Ontario

CABINET BRIEFING NOTE

Minister Responsible for Small Business

Small Business Strategy

Cabinet (Policy): October 25, 2017	TB/MBC: TBC	Announcement Date: Fall Bill

This government's commitment	We're going to work with small businesses and in the fall we'll bring forward some initiatives that will help business to get through this transition. July 26, 2017 Premier Wynne We're celebrating Ontario's vibrant small business community and their hard work to provide good jobs for families, strengthen local communities and grow our economy. Providing supportive tools to enable businesses to succeed is a key focus for our government. October 16, 2017 Jeff Leal, Minister Responsible for Small Business

SUMMARY OF PROPOSAL

The Minister Responsible for Small Business (MRSB), are seeking approval of a Small Business Strategy that would promote fairness and opportunity for small businesses in Ontario and support continued vitality and inclusive growth for communities across the province.

A number of recently announced initiatives will support small business, including the federal government lowering the small business tax rate and the Ontario Workplace Safety and Insurance Board (WSIB) lowering premium rates for the second year in a row, will support small business. However, small businesses are still facing significant challenges and cost pressures, such as energy costs, cost associated with cap and trade and other pressures that will continue to impact their competitiveness. Therefore, MEDG/MRSB and partner ministries have developed a plan that would support a wide range of small and medium sized businesses to manage a challenging period.

The proposed Strategy would expand upon government initiatives, such as other broad measures directed at reducing costs for small business, which are expected to be announced in the Fall Economic Statement.

The proposed Small Business Strategy would feature a range of initiatives from multiple ministries, including Ministry of Government and Consumer Services (MGCS), Ministry of Agriculture, Food and Rural Affairs (OMAFRA), Ministry of Advanced Education and Skills Development (MAESD) and the Ministry of Finance (MOF), seeking to create opportunities for small business to grow and succeed as well as to modernize government to support small business competitiveness.

Some of these measures are expected to have a broad impact across a large number of small businesses, and certain measures would provide targeted supports for specific sectors facing particular cost pressures that affect profitability. All of the measures are expected to be short term supports for business as the economy goes through a period of transition.

Initiatives would include:
1. Access to capital through supports for peer-to-peer lending;
2. Procurement initiatives including designating 33% of government procurement spend to small and medium businesses (SMEs) and eliminating bidding fees.
3. Small Business Access to launch in January 2018 with a new website and a call centre to provide targeted information for small business and, in partnership with the Ontario Chamber of Commerce (OCC), a marketing program to promote Ontario small business offerings.
4. Risk-based inspections by default as a government -wide framework to guide policy development;
5. A pilot to coordinate inspections for the restaurant and bar sector; and
6. An government-wide commitment to facilitating equivalent means of regulatory compliance where appropriate
7. Transitional employment supports for Youth with grants through Employment Service and the Youth Job Connection program;
8. A “Main Street” improvement fund to support traditional town centres; and
9. An edible horticulture support program to provide transitional supports for farmers.

What is the regulatory impact of this proposal?

A number of the proposed initiatives, such as the transitional employment supports for youth, Small Business Access, the edible horticultural support program and the procurement initiatives would provide direct assistance to small businesses or indirect support for the small business community. The aim of these programs would be to provide support or assistance with minimal requirements for business in order to achieve the full impact of the strategy’s policy intent.

The proposed strategy would also include several initiatives that wold continue to modernize government by reducing burden on business and streamlining regulations:

- Procurement initiatives would seek to reduce regulatory requirements for business by exploring the elimination of bidding fees and provide enhanced outreach and education for vendor seeking to do business with government. In addition, MGCS will explore ways to eliminate barriers and avoid any new barriers to doing business with Ontario.

- Risk based inspections by default would facilitate key ministry partnerships to improve information sharing and data analysis to help government target its inspections with a goal to reduce burden on compliant small business, and utilize government resources to deal with non-compliant business.
- A coordinated inspections pilot will also utilize data sharing and enable coordinated inspection to target non-compliance of 'bad actors' in the restaurant and bar sector This approach is intended to reduce burden for 'good actors'.
- A commitment to equivalency government-wide would increase the government's existing support for equivalency, and is expected to provide business with additional flexibility, where appropriate, to use an alternative means to achieve the intended policy outcome while reducing regulatory burden.

There is no single definition of "small business" for government programs. In general the term "small business" is understood to be a business with fewer than 100 employees and/or annual revenue of $30,000-$5M.

