Ontario

BACKGROUNDER

Ministry of Labour

Helping Businesses Prosper in Ontario

May 30, 2017

Fair Workplaces, Better Jobs

Over the past three years, Ontario's economy has outperformed all G7 countries in terms of real GDP growth. The province has reduced the small business Corporate Income Tax Rate from 5.5 per cent to 4.5 per cent, saving businesses $2.5 billion per year, and has eliminated the Capital Tax, which is providing $2.3 billion of tax relief to businesses every year. In 2017, the Ontario's economy is projected to grow by another 2.3 per cent. While exports and business investments are increasing and the unemployment rate is at a 16-year low, the nature of work has changed. More workers are struggling to support their families on part-time, contract or minimum-wage work.

To address the uncertainty that workers are feeling, Ontario is updating the province's labour and employment laws. This includes increasing the minimum wage, ensuring part time workers are paid the same hourly wage as full time workers, and expanding personal emergency leave to include an across-the-board minimum of at least two paid sick days per year for all workers.

Ontario is creating a balanced economic environment to ensure that both workers and businesses in the province can prosper by moving forward with recommendations heard in consultations with the business community during this review, including:

- Stepping up enforcement of employment laws by hiring up to 175 more employment standards officers, and launching a program to educate both employees and small- and medium-sized businesses about their rights and obligations under the Employment Standards Act
- Proposing three weeks of paid vacation for employees after five years of service with the same employer
- Allowing employers to hire replacement workers during a strike
- Changing union certification rules by reintroducing the card-based certification process for certain sectors
- Ensuring that franchisors are not held liable for employment standards violations by their franchisees
- Maintaining internships in post-secondary programs

Previous Actions to Cut Red Tape and Costs

- Ontario passed the Burden Reduction Act, 2017 in March, which will save businesses up to $31 million while helping to avoid new costs to businesses of up to $200 million.

- Since 201, Ontario has reduced costs for businesses and external stakeholders by $122.3 million. Between 2008 – 2010, Ontario cut 80,000 unnecessary regulations.

- Ontario chaired the negotiations between the federal, provincial, and territorial governments that led to the signing of the Canadian Free Trade Agreement to remove trade barriers within Canada. In recognition of this work, Ontario received the Special Edition Golden Scissors Awards from the Canadian Federation of Independent Business, which honours individuals in government who have shown leadership and delivered results in cutting red tape for small business.

- Since 2014, Ontario has streamlined compliance, provided one-window access for government services and reduced and eliminated fees, saving small businesses an estimated $1 billion.

- The province launched its Red Tape Challenge – an online consultation designed to identify and eliminate duplication, lessen compliance burdens, shorten response times and make it easier for business to interact with government. The Red Tape Challenge focuses on seven sectors. Previous sectors included automotive parts manufacturing, food processing, financial services, and mining. Future consultations will focus on chemical manufacturing, forestry and tourism.

New Proposed Changes to Cut Red Tape and Costs

- Ontario recently announced its intent to move forward with changes that would give employers greater flexibility in managing their pension contributions, allowing them to plan for their pension costs more easily.

- Ontario introduced the Fair Hydro Plan, which would lower electricity bills by 25 per cent for half a million small businesses across the province.

- The province is supporting small, independent grocers by reducing the regulatory fee required to sell beer, cider and wine by $2,000 per year, representing a 66 per cent savings for qualified businesses.

- Ontario is requiring all ministries to offset every dollar of new administrative costs to business by removing $1.25 of old and unnecessary costs.

- Ontario is ensuring that undue 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.

- The province is increasing harmonization with other jurisdictions and adopting international or national standards, where appropriate, when developing or reviewing regulations.

- The province is recognizing businesses with good compliance records and lowering their costs by reducing requirements, such as the number of inspections, without compromising the environment, health and safety, and other protections.

- The province is providing businesses the option to electronically submit any required documentation to the Government of Ontario instead of more costly paper submissions.

- Ontario is introducing a preferred procurement policy for small businesses that would help provide better access to government contracts.

- The province is developing a new program that would help small businesses access support, information and resources by phone, online and in person.

- Ontario is now reviewing licence and registration fees paid with a goal of providing relief to small- and medium-sized businesses.

Business Growth Initiative

Ontario recently expanded the Business Growth Initiative to more than $650 million over five years, which is helping to grow the economy and create jobs by promoting an innovation-based economy, helping small companies scale up and modernizing regulations for businesses.

New supports under BGI include:

- Keeping Ontario at the leading edge of research and development of transformative technologies, creating the jobs of tomorrow. This includes supporting the new Vector Institute for artificial intelligence and creating the Autonomous Vehicle Innovation Network.

- Launching the Advanced Research Computing and Big Data Strategy, which will support researchers by providing the technology to analyze data more comprehensively, helping accelerate the process of discovery.

- Partnering with Waterloo's Quantum Valley in creating the Quantum Valley Ideas Lab to develop breakthrough research and train highly qualified personnel.

- Investing in ultra-high-speed communications infrastructure to help develop the 5G network – the next generation of digital communication technology.

Previous supports under BGI include:

- The Scale-Up Voucher program, which provides high-growth companies with immediate access to specific resources they need at pivotal moments in their development. Vouchers will be used by companies to fund activities such as specialized talent development and recruitment, accessing new markets and intellectual property protection services.

- The Small Business Innovation Challenge, which provides small- and medium-sized businesses with opportunities to develop and implement innovative technology solutions to public sector challenges. Through real-world testing of products and solutions, companies will be better positioned to market their new ideas to the world and help foster long-term economic growth.

- The Clean Tech Venture Capital Fund, which attracts private investments in exchange for equity in clean tech firms.

- The Ontario Investment Office, which provides a one-window concierge service for businesses looking to invest and expand in the province.

Business supports

- Ontario has created and retained more than 35,000 jobs across the province through the 10-year, $2.7-billion Jobs and Prosperity Fund, which allows the government partner with businesses to enhance productivity, innovation and exports.

- Since 2013, the Eastern Ontario Development Fund and the Southwestern Ontario Development Fund have helped to create and retain more than 36,500 jobs and attracted approximately $1.73 billion in investment. The funds cover up to 15 per cent of eligible project costs, with the recipient company funding the remainder from its own resources.

- The province is helping small- and medium-sized businesses acquire and install new low-carbon technologies through the Green Ontario Fund, allowing them to save money and remain competitive.

Infrastructure

The province is investing more than $190 billion in important public projects like roads, bridges, public transit, hospitals and schools over 13 years, starting in 2014–15.

In the short term, these investments will support jobs in businesses that build, maintain and service assets and provide related services. Ontario.ca/BuildON includes over 2,500 key projects happening in Ontario. Projects like these are part of more than $190 billion in planned investments, which are expected to support 125,000 jobs, on average, each year.

In the long term, these investments will support a more productive economy, stimulating competitiveness and attracting the business investment and talent needed for economic prosperity across the province. According to Ontario's 2017 Long-Term Report on the Economy, every $1 spent on public infrastructure has been shown to increase GDP by $6 in the long term.

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