

VIA EMAIL

May 3, 2018

Ms. Andrea Horwath, Leader, Ontario NDP

Dear Ms. Horwath:

The Canadian Federation of Independent Business (CFIB) is a not-for-profit, non-partisan organization representing over 110,000 small- and medium-sized business members across Canada. Of this total, 42,000 members are in Ontario, contributing to the growth of the province's economy and employing over 500,000 people.

It is a long-standing tradition of CFIB to ask all party leaders to express their commitments to independent business owners before every election. With **96 per cent of our members indicating that they will vote in the upcoming election**, this survey presents an ideal opportunity for you and your political opponents to directly reach small business owners and address their concerns and priorities. (Please refer to the attached background for the results of our most recent member survey and other information.)

Please return the completed and signed survey via email to Julie Kwiecinski ([julie.kwiecinski@cfib.ca](mailto:julie.kwiecinski@cfib.ca)) by no later than **5 p.m. on Wednesday, May 23**.

As a non-partisan organization, we don't endorse any party or candidates, and we never tell our members how to vote. Shortly after May 23, your responses (exactly as written) will be released publicly and sent to our Ontario members to help inform their voting decisions.

Thank you for sharing your commitments to small business owners in all sectors across Ontario.

Sincerely,

*Original signed by*

Plamen Petkov  
Vice President, Ontario

**Ontario Party Leaders' Commitments to Small Business  
(Election Survey, 2018)**

1. **Vision:** Seventy per cent of small business owners are concerned that their small business priorities will not receive attention during the provincial election campaign, and competitiveness in an evolving global market remains a key concern.

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

Small businesses are the backbone of the Ontario economy. When small businesses grow and prosper, so does our province. However, with fewer resources and personnel and smaller budgets, small businesses face unique challenges on their path to prosperity.

In Ontario high hydro rates are hurting our small businesses and undermining our competitiveness. Small businesses are finding it increasingly difficult to hire qualified, experienced people - and small businesses have not been getting their fair share of provincial businesses supports and procurement opportunities.

Only New Democrats will lower hydro bills by 30 per cent – and keep them down over the long-term. We will end mandatory time of use pricing that penalizes businesses for being open during business time. We will put an end to the government's disastrous Fair Hydro borrowing scheme that will add \$40 billion of unnecessary debt while causing bills to rise again by 70 per cent shortly after the election.

An NDP government will make historic investments in workforce development and training including creating 27,000 new work-integrated learning experiences for post-secondary students. We will partner with small businesses and organizations like CFIB to ensure small businesses are able to access Ontario's world-class post-secondary talent. We will invest in and reform Ontario's apprenticeship system to begin closing the skills gap in the skilled trades.

An NDP government will make sure provincial business supports reflect the needs and realities of small businesses: we will make sure business support programs are accessible, simplified and transparent.

New Democrats also believe that governments should be reinvesting tax dollars back into Ontario communities by procuring made-in-Ontario products and services when possible. We will set a target of procuring 33 per cent of government contracts from small and scaling businesses. We will make greater use of Community Benefit Agreements in infrastructure projects.

We will maintain the one-third reduction to the effective small business tax rate and we will maintain the small business exemption in the Employer Health Tax while limiting it to small businesses.

2. **Government Finances:** As you can see from the attached survey results, the **provincial deficit and debt are the top two small business priorities** going into the election. Small business owners know that today's deficits are tomorrow's taxes. Currently, the government projects consecutive years of deficits that will lead to increases in the province's substantial debt level and interest payments.

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

The NDP platform includes a fully-costed fiscal plan projected over the next five years that has been independently verified and deemed reasonable by the Former Parliamentary Budget Officer Kevin Page.

Our plan includes significant spending commitments to begin undoing the damage of decades of cuts and underfunding of the programs and services Ontarians rely on. Our investments will mean better health, more opportunity and a more affordable province for Ontario families.

In order to fund these much needed investments, our plan makes the responsible choice of increasing taxes for those most able to pay. As a result, our fiscal plan projects moderate deficits over the forecast period – deficits that are billions of dollars lower than currently projected in the 2018 Ontario Budget. By our third year our fiscal plan shows a clear path towards balance.

In addition, the NDP is the only party who will not continue with the government's Fair Hydro Plan which will add \$40 billion of unnecessary debt while causing bills to rise again by 70 per cent shortly after the election - and we will bring millions of dollars back into provincial revenues by buying back Hydro One which should never have been sold off in the first place.

