Qs & As and Key Messages

Key Messages

- Ontario is committed to helping small businesses continue to prosper and create jobs.

- That’s why Premier Wynne appointed a Minister Responsible for Small Business, and we are pleased that she’s chosen Minister Leal to lead this important work.

- Our goal is to build Ontario up by building up small businesses and creating the best conditions for these companies to thrive.

- Our communities play an integral role in growing Ontario’s economy thanks to the drive, the flair, and the entrepreneurship that small businesses bring.

- Our focus will continue to be on giving businesses the tools they need to succeed by maintaining competitive corporate income tax rates, modernizing regulations and reducing business costs.

- We are expanding the Business Growth Initiative to $650M over 5 years.

- Through initiatives like the Scale-Up Voucher Program and the Small Business Innovation Challenge, the Business Growth Initiative will:
  - Create opportunities to make Ontario’s economy more innovative.
  - Help scale up small businesses into medium-sized and large enterprises.
  - And reduce the regulatory burden on businesses.

- Reducing red tape for Ontario businesses is a key element of our plan to create jobs and grow the economy.
  - We passed the Burden Reduction Act in March, making 150 changes to statues to save businesses up to $31M and avoid costs up to $200M.
  - We are continuing with the Red Tape Challenge, an online consultation tool to identify burden reduction opportunities in key sectors.
- And we’ve been nominated three years in a row by the Canadian Federation of Independent Business (CFIB) for the “Golden Scissors Award” for burden reduction activities.

- We are doing this while ensuring no one is left behind.

- We are creating opportunities for inclusive growth across the Province by developing regional economic plans to capitalize on the competitiveness of each region.

- It is important that all Ontarians benefit from our economic growth.

Questions and Answers

Q. How will the appointment of a Minister Responsible for Small Business change how businesses in our community interact with government?

A. This is a testament to the government's commitment to small business. Minister Leal will champion small businesses and ensure that they have the tools needed to compete, grow and create jobs.

Small businesses are an integral part our economy and having a Minister with a separate responsibility for them will accelerate the work that's being done on their behalf.

This government recognizes challenges facing small businesses. Minster Leal will be working closely across departments to ensure small businesses are well positioned to face those challenges and succeed.

Our goal is to build Ontario up by building up small businesses and creating the best conditions for these companies to thrive.

Q. How are you working to help regions across the province?

A. Our government recognizes challenges facing small businesses across the province. As Minister Responsible for Small Business, I will work closely across all government departments to ensure all Ontario's small businesses are well positioned to face those challenges and succeed.

Q. What is this government doing to help small businesses?

A. This government is helping small business by driving innovation, providing needed capital and cutting red tape.

I will work closely with colleagues to address challenges that cross ministry lines. For example:

ENERGY: Hydro costs are often cited as particularly challenging for small and medium businesses. Ontario is taking action to reduce electricity bills for farms and businesses, including:

- We have introduced new measures, effective this summer, including rebating the provincial portion of the HST to reduce eligible small business and farm electricity bills by eight per cent before tax.
- Approximately 500,000 small businesses and farms will also benefit from the Fair Hydro Act, which builds on this rebate to deliver up to 25% savings.

- Existing initiatives available to small and medium-sized businesses to help them manage their electricity costs include the saveONenergy for Business conservation program.

- To help Ontario's small businesses become more energy efficient, manage costs and save money, the province has developed the Five-Point Small Business Energy Savings Plan.

- Ontario also recently expanded the Industrial Conservation Initiative (ICI) program, opening it up to more than 1,000 newly eligible customers with monthly peak demand greater than one megawatt (MW), down from the three MW threshold.

- In addition, sector restrictions have been removed and smaller institutional and commercial businesses are now eligible to participate. Participants in the ICI program can reduce electricity bills by up to one-third by reducing their electricity demand during peak demand periods. Newly eligible customers must opt-in by notifying their distributor before June 15, 2017, and will see the impact of participation beginning in July 2017.

ECONOMIC DEVELOPMENT: We have prioritized developing a smarter regulatory environment where unnecessary and redundant red tape is removed.

In fact, we are in the midst of a multi-sector wide Red Tape Challenge, where we have asked companies in specific sectors to let us know which regulations they would like to see disappear and what would make it easier for them to navigate government rules.

On this theme and just for your information, we have introduced the Regulatory Registry, a one-stop website that keeps businesses up to date about proposed regulatory initiatives that may affect them as well as recently approved ones.

FINANCE: The Harmonized Sales Tax (HST) will remove $4.8 billion a year in embedded sales taxes paid by businesses.

Cuts to Corporate Income Tax (CIT) rates for businesses are providing $2.5 billion of tax relief per year.

Elimination of the Capital Tax, which corporations paid whether or not they had a profit, is providing $2.3 billion of tax relief per year.

Significant cuts to high Business Education Tax rates, resulting in ongoing savings of over $200 million per year for Ontario businesses.

An accelerated depreciation rate for manufacturing and processing machinery and equipment from 2016 to the end of 2025, paralleling the federal budget measure. This provides a benefit of approximately $330 million from 2016-17 to 2019-2020.

Greater tax relief to small employers by increasing the Employer Health Tax (EHT) exemption threshold from $400,000 to $450,000 of annual payroll, beginning in 2014. This increase provides additional EHT relief of up to $975 per eligible employer.

INFRASTRUCTURE: One major challenge often cited by small businesses and those located outside major city centers is lack of basic infrastructure including high-speed internet.

Access to high-speed internet is a basic, fundamental need that is critical to a business's ability to stay competitive.

In fact, according to the Ontario Chamber of Commerce, a 10 per cent increase in household broadband penetration could accelerate economic growth by up to 1.5 per cent.

That's why the Ministry of Infrastructure last year introduced the Southwestern Integrated Fibre Technology (SWIFT) project, through which broadband through fiber optic coverage will be expanded to reach more than 300 communities, covering more than 3.5 million Ontario residents.

SWIFT is a $180 million investment through the Small Communities Fund.

EDUCATION & SKILLS DEVELOPMENT: The Premier is working with experts to develop the following:

- Building stronger partnerships between educators and employers.
- Increasing access to job market information
- Expanding opportunities for learning by experience
- Promoting both traditional and non-traditional career paths
- Investing in human capital
- Closing gaps in skills and competencies

Q. How does Ontario compare to other jurisdictions when it comes to business supports?

A. In today's competitive business climate, companies that have a global presence or want to have a global presence can choose to invest virtually anywhere. We often compete with jurisdictions that offer far more generous business supports, so it is imperative we are able to make competitive offers to ensure those businesses – and the jobs and investments that go with them – don't go elsewhere.