.
- Develop a single access point for all government-funded workforce, training, and employment services. To the extent possible, an effort should be made to ensure that the approach is consistent across all levels of government.

For more information, see [Obstacles and Opportunities: The Importance of Small Business in Ontario](#) and [Talent in Transition: Addressing the Skills Mismatch in Ontario](#).

### **3. Modernize the journeyperson-to-apprentice ratio**

To address the desperate need for skilled tradespeople in Ontario, it is critical that the Province revise the current journeyperson-to-apprentice ratio. Fundamentally, there needs to be greater flexibility within the Ontario apprenticeship framework. In Nova Scotia, for example, employers can apply for a ratio increase for the number of apprentices per journeyperson on a per-project basis. The implementation of a similar process in Ontario could alleviate some of the challenges that employers experience with respect to recruiting sufficient journeypersons to hire additional apprentices.

For more information, see [Talent in Transition: Addressing the Skills Mismatch in Ontario](#).

### **4. Support fiscal sustainability at the municipal level**

Given that interest arbitration is the only legal mechanism available to Ontario municipalities for settling disputes that arise in contract negotiations with essential services such as police and fire, the decisions made by arbiters have an outsized impact on municipal budgets.

Under the current system, awards are often based on comparisons to provincial – not regional – emergency services, challenging rural and remote municipalities that possess a significantly smaller tax base than urban centres. As a result, many municipalities are forced to contend with cost increases that are disproportionate to available revenue. In view of the economic realities faced by many small towns in Ontario, it is insufficient and inappropriate for arbiters to suggest that funding for increased service costs could be resolved through municipal tax increases.

Your ministry should work with the Ministry of Municipal Affairs and Housing to reform the interest arbitration system so as to more appropriately reflect the capacity of Ontario municipalities to pay for essential services.

Similarly, the current LRA defines some municipalities and school boards as construction employers, which prevents them from openly tendering and procuring construction contracts, in turn reducing competition and increasing costs. Amending the LRA with the intention of removing such barriers presents an excellent opportunity to realize greater efficiency in contract tendering.

For more information, see [our letter on interest arbitration reform](#).

## 5. Improve employer engagement in closing the gender pay gap

Current legislation designed to address the gap between women's wages and men's wages for the same work is widely misunderstood by the employer community, due in part to poor resourcing for education and engagement initiatives from previous governments.

To address this, your ministry should repeal the recent *Pay Transparency Act* and then conduct a thorough review and update of the *Pay Equity Act*, amending that legislation as required to improve compliance and narrow the pay gap.

In order to improve the ability of employers to address pay equity, your ministry should work with the Minister for the Status of Women to improve compliance by:

- Dedicating resources towards improving awareness and accountability under the *Pay Equity Act* through further empowerment of the Pay Equity Office.
- Avoiding inflicting duplicative and burdensome reporting obligations on employers by harmonizing with existing reporting requirements for businesses.
- Conducting an analysis of reported data to not merely accurately identify and track the wage gap, but reveal insights into its causes. From that analysis, identify and implement targeted policy solutions.

For more information, see the OCC submission to the Standing Committee on Social Policy [RE: Bill 3, Pay Transparency Act, 2018](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Gila Martow, Parliamentary Assistant to the Minister of Labour  
Sophie Dennis, Deputy Minister, Ministry of Labour

July 16, 2018

The Honourable Steve Clark  
Minister of Municipal Affairs and Housing  
777 Bay Street  
17<sup>th</sup> Floor, College Park  
Toronto, ON  
M5G 2E5

**RE: A blueprint for making Ontario open for business**

Dear Minister Clark,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Municipal Affairs and Housing.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes a number of communities in your own home-riding of Leeds-Grenville-Thousand Islands and Rideau Lakes.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Municipal Affairs and Housing, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

As the Ontario government pursues policies of greater intensification, communities across the province will realize new opportunities and considerable growing pains. Given that businesses are an integral part of every community, they are inordinately impacted by housing policy, land use planning, public transit investment, and population growth. It is therefore critical that industry be at the table when we design the future of Ontario's cities and towns.

The high cost of shelter—driven by a lack of supply and the right mix of housing close to transit—is limiting employers’ ability to attract and retain the talent they need to be competitive; all employers need access to hard-working people with the right skills. Limited access to affordable and desirable housing affects Ontario’s ability to maintain our world-class workforce.

Your ministry’s top priority should be ensuring that Ontario is building the housing it needs, in communities that have the plans and resources necessary to grow.

## **1. Confront the housing availability and affordability challenge by increasing supply**

The lack of new housing supply is one of the biggest barriers to a balanced housing market. Layers upon layers of approvals, lack of serviced land, and zoning challenges are just a few examples of policies that limit supply and contribute to the high cost of shelter.