3. **Tax Relief:** Ontario employers have taken on a significant payroll burden under Bill 148 (Fair Workplaces, Better Jobs Act). In addition to the increased minimum wage, Bill 148 also includes paid personal emergency leave days, extended vacation timelines, and the new statutory holiday pay formula. Small business owners support reducing the provincial small business tax rate (68%), personal income tax (58%) and the Employer Health Tax (34%) as examples of tax relief measures that would most benefit their business.

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

The NDP will maintain the recent reduction in the effective small business tax rate.

Our Pharmacare for Everyone plan will move prescription drug costs currently shouldered by businesses on the provincial government, saving businesses a minimum of \$800 million a year and as much as \$1.9 billion.

Lastly, depending on where a business is located in Ontario, they may pay businesses education property taxes as much as 15 times higher as a business located somewhere else in the province. We will bring in a uniform Business Education Tax rate, and continue the Education Tax Reduction Plan, adjusted to equalize rates.

4. **Red Tape:** The regulatory burden continues to be one of the top constraints to doing business in Ontario. The smallest business owners (those with fewer than five employees) pay roughly \$6,700 per employee to comply with regulations at all levels of government.

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

Andrea Horwath and the NDP are committed to helping small businesses grow and thrive. An NDP government will work closely with small businesses and local chambers of commerce to identify ways in which the province can better support businesses, and ensure their success.

5. **Energy:** Electricity prices have increased significantly over the past five years for small- and medium-sized businesses. Time-of-use pricing has continued to penalize many businesses for operating during regular business hours. While recent government measures have provided some welcome temporary relief, prices are expected to spike again when the Fair Hydro Plan Act expires.

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

Kathleen Wynne and the Liberals let Ontarians down badly - they didn't run in the last election on a plan to sell off Hydro One, privatize the electrical grid and sell off a valuable public asset. But that's exactly what Kathleen Wynne did as soon as she was elected, ignoring warnings from independent experts and protests from Ontarians.

Andrea Horwath and the NDP have released a detailed plan to cut Hydro bills by 30%. We will:

- Return Hydro One to public hands
  - Reduce bills immediately
  - End mandatory time-of-day pricing
  - Make permanent fixes to the system for the long term
- Returning Hydro One to public ownership will help it serve the public interest again.

Re-establishing independent, transparent public oversight will make sure of it. Our plan for immediate cost reduction includes steps like getting rid of mandatory time-of-use charges (that do nothing for conservation) capping private profit margins, and ensuring rural users pay the same delivery costs as urban users.

Our long-term fix includes ending oversupply, and cancelling or renegotiating bad private contracts, or letting them expire. We will cancel the Liberals' borrowing scheme that adds billions in new debt to finance short-term bill reductions.

6. **Training/Apprenticeship:** The province's stringent journeyman-to-apprentice ratios in several high demand trades have become a significant barrier to small employers looking to offer apprenticeship training. Smaller businesses often invest the most in training on a per employee basis, spending roughly \$2,000 per employee.

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

Andrea Horwath and the NDP will invest \$57 million annually from the Jobs and Prosperity Fund to improve apprenticeship pathways and create opportunities in the trades. We will bring together labour unions, employers, the Ontario College of Trades, and individual tradespeople to ensure that college programs are funded; to identify and develop new opportunities for apprenticeship; and to ensure young people know the opportunities that can come from a skilled trade. We will put a particular focus on bringing more women into the skilled trades.

An NDP government will make historic investments in workforce development and training including creating 27,000 new work-integrated learning experiences for post-secondary students. We will partner with small businesses and organizations like CFIB to ensure small businesses are able to access Ontario's world-class post-secondary talent.

7. **Cannabis:** Recreational cannabis legalization will come early in the next government's mandate. Many small business owners are concerned about the effect of legalization on their day-to-day workplace. Furthermore, the government's current plan does not allow for any private sector involvement in cannabis retail.

**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?**

New Democrats support a regulatory framework for cannabis sales, distribution and consumption that puts health, safety and the public interest first. We are concerned that the 40 stores planned by the Liberals won't eliminate illegal cannabis. Our focus will be on a system that ensures safe, responsible and equitable access to legal cannabis that supports good jobs for the workers in Ontario's cannabis industry.

The NDP would not support any attempt by the government retailer to unfairly undercut existing legal businesses that sell cannabis accessories.

8. **Financial Literacy:** In a recent survey, 88 per cent of small business owners supported the introduction of a mandatory, full-course financial literacy class in Ontario high schools to better educate young Ontarians on financial issues.

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

The NDP will continue the long-overdue curriculum update currently underway, and pay particular attention to career counselling for a changing workplace, as well as financial literacy and mathematics.

Signed:

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Ms. Andrea Horwath, Leader, Ontario NDP