However, using this general definition of small business for all purposes may create unintended consequences. Specific programs may use different definitions of small business in order to ensure that a policy purpose is addressed. For example, the Ontario Small Business Deduction reduces the general corporate income tax rate on the first $500,000 of active business income of Canada-controlled private corporations, and the Accessibility for Ontarians with Disabilities Act, 2005 defines a small organization as having 1-50 employees. Therefore, the definition of small business is somewhat elastic even for initiatives within the proposed Strategy in order to adapt as needed to address policy purposes.

What is the expected cost to government?

Ministry	Initiatives	2017/2018	2018/2019	2019/2020
MEDG	Access to capital – with MOF – consult with FinTech industry and regulators on opportunities to support FinTech platforms and increase access to capital for small business	$2.0M plus 2 FTEs $0.5M and 2 FTEs	$2.0M plus 2 FTEs $0.5M and 2 FTEs	$2.0M Plus 2 FTEs $0.5M and 2 FTEs
MGCS	Procurement Eliminate bidding fees for vendors doing business with the Ontario government on the Ontario Tenders Portal and MTO's RAQS system and funding/resources required to support expand outreach program Additional funding may be required for MGCS and mministries to support	n/a n/a	$3.5 – 5M TBD	$3.5 - 5M TBD

Commented [NW1]: CO question from MRSB – are these numbers accurate? Pg. 41 of the deck says $4.5M/year. I understood direction was to be $2M/yr or under.

	new procurement planning and publication requirements			
MEDG	Small Business Access Including website Contact Centre – operated by Canada Business Ontario; Education: Domestic Campaign, Third Party services (e.g. OCC)	$0.15M - 0.2M $0.75M 4 FTEs	$0.3M $0.85 M - $1.35M 4 FTEs	$0.3M $0.15 M - $0.65M 4 FTEs
MEDG	Risk-based inspections by default	$0	$0	$0
MEDG	Coordinated inspections No new costs for MEDG, however partner ministries may require additional funding for FTEs to support the administration of the pilot.	TBD*	TBD*	TBD*
MEDG	Equivalency	$0	$0	$0
OMAFRA (components may be delivered by different ministries and partners)	Main Street Improvement Fund (new funding and FTEs would be required, no internal offset available)	$8.5M 1 FTE	$11.5 million and 3 FTEs (total)	$20 million and 3 FTEs (project costs may flow into 2020/2021 to enable project completions)
MAESD	Youth Employment Employment Service program Youth Job Connection Program	$0	$55.4M	$55.4M
OMAFRA	Edible Horticulture Support Program	$0.2M (admin)*	$30.0M	$30.0M
Other Small Business Resources Requirements				
MEDG	Burden Reduction	7 FTEs	7 FTEs	7 FTEs
MEDG	Rural Regional Growth	5 FTEs	5 FTEs	5 FTEs
MEDG	Policy, Communications and Corporate Services	12 FTEs	12 FTEs	12 FTEs

Commented [NW2]: CO question for MRSB/OMAFRA - Should this be $40M in 2017-18 and $0 in subsequent years?

Commented [NW3]: CO question for MRSB/MEDG – Is the request for 12 FTEs total or for 24 FTEs?

How will the changes be communicated?

MEDG and MRSB will lead a targeted, proactive and coordinated communications approach with support and active participation from partner ministries.

Small Business Key Messages:

- The Ontario government is committed to promoting fairness and opportunity for all Ontarians.
- Small businesses are vital to Ontario's economy. There is an opportunity for government to enhance its small business supports to ensure the continued vitality and inclusive growth of this mainstay segment of the Ontario economy.
- The Ontario government is committed to modernizing the way the government interacts with small business and their workers.

BGI Messaging:

- Ontario's five-year, $650-million Business Growth Initiative is helping to grow the economy and create jobs by addressing some of the very real challenges Ontario's economy is facing.
- Our efforts are focused in three key areas:
    - Lowering business costs through modernized, streamlined regulations that impose fewer obstacles to growth.
    - Scaling up — catapulting more Ontario firms into global leadership, from startups to ambitious medium-sized firms. We need many more — and ultimately home-grown large-scale firms.
    - And creating an innovation-driven economy.

CABINET OFFICE ANALYSIS

The success of small businesses is vital to maintaining prosperous communities in the province. Small businesses are responsible for two-thirds of private sector employment and are a critical supply of goods and services to larger companies, consumers and government.