Your ministry should focus on removing barriers in front of development, using tactics such as:

- *Improving the planning approvals process.* Work with municipalities to design a clear and predictable system of development charges to reduce costs and speed up construction. Presently, cities negotiate additional charges or benefits for developers who want to deliver projects that would otherwise not comply with zoning regulations— often under the auspices of community benefit agreements. In practice, these negotiations tend to be arbitrary, encourage overly-restrictive zoning laws and further delays. Your ministry should seek to speed up the approvals process and update zoning rules to reflect modern housing demands.
- *Targeting growth to support new infrastructure investment.* In collaboration with the Ministry of Infrastructure, your ministry should examine how to strengthen current tools and processes to ensure Ontario (and particularly the GTHA) can achieve the density necessary to support critical infrastructure projects, thus improving services for both residents and businesses.
- *Improving the enforcement of densification and forward-looking re-zoning.* There are inherent trade-offs between retaining elements of neighbourhood character and accommodating newcomers; however, existing intensification policy should be supported by municipal governments as it is in the best interests of the province, its residents, and its economy. Similarly, the Province should encourage municipalities to carefully consider re-zoning activities, to ensure their communities retain appropriate employment lands and residential zone encroachment does not lead to conflict with existing businesses in the community.
- *Strengthening the Local Planning Appeal Tribunal.* The decision to replace the Ontario Municipal Board with a less powerful Local Planning Appeal Tribunal has created an environment in which municipal planning decisions could have an outsized impact on the implementation of provincial growth plans. With fewer opportunities to overturn a municipal council’s decision against higher density development, the province moves further away from achieving its goal of intensification, imperiling both housing affordability and new infrastructure builds.

For more information, see [Building Better: Setting Up the Next Ontario Long-Term Infrastructure Plan for Success](#), our [Co-ordinated Land Use Planning Review submission](#), and our [letter on Ontario Municipal Board reform](#).

## **2. Fix the interest arbitration system for municipalities**

Given that interest arbitration is the only legal mechanism available to Ontario municipalities for settling disputes that arise in contract negotiations with essential services such as police and fire, the decisions made by arbiters have an outsized impact on municipal budgets.

Under the current system, awards are often based on comparisons to provincial – not regional – emergency services, challenging rural and remote municipalities that possess a significantly smaller tax base than urban centres. As a result, many municipalities are forced to contend with cost increases that are disproportionate to available revenue. In view of the economic reality of many small towns in Ontario, it is insufficient and inappropriate for arbiters to suggest that funding for increased service costs could be resolved through municipal tax increases.

Your ministry should work with the Ministry of Labour to reform the interest arbitration system so as to more appropriately reflect the capacity of Ontario municipalities to pay for essential services.

For more information, see [our letter on interest arbitration reform](#).

### **3. Review municipal revenue and taxation tools**

The downloading of provincial government responsibilities onto municipal governments has resulted in a multi-billion-dollar funding gap, as revenue streams were not downloaded to match.

Your ministry should review existing revenue generation options for municipalities, to determine the most appropriate means by which they operationalize their budgets. This may include:

- Provide municipalities with up to half of the provincial take of the federal cannabis excise tax, largely to help offset the costs associated with new administrative and enforcement functions.
- Increase the Heads and Beds Levy to \$100 per student/bed and then tie future yearly increases to the Consumer Price Index (CPI).
- In collaboration with the Ministry of Finance, cap the Municipal Accommodation Tax at four percent, except in municipalities where existing Destination Marketing Program fees exceed four percent (in which case, the cap should match that total and all funds be directed to the appropriate non-profit tourism organization). Additionally, ensure that businesses paying the Municipal Accommodation Tax can participate in the oversight and distribution of the tourism-focused portion of revenues.
- Advocate for a standing committee of the legislature to review and report on the disbursement of property tax monies collected in support of the education system. Currently there is a lack of transparency and accountability to taxpayers and municipalities with respect to decision-making by school boards. This committee should also review school closure policies.
- Work with the Ministry of Labour to amend the *Labour Relations Act* to no longer define some municipalities and school boards as construction employers. Under the current legislation, this definition prevents them from openly tendering and procuring construction contracts, in turn reducing competition and increasing costs.

For more information, see our [2018 Provincial Pre-Budget Submission](#).

### **4. Connect all Ontarians to high-speed internet**

Despite large investments, tens of thousands of rural, remote and last mile homes and businesses in Ontario still lack adequate access to high speed internet. This is compromising the ability of communities across Ontario to innovate and modernize, attract and retain business, educate their populace, and engage with the global economy.

Your ministry should collaborate with the Premier's Office and the Ministry of Infrastructure – as well as the federal government and the private sector – to realize a provincial broadband strategy.

For more information, see [our letter on broadband infrastructure](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Christine Hogarth, Parliamentary Assistant to the Minister of Municipal Affairs and Housing  
Jim McDonnell, Parliamentary Assistant to the Minister of Municipal Affairs and Housing  
Laurie LeBlanc, Deputy Minister, Ministry of Municipal Affairs and Housing

July 16, 2018

The Honourable Jeff Yurek  
Minister of Natural Resources and Forestry  
99 Wellesley Street West  
6<sup>th</sup> Floor, Whitney Block  
Toronto, ON  
M7A 1W3

**RE: A blueprint for making Ontario open for business**

Dear Minister Yurek,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Natural Resources and Forestry.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes a number of communities in your own home-riding of Elgin-Middlesex-London.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Natural Resources and Forestry, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

A strong natural resources sector in Ontario provides good jobs for Northern and Indigenous communities and supports the prosperity of the entire economy. It can help the government deliver on key priorities, including driving innovation, and developing economic opportunities for Indigenous peoples.

