

CFIB – Liberal Response

1. If elected, what is your government's plan to ensure Ontario's small business owners are competitive?

Small businesses are key to vibrant communities, providing good jobs and new opportunities for Ontario families, which is why the Ontario Liberals are committed to their success and growth.

With more than 400,000 small businesses with employees in communities across the province, we know that when they succeed, we all succeed.

Our plan is to invest an additional \$500 million to help small businesses lower costs, take advantage of new opportunities, and save time when dealing with government, including a suite of small business supports were announced in Ontario's recent Fall Economic Statement and reiterated in the 2018 budget, including:

- A 22 per cent cut in the Corporate Income Tax rate for small businesses — from 4.5 per cent to 3.5 per cent, effective January 1, 2018.
- Designating 33 per cent of procurement spending to small and medium-sized businesses by 2020, which will be supported by initiatives to improve the process by making it easier for businesses to submit bids.
- Investing \$40 million in small businesses in downtown and main street areas under the Main Street Enhancement Fund.
- Launching a new program called Small Business Access, which will provide resources online and over the phone to make it easier for small businesses to interact with the government and get the supports they need.

The Liberals are also making investments that make business operations more competitive and efficient in a rapidly changing economy. These investments include:

- The Southwestern Ontario Development Fund (SWODF) and the Eastern Ontario Development Fund (EODF), which supports regional economic development by creating jobs, attracting private sector investment and promoting innovation, collaboration and cluster development in Southwestern and Eastern Ontario.

- The creation of a new Greater Toronto and Hamilton Area Fund (GTHAF), as part of the Good Jobs and Growth Plan, to complement the SWODF and EODF and fill a critical gap in regional development throughout the GTHA. As announced in the 2018 Budget, Ontario will be investing an additional \$100 million in the EODF, SWODF and GTHAF over the next ten years.

Beyond these important funds, Ontario will also be investing \$50 million over the next ten years in a new Transformative Technology Partnership Fund to accelerate the development and commercialization of transformative technologies by bringing together SMEs, technology developers and adopters, and academic institutions.

We're also taking further steps to support Ontario's small and medium sized producers of locally grown fruits and vegetables and other edible horticulture products with \$60 million in support over two years, ensuring they continue to grow and remain competitive.

Finally, we are modernizing and making changes to the microbrewer definition and the Small Beer Manufacturer's Tax Credit. These changes will ensure that small beer manufacturers and microbrewers continue to have incentives to grow and fuel economic development in local communities.

2. If elected, what is your government's plan to balance the budget and pay down the debt?

Since 2014, the Ontario Liberals have been implementing a plan that is about investing in people, creating jobs and growing the economy. At the same time, we worked toward balancing the budget.

This year we delivered on that promise. We balanced the budget and expect to post a \$600 million surplus for the 2017–2018 year.

We did it without cutting services and jobs. We did it by investing in people, creating economic growth and carefully managing spending.

As a result, Ontario's economy has been growing faster than Canada and is leading the world's strongest economic powers, including the US and Europe. We created over 800,000 net new jobs since the recession, and our unemployment rate is at a 17-year low.

But while our economy is doing well, not everyone is feeling the benefits of it equally. It's getting harder and harder for people in our province to get ahead.

That's why Ontario Liberals have made the deliberate choice to invest in the services and supports families in Ontario need right now. The deliberate choice to invest in mental health care, health care, home care, child care and more. As a result, we have chosen to run a small deficit of less than one per cent of GDP and have charted a responsible path back to balance.

Ontario continues to be the leanest government in Canada; our per-capita program spending the lowest in the country. Our interest-paid-on-debt expense is now eight cents on every dollar of revenue — almost half of what it was in 2000, meaning we're able to borrow at the lowest rates in 25 years.

With Ontario back on a solid fiscal track and families still struggling to make ends meet, we cannot afford to pull back. We have to decide if government is going to help people with the challenges they are facing — or look only at its own balance sheet as the marker of how people are doing.