Recently announced initiatives, including the federal government lowering the small business tax rate to 10 per cent effective January 1, 2018, and to 9 per cent effective January 1, 2019; as well as the WSIB lowering premium rates for the second year in a row, with a three per cent reduction to the average rate for 2018, provide direct support and relief for small business.

The province also provides ongoing supports to the small business sector including by maintaining a competitive corporate environment. Other measures to increase support to small business may be considered as part of the 2017 Fall Economic Statement, which could include tax relief.

Other recent supports to small businesses have included Bill 154, Cutting Unnecessary Red Tape Act, and the government's regulatory modernization initiatives such as the Red Tape Challenge, as well as direct supports such as through the Small Business Enterprise Centres, Ontario Network of Entrepreneurs (ONE) or grants through Starter Company Plus. The government is committed to building a more modern regulatory environment by streamlining regulations, and cutting costs for business, while providing targeted assistance to help grow business in Ontario.

However, with the increasingly competitive economic environment, and increasing costs, including energy costs, costs associated with cap and trade and the changes resulting from Bill 148, Fair Workplaces, Better Jobs Act 2017, small businesses are facing pressures that affect profitability. The OCC and the Canadian Federal of Independent Business (CFIB) have indicated that small businesses continue to have difficulty navigating government regulation effectively and are unable to absorb the costs to be compliant. Many businesses would benefit from support to manage this period of transition or they will need to raise prices, which could exacerbate competitiveness concerns.

Small businesses are also facing rising input costs, and are constrained by low levels of productivity and skilled labour shortages. These challenges, when combined with other increasing costs, are resulting in concerns from small business that they will not be able to absorb the full consequences of changes in the short to medium term.

MEDG and MRSB, along with ministry partners are proposing a Small Business Strategy that would support locally-oriented industries such as retail, construction and restaurants to address the bottom-line impact of cost pressures. The Strategy would seek to support established small businesses adapt to a changing environment and chart a course for future prosperity by focusing initiatives in two areas: creating opportunities for business and modernizing government to ensure a regulatory environment that supports growth.

The proposed Small Business Strategy also features a proposed initiative by MAESD to support businesses to recruit and retain youth workers. According to MAESD, youth tend to have low wages, for example, 94 per cent of workers aged 15-19 earned $15/hour or less, and nearly 66 per cent of workers aged 20-24 earned $15/hour or less, however, the incidence for workers 25-44 and 45-64 was less than 20 per cent.

Commented [AM(4]: CO question to MAESD: What year is this data based on?

The proposal includes seven initiatives which would support small business across all sectors by creating opportunity for growth and prosperity:

- Improving Access to Capital would deliver a [three year?] pilot program to facilitate access to capital for small businesses by using Financial Technology (FinTech) platforms. MEDG, MOF and MRIS would engage with regulators (OSC, FSCO, Deposit Insurance Corporation of Ontario (DICO)) as well as Fin-tech companies (P2P lenders) and small businesses to discuss regulatory issues related to lending platforms. Ministries would also work with Credit Unions/other Financial Institutions and FinTech companies on opportunities to partner with one another to offset marketing and other implementation costs. The goal of these activities would be to promote access to capital for small business and support for FinTech in Ontario. It is expected that stakeholders would support these measures, but they have not been consulted on this initiative as part of the planning process.
    - Potential risks include financial partners lending to small businesses that lack collateral or sufficient revenue, the potential for unequitable access to capital, potential fiscal impact associated with bad debts, and possible financial or regulatory issues with lending partners. MEDG and MOF would work to

mitigate these risks during the implementation of the pilot program, and would report back on opportunities to expand the program following the pilot. [any ability to adapt to changing needs during the pilot period? estimate of how many companies this funding would target]

- Procurement opportunities for small and medium enterprises would be phased in across the public service over the next nine to twelve months. Once these initiatives are fully implemented, MEDG, MGCS and TBS would explore expanding the initiatives to government agencies and the Broader Public Service. Initiatives would include:
  1. Designating 33% of procurement spend to SMEs by 2020
  2. Eliminating bidding fees for vendors on the Ontario Tenders Portal (OTP) and MTO's RAQS system (maintenance of roads)
  3. Publishing ministry procurement plans
  4. Focusing on outcome-based procurement
  5. Enhancing outreach and education for small business in order to eliminate barriers to doing business with Ontario
     - Potential risks include that tracking and reporting mechanisms may be limited leading to possible criticism and audit risk, and that the OTP is at the end of its contract and would require negotiations with the vendor for potentially timely and costly systems changes to fully implement the initiative regarding bidding fees. There are also risks associated with potential bid, trade and legal disputes. In order to mitigate risks, MGCS will need to ensure that processes are fair, open, non-discriminatory and transparent. It is expected that stakeholders would support these measures, but they have not been consulted on this initiative as part of the planning process.
- Ontario's Small Business Access is an online resource and call centre that would support small and medium sized business which often do not have the time or resources to know and understand changing business requirements or the government services available. Beginning in January 2018, Small Business Access would provide directed customer service, with the OCC providing support and promoting the program.