Your ministry has the opportunity to make a substantive and lasting impact on the Ontario economy by kick-starting opportunities in natural resources and forestry.

### **1. Establish a standard framework on the duty to consult**

The lack of clarity regarding the provincial government's approach to many Indigenous issues—including the duty to consult any unresolved land claims—threatens the future socio-economic well-being of communities across Ontario while hindering meaningful discourse on the development of natural resource sector projects. In some cases, a lack of clarity has led to delay or outright halting of projects with potential economic and social benefits for the local Indigenous communities and Ontario at large, i.e. the Ring of Fire.

Your ministry should develop a consistent, coordinated approach to Indigenous consultation and accommodation, which:

- Clearly identifies the duties of industry and of the Crown;
- Harmonizes provincial and federal processes;
- Reflects relevant factors such as new and existing obligations within established case law; and
- Ensures sufficient resources are dedicated to communicating and implementing this approach across government, industry, and Indigenous communities.

For more information, see [Digging Deeper: Strengthening Ontario's Mining Advantage](#).

### **2. Develop a provincial forestry strategy**

Businesses run and prosper on certainty, yet for Ontario's forest products sector, consistent access to affordable wood is a challenge thanks to barriers that limit their ability to access increased forest volumes. As a result of government restrictions, access to actual harvest volumes just meets today's demand, leaving no room to grow Ontario's renewable forestry sector, despite a healthy and growing forest supply.

Your ministry should develop an Ontario forestry strategy that removes made-in Ontario barriers and increases reliable access to harvest volumes that will make the sector more competitive.

### **3. Support Ontario's forestry industry in trade negotiations**

The forestry industry represents an important economic lever for Ontario but is currently facing an uncertain future. The number of direct jobs sustained by this industry has been decreasing since the last lumber dispute (2001–2006). Your ministry should continue to work with the federal government to ensure that trade negotiations and/or disputes with the US do not result in decisions detrimental to the Ontario forestry industry.

If Canadian softwood lumber is subject to a new tax to sell their product into the US, the Ontario government should ask the federal government to implement a loan guarantee program, which would help mitigate the impacts of a tax by enabling Canadian exporters to pay the imposed tariffs and continue to sell their products on the US market.

For more information, see our [letter to the Prime Minister](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Toby Barrett, Parliamentary Assistant to the Minister of Natural Resources and Forestry  
Bill Thornton, Deputy Minister, Ministry of Municipal Affairs and Housing

July 16, 2018

The Honourable Raymond Cho  
Minister for Seniors and Accessibility  
7 Queen's Park Crescent  
6<sup>th</sup> Floor, Frost Building  
Toronto, ON  
M7A 1Y7

**RE: A blueprint for making Ontario open for business**

Dear Minister Cho,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister for Seniors and Accessibility.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes organizations like the Toronto Region Board of Trade in your own home-riding of Scarborough North.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Seniors and Accessibility, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

Within Ontario, there are many seniors and individuals with disabilities who possess tremendous untapped potential. Your ministry should do more to consider how to better integrate those Ontarians into productive and healthy positions in our province. Furthermore, your ministry has the ability to drive economic growth by taking strategic action on leveraging our aging population and re-building the lost potential of individuals with both physical and mental disabilities.

### **1. Actively manage Ontario's aging population**

An aging labour force has many implications for Ontario, particularly the ability of smaller, rural and/or remote communities to survive and thrive as the average age of their residents (and workers) rises. Municipalities need to be able to transition their communities to ones that are seniors-friendly. Your ministry should collaborate with the Ministry of Municipal Affairs and Housing to develop initiatives like senior-friendly transportation, community services, and growth plans.

The aging of the labour force also means that older business owners may struggle with succession planning if their children—or any younger persons—are uninterested in taking over the business. This jeopardizes what they have worked to build and could interfere with their retirement plans. There is opportunity here for your Ministry, alongside the Ministry of Economic Development, Job Creation and Trade to help older business owners create succession plans and match them with entrepreneurial young people who may be considering starting their own business but could purchase an existing firm instead. Senior business owners could play an important role in mentoring and coaching young entrepreneurs through a period of transition and 'apprenticeship' in their business, providing them with valuable life skills.

### **2. Shine a light on mental health in the workplace**

Within the Accessibility mandate, your ministry has a role to play in ensuring Ontario workplaces are mentally healthy. This is a priority that the business community, shares with private sector leadership having been demonstrated by recent awareness campaigns, capacity-building and training programs, and establishment of best practices. Given the \$3.8 billion investment in mental health your government intends to make over 10 years, it is critical that industry be involved in the design and implementation of related initiatives. The OCC and its partners look forward to working with your ministry to determine how best to foster mental wellness in the workplace.

For more information, see [Working Towards Mental Wellness: A Toolkit for Employers](#).