Ontario Liberals have chosen a clear path back to balance. Our fiscal plan will make sure people can continue to give and receive care, get an education, a good job and have every opportunity to get ahead.

3. If elected, what measures will your government put in place to help reduce the tax burden on small businesses?

A suite of small business supports were announced in Ontario's recent Fall Economic Statement and reiterated in the 2018 budget. To provide increased support to small businesses and enhance their overall competitiveness, the province has cut the small business corporate income tax (CIT) rate to 3.5 per cent for the first \$500,000 of active business income, effective January 1, 2018. This represents a 22 per cent reduction in the CIT rate for small businesses.

4. If elected, how will your government address the regulatory burden on small businesses?

Ontario Liberals have made significant progress in reducing the regulatory burden for business and will continue to do so. Open for Business is the provincial government's initiative to improve Ontario's business climate by

reducing burdens, lowering business costs, modernizing regulations and strengthening connections with business.

We are committed to developing modern, outcomes-focused and evidence-based regulations, helping to foster an innovative and supportive business environment while protecting environmental and health standards and enhancing worker safety. This includes identifying and fixing unclear, outdated, redundant, or unnecessarily costly regulatory requirements.

In 2017, we established a commitment to introduce annual burden reduction legislation and on March 22, 2017 the first annual bill received Royal Assent. The Burden Reduction Act, 2017 made changes to 50 different statutes across 11 ministries to reduce regulatory burdens and practices that cost businesses time and money while protecting environmental and health standards and enhancing worker safety.

We built on this commitment by introducing Bill 154, the Cutting Unnecessary Red Tape Act, 2017, which received Royal Assent on November 14, 2017. Included in Bill 154 is the Reducing Regulatory Costs for Business Act, 2017, which includes several burden reduction initiatives that came into force on January 1, 2018:

- Reducing regulatory costs: Requiring all ministries to offset \$1.25 for every dollar of new administrative costs to business by removing old and unnecessary costs.
- Streamlining compliance for small business: Ensuring that unnecessary burdens aren't placed on small businesses when new or amended regulations are introduced, while maintaining robust environmental, health and safety requirements and other public interest protections.
- International or national standards alignment: Increasing harmonization with other jurisdictions and adopting international or national standards, where appropriate, when developing or reviewing regulations.
- Rewarding good actors: Recognizing businesses that have a good compliance record.
- Electronic transmission guarantee: Providing businesses the option to electronically submit any required documentation to the Government of Ontario to comply with regulations instead of more costly paper submissions.

The latest annual report, released on April 19, 2018, features an estimated savings of \$195 million and 7.9 million hours to business since 2011.

5. If elected, how will your government reduce energy costs across the province?

The Ontario Liberals introduced the Fair Hydro Plan, which reduced hydro bills by 25% for small businesses across the province at all times of day. Hydro rates will be held to inflation for four years and rise gradually after that. Ontario Liberals are committed to helping small businesses conserve electricity through GreenON and SaveOn Energy programs, as well as our industrial electricity programs like the Industrial Conservation Initiative and Northern Industrial Electricity Rate Program which provide significant savings to large industrial consumers.

6. If elected, what will your government do to reduce apprenticeship ratios and the costs associated with on-the-job training?

Apprenticeships offer opportunities to receive on-the-job training that lead to secure jobs in skilled trades.

Ontario's apprenticeship system has trained over 68,000 people and certified 9,800 trade professionals annually over the past three years. Apprenticeship is the original experiential learning model, providing apprentices with the ability to "earn while they learn," leading to industry recognized certification, and is a critical pillar of Ontario's postsecondary education system. Ontario's apprentices receive 85 to 90 per cent of their training in paid, on-the-job settings with the remaining portions done through in-class learning in colleges and union-based training centres.