    - Potential risks include that small business may be confused between this initiative and ServiceOntario's Business Information Line (BIL), a one-window tool to over 14 government programs. These risks are mitigated given that this initiative is one program within a broader strategy, including potential FES initiatives, and there will be an education and awareness campaign with the OCC to support this resource.
- Risk-based Inspections by Default would identify and adopt a government-wide framework to guide risk based approaches to inspections. This proposal would create a compliance program to ensure that ministries default to risk-based inspection systems. By improving the data analytics used to target their inspections, it is anticipated that compliant businesses will experience fewer unnecessary inspections. In addition, government resources would be better utilized to target businesses that are non-compliant.

  In order to implement this initiative, a government lead would need to be identified [why not MEDG/MRSB?] to facilitate ministry partnerships, improve data analysis and business information [any concerns re privacy or procedural fairness/natural justice?).

- Potential risks include that government compliance programs impacting business are already risk-based but use differing definitions of risk and risk assessment. MEDG and ministry partners would seek to mitigate against possible duplication with OPS programs while ensuring sufficient flexibility to use sector-specific approaches.

- A Coordinated Inspections Pilot for the restaurant and bar sector would use better data sharing and coordinated inspections to help target non-compliance by "bad actors" while reducing inspections (i.e., reducing burden) for "good actors". For the purposes of the pilot, regulators would share information to coordinate compliance activities for both problems (e.g. top five observable risks) and examples of excellent compliance. Planning for the pilot would begin in early 2018, and systematic information sharing could begin April 1, 2018.
- Equivalency would be added as a seventh Regulatory Modernization Principle. This principle would have ministries facilitate equivalent means of regulatory compliance where a business can demonstrate an alternative approach that meets or exceeds the requirement of the regulation, where appropriate.
    - The potential risk is that incorporating equivalency into the regulation development processes, where appropriate, and assessing regulatory compliance may be difficult when regulatory equivalency is used. Individual ministries would need to determine to best assess alternative means of compliance for specific programs.
- The Main Street Improvement Fund – a $40M fund over two years to support enhancements to main street/traditional town centres and to promote cost savings and digital opportunities. This support would be targeted to municipalities, both urban and rural, and include main street businesses, NGOs and indigenous communities:
    1. Planning and implementation activities for main street revitalization, and including direct support for capital improvements through Community Improvement Plans (CIPs).
    2. An expanded Digital Main Street initiative to provide an online platform and service to support the adoption of digital tools and technologies.
    3. An Energy Audit Awareness initiative aimed at increasing awareness and promotion of existing energy audit programs focused on energy savings measures.
    4. A Large-Scale Revitalization Support initiative to provide assistance and incentives for a large investment(s) in Main Street revitalizations through matching funds.

The proposed Strategy would also include three initiatives which would provide targeted support to small business in particular sectors that are facing particularly significant cost increases:

- Employment Ontario programs (Employment Service, Youth Job Connection) would provide incentive payments to businesses to support youth job placements and matching with businesses. The proposed incentive payments would be focused on supporting businesses to hire and retain new youth workers. However, businesses with incumbent youth workers would not be eligible for the payments and could face challenges in retaining youth workers.
    - Potential risks including the displacement of existing youth workers by businesses. There are also potential risks that the proposed approach would displace or disadvantage other workers (e.g. older workers, people with

Commented [AM(5]: CO question to MAESD: CO's understanding is the Employment Service and Youth Job Connection (YJC) proposals would focus on new hires. However, the MAESD deck prepared for Major Projects notes that for the YJC proposal: "As well as supporting new hires, payments related to incumbent YJC clients currently in job placements would be possible for those clients eligible for 3 and 6 month follow ups once the program has been implemented." Can you clarify the youth eligibility of the proposals?

disabilities), or not be fully subscribed by employers (e.g. due to barriers related to administration or completing placements). Overall, it will be important to communicate the rationale of the proposed approach, develop appropriate risk mitigation strategies, and monitor the impact of the program in supporting its desired outcomes.