### **3. Prioritize steering individuals suffering from mental illness away from the criminal justice system**

Placing greater emphasis on programs that support individuals with mental illness would not only alleviate the criminal justice system of unnecessary burden, but also more effectively care for those Ontarians who are struggling. Your ministry has a critical role to play in writing policies and guidelines to help re-direct these individuals. In partnership with the Ministry of Health and Long-Term Care, the Ministry of Community Safety and Correctional Services, and the Ministry of Children, Community and Social Services, the government should:

- Relieve pressure on local police services by providing funding for 24-hour mental health crisis response teams.
- Develop a process whereby individuals who enter the criminal justice system are automatically screened for mental illness and provided with access to treatment when needed.
- Provide support and prevention measures for those with mental illness who are re-entering their communities after encountering the criminal justice system.

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:  
Marie-Lison Fougere, Deputy Minister, Ministry of Seniors and Accessibility

July 16, 2018

The Honourable Sylvia Jones  
Minister of Tourism, Culture and Sport  
900 Bay Street  
9<sup>th</sup> Floor, Hearst Block  
Toronto, ON  
M7E 2A1

**RE: A blueprint for making Ontario open for business**

Dear Minister Jones,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Tourism, Culture and Sport.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes a number of communities in your own home-riding of Dufferin-Caledon.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Tourism, Culture and Sport, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

Representing \$33 billion of Ontario's GDP, tourism is a significant and valuable component of Ontario's economy. However, taxes on travel and accommodation, and unnecessarily high wages place undue burden on an industry which already operates on thin margins. As an industry which exhibits comparative weaker growth when compared to other industries, Ontario's tourism industry presents ample opportunity for

growth. In addition to reducing regulatory barriers and taxes, exploring additional avenues for industry development would markedly increase economic opportunities for the industry.

Your ministry is integral to the health and diversity of Ontario's economy, and should lead other ministries by example as it stewards the innovative and rapidly changing tourism, culture, and sport sectors.

### **1. Implement a strategic plan for the tourism sector**

*Growing Tourism Together: A Strategic Framework for Tourism in Ontario* presents an opportunity to capitalize on the tourism legacy created by the Canada 150 and Ontario 150 celebrations, maximizing tourism's economic contribution to the provincial GDP. Your ministry should make a commitment to reaching the goals outlined in the *Framework*, by dedicating new resources, updating policy, and tracking outcomes.

To accurately gauge Ontario's performance against the goals, your ministry should improve the use of tourism data, including visitor spending and visitor flows. This information can inform both product development and infrastructure investment decisions, presenting opportunities to enhance efficiency and take advantage of new opportunities. A model to consider emulating would be that of New Zealand, which in 2007 introduced a tourism flows model to spatially represent the dynamics of tourism in the country and inform policy, planning, and resource allocation activities.

### **2. Establish a Tourism Industry Table as part of the Highly Skilled Workforce Strategy**

Tourism HR Canada has estimated that, by 2030, labour shortages in Ontario's tourism industry could exceed 88,000 full-year jobs.<sup>1</sup> Already, over 40 percent of tourism SMEs identify "shortage of labour" as an obstacle to growth, and over 50 percent experience issues recruiting and retaining employees.<sup>2</sup>

In its final report, the Highly Skilled Workforce Expert Panel recommended the creation of a Planning and Partnership Table (PPT) responsible for developing solutions related to skills development and experiential learning opportunities in growth sectors or regions, supported by a series of Industry Tables. Your ministry should lead the development of a Tourism Industry Table to ensure the sector's workforce challenges are incorporated into the province's broader skills strategy.

### **3. Lower taxes that disproportionately impact the tourism sector**

Since 2014, Ontario's aviation fuel tax has increased by nearly 150 percent, making it the highest in Canada. This has increased the financial barrier to accessing many of Ontario's attractions, particularly in northern and remote communities, where other forms of travel may be infeasible for visitors. To increase the province's price competitiveness as a tourism destination, your ministry should work with the Ministries of Finance and Transportation to reduce aviation fuel tax level to, at the very least, align with other jurisdictions within Canada.

Similarly, your ministry should encourage the Ministry of Finance to cap the Municipal Accommodation Tax at four percent, except in municipalities where existing Destination Marketing Program fees exceed four percent (in which case, the cap should match that total and all funds be directed to the appropriate non-profit tourism organization). Additionally, ensure that businesses paying the Municipal Accommodation Tax can participate in the oversight and distribution of the tourism-focused portion of revenues.

<sup>1</sup> Industry Canada. 2015. SME Profile: Tourism Industries in Canada.

[https://www.ic.gc.ca/eic/site/061.nsf/eng/h\\_02951.html](https://www.ic.gc.ca/eic/site/061.nsf/eng/h_02951.html)

<sup>2</sup> Tourism HR Canada. 2015. *The Future of Canada's Tourism Sector: Shortages to Resurface as Labour Markets Tighten*.