Ontario's skilled trades create careers leading to secure jobs and a good quality of life, and are also vital to the health and growth of the economy. Building on consultations across the province, the Ontario Liberals are investing \$170 million over three years in the new Ontario Apprenticeship Strategy.

This investment will include:

- Expanding the Ontario Youth Apprenticeship Program (OYAP), providing more high school students with trades-related hands-on learning opportunities;

- Improved guidance counselling resources and local labour market information for students, parents and educators;
- A new grant to promote pooled group sponsorship models for apprentices;
- A Local Apprenticeship Innovation Fund to increase opportunities for apprentices and encourage engagement within the apprenticeship system across Ontario, as well as support regional, local or sector-specific pilots where there is demonstrated market need; and
- Continuing education opportunities for trade professionals.

7. If elected, how will your government ensure that employers are educated and prepared for recreational cannabis legalization, and will your government develop a plan to include the private sector in the recreational cannabis market?

The federal government's Cannabis Act, if passed, would permit the legal production, sale and possession of recreational cannabis across Canada later in 2018.

In response to the federal decision to legalize recreational cannabis, the Ontario Liberal government passed legislation to establish a safe and sensible framework within the province that protects youth and reduces harm.

Ontario's framework covers the sale, distribution, purchase, possession and consumption of cannabis in the province. Established as a Crown corporation and subsidiary of the LCBO, the Ontario Cannabis Retail Corporation, operating as the Ontario Cannabis Store, will be responsible for new stand-alone cannabis storefronts and an online distribution channel.

In support of a safe and sensible framework, and to protect the health and well-being of everyone in Ontario, we undertook initiatives in public health, road safety, education and law enforcement, such as:

- Increasing the capacity of local law enforcement, including the Ontario Provincial Police, by funding sobriety field test training for police officers to help detect impaired drivers;
- Creating a specialized legal team to support drug-impaired driving prosecutions;
- Increasing capacity at the province's Centre of Forensic Sciences to support toxicological testing and expert testimony;

- Developing a program to divert youth involved in minor cannabis-related offences away from the criminal justice system;
- Creating a Cannabis Intelligence Coordination Centre to shut down illegal storefronts and help fight the unsafe and illegal supply of cannabis products;
- Providing public health units with support and resources to help address local needs related to cannabis legalization;
- Raising awareness of the new Provincial rules that will take effect when cannabis is legalized federally; and
- Making information and resources on cannabis available to educators, parents, guardians and students.

8. If elected, what will your government do to enhance the financial literacy education of young Ontarians?

Ontario Liberals know how important it is that our young people are equipped with the financial literacy skills they need to succeed in today's economy. That is why we have taken concrete steps to expand financial literacy education and will continue to do so.

We have embedded financial literacy into subjects across the curriculum from Grade 4 to 12. Students are given opportunities to learn about saving, spending and investing money, as well as how to be responsible consumers, how to protect their personal information online, and how to understand their role in an increasingly complex global economy.

We have provided matching funding to the Ontario Chamber of Commerce to support Funny Money, an innovative program for high school students that complements the government's approach to financial literacy education in the school curriculum.

And we are enhancing the Grade 10 career studies course, bringing in mandatory learning on financial and digital literacy, as well as expanding hands-on learning opportunities that will better prepare students to succeed in a rapidly changing economy.

The new course will include mandatory learning on financial literacy, such as budgeting and financial management. Students taking the career studies course will also explore:



- Career pathway planning
- Innovation, creativity and entrepreneurship
- Digital literacy

We have also made new investments in hands-on learning. Every school board across the province will hire a new and dedicated coordinator, whose key role will be to expand learning opportunities with community partners, for all grades, courses and programs - from kindergarten to adult learners.

Ontario Liberal Party

10 St. Mary Street, Suite 210, Toronto, ON M4Y 1P9
Phone: 416.961.3800, 1.800.268.7250 | Fax: 416.323.9425
Email: info@ontarioliberal.ca | Web: www.ontarioliberal.ca