- Edible Horticulture Support Program would provide for a two year support program targeted at small and medium edible horticulture businesses (approx. 2,700). The payment will provide support for Ontario's small and medium fruit and vegetable farming businesses to help them adapt to a changing small business climate. Eligible farm businesses would receive payments for two years based on their allowable expenses already reported to the government to access agriculture business risk management programs through their Statement of Farming Income tax form. Payments will be tiered based on size of operation with smaller operations receiving higher payments relative to their expenses.
  Initial eligibility will be drawn from farmers that are already enrolled in the government business risk management programming for edible horticulture producers, which captures the majority of edible horticulture operations. The program would also allow for applications for those that meet eligibility but are not currently enrolled. Delivery would be through the government agency Agricorp, which already administers existing business risk management programming for agriculture.
    - Potential risks are that the proposal covers only approximately 2700 of 45-50,000 producers who are likely to be critical of being excluded, in addition to criticism from edible horticulture producers that the level of funding is insufficient to address cost increases. However, while other sub-sectors of agriculture are likely to be impacted by upcoming cost increases (e.g., cost of labour), the severity is not expected to be as significant as is expected for horticulture. Furthermore, although the inedible horticulture sub-sector (e.g., flower producers) faces a cost structure similar to that of edible horticulture, the link to local food and Ontario's food security is stronger with edible horticulture. Produces that are not eligible for the proposed program are likely to be critical of being excluded however, existing federal/provincial agriculture business risk management programs are available to all produces and would provide some level of support to participating agriculture businesses that sustain a significant shock to their farm income.

Linkages

<u>Fair Workplace, Better Jobs (FWBJ):</u> The proposed Fair Workplaces, Better Jobs Act responds to the final report of the Changes Workplaces review, which was the first independent review of the Employment Standards Act, 2000 and Labour Relations Act, 1995. If passed, the Act would create more opportunity and security for workers by for example, raising Ontario's general minimum wage to $14 per hour on January 1, 2018 and then to $15 per hour on January 1, 2019; mandate equal pay for part-time temporary, casual and seasonal employees doing the same job as full-time employees and expand personal emergency leave to 10 days, among other changes to Ontario's employment standards and labour laws.

The Business Growth Initiative (BGI), including Scale-Up strategies, is the government's economic strategy to fast-track Ontario's knowledge-based economy by tapping into the creativity, education and skills of our people. The Strategy will commit $650 million over the next five years and leverage Ontario's highly skilled workforce to compete through innovation. Small and medium-sized businesses are an important part of Ontario's business landscape, but often face challenges as they look to expand into new markets and grow. BGI is focused on helping businesses develop, test and model innovative solutions for government, and supporting competitiveness by increasing access to the capital, resources and expertise businesses need to grow. Initiatives include the ScaleUp Voucher Program, the Small Business Innovation Challenge, and the ScaleUp Ventures Fund. The Small Business Strategy aligns with BGI themes and will support competitiveness for Ontario firms to drive growth.

Ontario's Fair Hydro Plan – On June 1, 2017, the *Ontario Fair Hydro Plan Act, 2017* became law, reducing electricity bills for residential consumers and as many as half a million small businesses and farms across the province. The OFHP also helps electricity consumers by enhancing a number of electricity support programs.

The Global Trade Strategy (GTS) aligns activities to increase international trade by Ontario companies. Investments in international trade are necessary to promote new revenue and growth opportunities for small companies trying to scale-up, as well as established companies expanding their growth potential. GTS aligns with the proposed Small Busines Strategy because it is designed with stakeholder input to ensure that trade supports, especially for small business, are flexible and responsive.

The Highly Skilled Workforce Strategy (HSW) is an integrated strategy to bridge education, training and skills development with the demands of an evolving economy. HSW is a multi-year strategy to modernize Ontario's apprenticeship system, which includes initiatives to make it easier for employers including small businesses to access financial supports and participate in apprenticeships (e.g. through the proposed new Graduated Apprenticeship Grant for Employers, which is subject to TB/MBC approvals and conditional on approval of the wind-down of the Apprenticeship Training Tax Credit and Employer Completion Bonus, and apprenticeship group sponsorship models). This work is aligned with the small business strategy and will help support the strategy's focus on supporting small businesses including supports for apprenticeship employers.