[http://cthr.ca/en/research\\_publications/~/\\_media/Files/CTHRC/Home/research\\_publications/labour\\_market\\_information/Supply\\_Demand/SupplyDemand\\_Report\\_Current\\_EN.ashx](http://cthr.ca/en/research_publications/~/_media/Files/CTHRC/Home/research_publications/labour_market_information/Supply_Demand/SupplyDemand_Report_Current_EN.ashx)

#### **4. Leverage the potential of the sharing economy by promoting consistent rules across Ontario.**

Hard-to-follow rules and red tape that differ between communities discourage Ontarians from taking advantage of the sharing economy. Inconsistency in regulation also reduces visitor options, detracts from the overall quality of visitor experience, and fails to leverage an important opportunity to grow international and domestic tourism in Ontario. Your ministry should build on the work of the Sharing Economy Advisory Committee to establish clear, easy-to-follow rules for tourism-supporting services in the sharing economy.

#### **5. Create greater consistency and predictability in provincial tourism marketing funding**

Currently, the Ontario Tourism Marketing Partnership Corporation (OTMPC) and other marketing organizations are provided with funding on an annual basis. A lack of budget certainty over a longer time period reduces their ability to plan for and conduct sustained campaigns in target markets. Your ministry should examine the funding model for tourism marketing organizations, including their relationships with federal tourism agencies and private sector players, in order to maximize the impact of tax dollars. This should include:

- Consider providing budget certainty on a three- to five-year time horizon for the OTMPC and other marketing organizations, to allow for longer-term and sustained marketing campaigns.
- Consult industry stakeholders to refine the mandate and responsibilities of tourism marketing organizations.
- Encourage greater consistency, predictability, and harmonization in marketing, to increase the effectiveness of scarce marketing dollars.

For more information, see [Closing the Tourism Gap: Creating a Long-Term Advantage for Ontario](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Vincent Ke, Parliamentary Assistant to the Minister of Tourism, Culture and Sport  
Nancy Matthews, Deputy Minister, Ministry of Tourism, Culture and Sport

July 16, 2018

The Honourable Merrilee Fullerton  
Minister of Training, Colleges and Universities  
900 Bay Street  
3<sup>rd</sup> Floor, Mowat Block  
Toronto, ON  
M7A 1L2

**RE: A blueprint for making Ontario open for business**

Dear Minister Fullerton,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Training, Colleges and Universities.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes organizations like the Ottawa Chamber of Commerce in your own home-riding of Kanata-Carleton.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Training, Colleges and Universities, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

More than three-quarters of Ontario businesses cite the ability to attract and retain talent as critical to their competitiveness.<sup>1</sup> Yet many employers are challenged to find sufficiently skilled and qualified labour. This is a serious challenge to Ontario's future prosperity.

<sup>1</sup> Ontario Chamber of Commerce. 2018. *2018 Ontario Economic Report*. <http://www.occ.ca/wp-content/uploads/2018-Ontario-Economic-Report-8.pdf>

Ensuring strong connections between employers and post-secondary institutions is vital in today's economy. The number of jobs requiring a university education has increased by 145 percent since 1987.<sup>2</sup> The number of jobs requiring a college diploma or certificate has increased by 40 percent.<sup>3</sup> Seventy-six per cent of jobs created by 2026 will require a postsecondary education.<sup>4</sup>

Your ministry should further leverage Ontario's world-class universities and colleges as engines of economic development, growth, and innovation across the province. They are not only talent pipelines for employers, but they transform research into products, services, companies, and jobs and are magnets for investment. Our post-secondary institutions also anchor globally significant innovation clusters creating economic benefits in sectors as diverse as the life sciences, advanced manufacturing and materials, clean tech, artificial intelligence, information technology, and more. Businesses in communities across the province directly benefit from the economic activity spurred by post-secondary campuses and the thousands of industrial partnerships that currently exist between these sectors.

Beyond traditional schooling, your ministry should also focus on making apprenticeship and training opportunities more accessible and effective. By implementing practices such as outcomes-based funding for Employment Ontario programs, increasing opportunities for experiential learning, and modernizing the apprenticeship system, your ministry would be a significant contributor to job creation across the province.

### **1. Create more experiential learning opportunities, particularly with SMEs**

The most effective way for Ontarians to attain job-relevant skills training is through experiential learning opportunities, which provide job seekers with hands-on education in real workplaces. Increasing the number of experiential learning opportunities would not only provide employers with a more capable workforce able to meet timely and job-specific needs, but also give individuals the chance for greater economic mobility.

To ensure all students and trainees can access experiential learning, your ministry should place an emphasis on the expansion of opportunities in small businesses and not-for-profits, which often have fewer resources to dedicate to training – yet have similar skills needs as larger organizations. In collaboration with the Ministry of Economic Development, Job Creation and Trade your ministry should utilize the expertise and networks of Local Employment Planning Councils, Ontario Workforce Boards, the Ontario Centre for Workforce Innovation, and local chambers of commerce/boards of trade to create more experiential learning opportunities. These organizations offer existing frameworks for such initiatives, are highly integrated within their respective communities, and can easily coordinate targeted programs with educational institutions, SMEs, and larger industry.

### **2. Modernize the apprenticeship system**

The current platforms utilized throughout Ontario's apprenticeship application and training processes are onerous, outdated, and fragmented. This has resulted in more than half of apprentices abandoning their training before it is complete, and frustration from employers who need skilled labour but are challenged by outdated administrative processes.<sup>5</sup> Your ministry should leverage the Ontario College Application Service to

<sup>2</sup> Statistics Canada, Table 282-0142

<sup>3</sup> Ibid.

<sup>4</sup> Canadian Occupational Projection System. 2017. "Figure 5: Distribution of Expansion Demand by Skill Level, 2017-2026". <http://occupations.esdc.gc.ca/sppc-cops/content.jsp?cid=39&lang=en#Fig5>

<sup>5</sup> Office of the Ontario Auditor General. 2016. *2016 Annual Report*. "Chapter 3: Ministry of Advanced Education and Skills Development, Section 3.04: Employment Ontario". [http://www.auditor.on.ca/en/content/annualreports/arreports/en16/v1\\_304en16.pdf](http://www.auditor.on.ca/en/content/annualreports/arreports/en16/v1_304en16.pdf); Sullivan, Kathryn. 2017. *Talent in Transition: Addressing the Skills Mismatch in Ontario*. Ontario Chamber of Commerce. <http://www.occ.ca/wp-content/uploads/Talent-in-Transition.pdf>

provide candidates with an electronic, single-entry access to the apprenticeship application and registration process, as well as manage the reporting requirements for both apprentices and employers.

In addition, it is critical that the Province revise the current journey-person-to-apprentice ratio. There needs to be greater flexibility within the Ontario apprenticeship framework; in Nova Scotia, for example, employers can apply for a ratio increase for the number of apprentices per journey-person on a per-project basis. The implementation of a similar process in Ontario could alleviate some of the challenges that employers experience with respect to recruiting sufficient journey-persons to hire additional apprentices.

### **3. Reform the Ontario College of Trades**

The Ontario College of Trades (OCOT) has become overly focused on enforcement and regulation, limiting its ability to serve the public interest by attracting and training new trades people. While the OCC was encouraged by the findings in Tony Dean's *Supporting the Skilled Trades in Ontario* review, those findings were not acted upon, leaving significant work that must be done to address governance issues within the College. Your ministry should therefore immediately implement the appropriate reforms recommended by the Dean report and sector stakeholders. If this is not possible, the government should dismantle the College and return responsibility for trades regulation to the Province.

### **4. Take an outcomes-based approach to Employment Ontario**

As noted by the Auditor General, Employment Ontario programs are not delivering the needed outcomes for either job-seekers or employers. By developing an outcomes-based funding approach for Employment Ontario, your ministry could improve their performance and accountability. Metrics by which outcomes could be measured may include:

- *Customer satisfaction* – How effective employers are with the employment service programs and how integrated the service are within the community
- *Efficacy* – How effective the service provider is in meeting its service goals, and the broader goals of Employment Ontario
- *Efficiency* – How much did the economy gain from the program's investment in the service?

These measures are consistent with the current Employment Ontario performance measurement framework, which outlines the performance and accountability requirements of third party service providers.

A further step for improving employer engagement with publicly-funded workforce development programming is the creation of a single access point for all government-funded workforce, training, and employment services. To the extent possible, an effort should be made to ensure that the approach is consistent across all levels of government.

For more information on all of the above, see [Talent in Transition: Addressing the Skills Mismatch in Ontario](#).

### **5. Actively manage Ontario's aging workforce**

An aging labour force has many implications for Ontario, particularly the ability of smaller, rural and/or remote communities to survive and thrive as the average age of their residents (and workers) rises – not to mention the impact on sectors such as agriculture, natural resources, and the skilled trades, all of which have relatively “old” average employee ages. An aging workforce also places a spotlight on the need for continuous, life-long learning opportunities and supports for re-skilling at all points in an individual's career.

The aging of the labour force also means that older business owners may struggle with succession planning if their children—or any younger persons—are uninterested in taking over the business. This jeopardizes what

they have worked to build and could interfere with their retirement plans. There is opportunity here for your ministry, alongside the Ministry of Economic Development, Job Creation and Trade and the Ministry for Seniors and Accessibility, to help older business owners create succession plans and match them with entrepreneurial young people who may be considering starting their own business but could purchase an existing firm instead. Senior business owners could play an important role in mentoring and coaching young entrepreneurs through a period of transition and 'apprenticeship' in their business, providing them with valuable life skills.

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,

A handwritten signature in black ink, appearing to read "Rocco Rossi".

Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

David Piccini, Parliamentary Assistant to the Minister of Training, Colleges and Universities  
George Zegarac, Deputy Minister, Ministry of Training, Colleges and Universities

July 16, 2018

The Honourable John Yakabuski  
Minister of Transportation  
77 Wellesley Street West  
3<sup>rd</sup> Floor, Ferguson Block  
Toronto, ON  
M7A 1Z8

**RE: A blueprint for making Ontario open for business**

Dear Minister Yakabuski,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as Minister of Transportation.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes a number of communities in your own home-riding of Renfrew-Nipissing-Pembroke.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Ministry of Transportation, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

The Ministry of Transportation is an essential contributor to the province's economic prosperity; sixty-six percent of Ontario businesses consider transportation infrastructure and public transit critical to their

organization's competitiveness.<sup>1</sup> Yet Ontario is a vast province with diverse regions each facing unique transportation challenges, from congestion to capacity to climate change.

In the fall of this year, the OCC will release a report providing short, medium, and long-term public policy solutions to some of the province's most pressing transportation issues, including governance, rail (light and heavy), and autonomous technology. We hope to work closely with your ministry as we develop the report's contents, and then as the recommendations contained therein are acted upon.

## **1. Develop a long-range transportation plan**

Your ministry should prioritize the development of a province-wide Long-Range Transportation Plan (LRTP), ideally with a 30-50-year span.

A province-wide LRTP will contribute to economic growth across Ontario by improving linkages between transportation modes and freight hubs (which make up over 70 percent of goods trade in Ontario); enabling the Province to develop and implement policies that improve and better utilize Ontario's extensive network of road, rail, marine and airport facilities; and enhancing the ability of businesses in Ontario to latch onto North American manufacturing value chains.

Your ministry's LRTP should include:

- Stakeholder consultations;
- Short, medium, and long-term planning and investment objectives;
- Comprehensive mapping of the multi-modal connections that facilitate goods and people movement throughout the province;
- Pathways for integration with Municipal Official Plans and regional growth plans;
- A provincial maritime strategy;
- A multi-modal strategy for rail and airports;
- A financing plan for transportation improvement projects; and
- Quick wins to improve connections between regions and trade corridors.

## **2. Improve regional fare integration to get the GTHA moving**

Connectivity between neighbouring transit authorities is essential to efficient movement of people across a region as large and diverse as the GTHA. A crucial element of this connectivity is a one-card fare integration system.

Although progress has been made in the process of fare integration, there are still gaps in the connectivity system. To ensure a seamless transportation network, and to build further momentum across the wider region for fare integration, the Toronto Transit Commission (TTC) should be integrated with GO Transit and other municipal transportation services.

A fully integrated fare system would make for a more customer-friendly, seamless, and affordable transit network, helping to alleviate region-wide traffic congestion and gridlock. Your ministry, through Metrolinx, should work with local transit authorities to complete the implementation of an integrated fare structure for the GTHA.

<sup>1</sup> Ontario Chamber of Commerce. 2018. *Ontario Economic Report*. <http://www.occ.ca/wp-content/uploads/2018-Ontario-Economic-Report-8.pdf>

### **3. Strengthen the competitiveness of the aviation industry**

Airports are major economic engines for their local communities. Adding pressure to the operating expenses of Ontario's airports – such as our comparatively high aviation fuel tax, or increases to taxes paid by airports – is counter to efforts by airports, air carriers, and the federal government to reduce the cost of travel in Canada and make our aviation sector more internationally competitive, especially with the U.S.

Increasing the cost of airport operations also limits the ability of Ontario's airports to invest in the necessary infrastructure to accommodate passenger and cargo growth. By 2037, the Greater Toronto Airports Authority expects Toronto Pearson to handle approximately 85 million passengers per year – nearly double the 47 million it sees today. To ensure that Pearson and other airports across the province can continue to serve both their local economy and the Ontario economy as a whole, they need the financial flexibility to invest in infrastructure.

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce

cc:

Kinga Surma, Parliamentary Assistant to the Minister of Transportation  
Scott Thompson, Deputy Minister, Ministry of Transportation

July 16, 2018

The Honourable Peter Bethlenfalvy  
President of the Treasury Board  
Room 4320 - 99 Wellesley Street West  
Toronto, ON  
M7A 1W3

**RE: A blueprint for making Ontario open for business**

Dear Minister Bethlenfalvy,

The Ontario Chamber of Commerce (OCC) would like to congratulate you in your new role as President of the Treasury Board.

For more than a century, the OCC has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. This includes organizations like the Ajax-Pickering Board of Trade and the Uxbridge Chamber of Commerce in your own home-riding of Pickering-Uxbridge.

Ontario businesses are the backbone of our economy and communities. However, the business community is currently facing economic uncertainty and an increasing regulatory and tax burden. Our members have also conveyed the need to address serious structural problems like a lack of access to talent. Bold action and leadership will be required of every Ministry in support of pro-growth policies to build overall business confidence in the economy.

Premier Doug Ford has made it clear that the Ontario government will work to make our province open for business. As Ontario's business advocate, we support creating public policies that contribute to a competitive business environment, and the economic and social well-being of our province.

In the OCC's *Vote Prosperity* platform for the 2018 provincial election, we called on the Ontario government to implement a plan that will strengthen business competitiveness, foster job creation, build healthy communities, and improve government accountability. Today, we are providing all Ministers with a blueprint for steps that can be taken under your direction to ensure we are growing Ontario's economy and building shared prosperity for all.

Our province is strongest when government creates the right conditions for businesses to thrive. As you prepare to lead the Treasury Board Secretariat, the OCC has outlined key priorities below for making Ontario open for business.

**Key Priorities:**

Ontario's current fiscal environment deters investment, reduces the government's capacity to make productivity-enhancing investments, and compromises the province's ability to respond to future economic slowdowns. Beyond balancing the budget, we need a clear path for long-term fiscal prudence.

The success of such a plan is reliant upon the development of greater institutional safeguards to protect Ontarians against untested decision-making. The unintended consequences of ill-advised government policies have hindered business competitiveness and diminished Ontario's economic resiliency. Poor implementation of government initiatives can result in resource waste, political frustration and disruption for the public. To improve government accountability – and confidence in that accountability among Ontarians – your ministry should focus on improving transparency in how government spends taxpayer dollars.

## **1. Demonstrate accountability to Ontario taxpayers**

Accountability and transparency in fiscal decision-making is paramount to building trust and confidence in government. In order to move toward true fiscal sustainability, your office should take the following steps to enhance return on investment for tax dollars through evidenced-based, outcomes-focused policymaking:

- *Ensure value-for-money in government spending.* Your ministry has been tasked with leading an important audit of all government spending. This will be a key exercise in restoring transparency and accountability to Ontario taxpayers. Throughout this process, your ministry should consult widely with the private sector on potential opportunities to improve the efficiency and quality of public services.
- *Establish outcomes-based incentives and accountability in the public service sector.* Closely linking incentives and accountability for public servants to specific outcomes can increase efficiency, improve program and service quality, and help the government do more with less. Public sector compensation is the most accessible tool to achieve this outcome. For example, instead of cancelling pay-for-performance incentives, the Province should reinvigorate them for all levels of the public service and tie them to specific and measurable outcomes appropriate to each Ministry.
- *Adopt a formal policy on asset recycling.* Asset recycling is a tool that could have a substantial impact on the Province's infrastructure deficit in the context of a reduced fiscal capacity. Beyond the Premier's Council on Government Assets, your ministry should support the Treasury Board as it promotes a broader policy that regularizes the asset review process.
- *Work constructively with the Auditor General.* Public auditing discrepancies and disputes between the Auditor General and the Ministry of Finance have undermined confidence in government while failing to solve any of the Province's fiscal challenges. Your ministry should address this matter in a meaningful way and work to resolve it in advance of the next budget cycle.

## **2. Lead the government in adopting sound quantitative measurement and evaluation practices**

The increased availability of data, and the capability to analyze that data through advanced analytics, has given policymakers an expanded ability to evaluate the costs and benefits of new initiatives – including assessing whether they will achieve their intended outcomes. Treasury Board should lead the government in taking advantage of this increased quantitative capacity, through:

- *Ensuring all proposed policy, regulation and legislation has been evaluated against sound, quantitative evidence.* Government decisions should be based on reliable and publicly available evidence, and analysis should have a clear acceptability threshold against which a change is evaluated.
- *Establishing criteria for measuring progress toward the attainment of strategic goals and publicly publish these targets to ensure transparency.* The government's long-term planning cycles should include a framework for specific and measurable growth targets, as well as a timeline to achieve those goals (a practice adopted by many other jurisdictions). To do so, policymakers should clearly define the type of outcome an initiative is intended to achieve, as well as methods for measuring and evaluating checkpoints and achievements.

- *Placing increased emphasis on stakeholder consultation.* Your office should ensure all Ministries create closer, more permanent partnerships with stakeholders, including the private sector, academia, and civil society organizations. Such partnerships will increase the data and context available to decision-makers, improving their planning and pre-empting backlashes caused by poorly-considered policy or hastily-implemented initiatives.
- *Publishing a cost of doing business (CODB) index.* A CODB index would be an effective snapshot of Ontario's competitiveness, as well as a benchmark against which your office could measure our competitiveness relative to neighbouring jurisdictions. Where the province performs well, this measure could be used to attract new business and investment; where we perform poorly, your office would have direction for improving government service delivery and spending.

### **3. Strike a Health Cabinet to better understand health spending across government**

The health of Ontarians has an impact on more than just the official health budget; beyond Health and Long-Term Care, Ministries as diverse as Seniors and Accessibility, Children, Community and Social Services, Government and Consumer Services, and Economic Development, Job Creation and Trade, all manage issues that are related to the health and well-being of residents. Yet these Ministries are not aligned in their actions to keep Ontarians healthy, nor do they understand how their initiatives and investments may have an impact on another Ministry's budget.

The Treasury Board should work with the Premier's Office and the Ministry of Health and Long-Term Care to establish a Health Cabinet of senior representatives from all relevant Ministries, at which they will analyze the intersections of their budgets and plan for improved coordination of spending. Each participating agency should have a view to their mandate's impact on Ontarians' health and well-being, and how their value proposition can be accurately captured across the public sector to more effectively measure and evaluate fiscal decisions regarding the broader health care system. This co-ordination of mandates and spending will result in greater efficiencies across Ministries and better care for all Ontarians.

For more information, see [Health Transformation: An Action Plan for Ontario](#).

To ensure Ontario's economy has a strong foundation, we must work together to support evidence-based policies that encourage a prosperous economy and strengthen business competitiveness. At your earliest convenience, we would like to meet with you and your staff to provide an in-depth briefing on the importance of these priorities for Ontario's business community.

Sincerely,



Rocco Rossi  
President and CEO  
Ontario Chamber of Commerce



cc:

Stan Cho, Parliamentary Assistant to the President of the Treasury Board

Nancy Kennedy, Deputy Minister, Treasury Board Secretariat