Business Risk Management (BRM) Programs: Through BRM programming, OMAFRA provides financial support to Ontario's primary agricultural producers to mitigate the effects of environmental factors (e.g., weather, pests, disease) and market risks (input costs and market prices) inherent to the agricultural sector which are beyond producer control.

Stakeholder response

Stakeholders are expected to be supportive of initiatives that simplify their interactions with government, including Small Business Access, risk based inspections, the coordinated inspections pilot in the restaurant and bar sector and the commitment to equivalency.

The Agricultural sector has expressed concerns about increasing cost pressures, particularly since the industry is heavily dependent on low skilled labour. Edible horticulture producers have been the most vocal of that sector and are expected to be supportive of the directed horticulture supports, but may be critical of the level of funding. In addition, producers of inedible products within the horticulture sector, such as flowers, would not be eligible for edible horticulture program and are expected to express concern that the program excludes them.

Youth and small business are expected to react favourably for the transitional employment supports for youth, although there has not been an opportunity to consult employment service providers or other stakeholders on the proposed changes.

Overall Risks

Potential risks include that small businesses will see individual elements of the strategy as a minimal effort to assist with current challenges or will not find the proposed initiatives to be effective to offset the costs that they are facing. However, in addition to the individual elements of the strategy outlined in this proposal, government support for small business would include measures to reduce costs as part of the Fall Economic Statement. Communications on the proposed strategy would highlight that the government is working to enhance its small business supports and modernize the way it does business to ensure the continued vitality and inclusive growth of small business as a critical element in Ontario's economy.

In particular, the small manufacturers sector is expecting significant cost challenges during this period of transitions. While specific strategy initiatives target particular sectors, the small manufacturing sectors' unique challenges are not addressed nor does the strategy provide specific supports from which the sector would benefit. [MEDG please add additional information to help specify the impact on small manufacturers and expected stakeholder reaction].

The initiatives proposed as part of the strategy are being implemented over the next 3 months to a year, and are intended to be time limited. It will take some time for the full impact of all the proposed initiatives to be felt by the business community. Existing costs from cap and trade, and expected increases to other cost pressures are likely to continue to be immediate and urgent concerns for the small business sector even as the proposed strategy is rolled out over time, and the intention to provide transitional support may not be sufficiently proximate to provide timely relief.

PROPOSED CABINET MINUTE

Cabinet agreed that

1. The Ministry of Economic Development and Growth (MEDG), with Ministry of Government and Consumer Services (MGCS), Ministry of Finance (MOF), Ministry of Agriculture, Food and Rural Affairs (OMAFRA), and Ministry of Advanced Education and Skills Development (MAESD), work with other affected ministries as

needed on the implementation and launch of a small business strategy for Ontario based on three pillars:
   a. Lowering costs
   b. Creating opportunities
   c. Modernizing government

2. MEDG will:
   a. Work, in collaboration MOECC, MOF, MCSCS, ADO and other partner ministries, as required, to implement a Coordinated Inspection Pilot for the restaurants and bars sector that seeks to target non-compliant businesses while reducing inspections (i.e., reducing burden) for compliant businesses. Report back to Treasury Board/Management Board of Cabinet (TB/MBC) on results of the pilot and a proposal to expand coordinated inspections to additional sectors.
   b. Work with the TB/MBC and other regulatory ministries, as appropriate, to identify and develop an OPS-wide risk framework that could be used to guide risk-based approaches to government inspections of businesses.

   c. Amend the Regulatory Modernization Principles, as referenced in the May 17, 2017, Cabinet minute, to include a new seventh principle regarding equivalency that would read: "Facilitate equivalent means of regulatory compliance where a business can demonstrate an alternative approach that meets or exceeds the requirement of the regulation, where appropriate."

Commented [NW6]: Would there be an amendment proposed to Bill 154?

   d. Work with Cabinet Office and the Ministry of Municipal Affairs (MMA), the Ministry of Energy (ENERGY), MOECC, MAESD, the Ministry of Research, Innovation and Science (MRIS), the Ministry of International Trade (MIT), OMAFRA, MGCS, the Ministry of Labour (MOL), MOF, the Ministry of Northern Development and Mines (MNDM) and the Accessibility Directorate of Ontario (ADO) to develop a Small Business Access initiative to integrate communications of programs relevant to small business of r Ontario.ca/Smallbusiness webpage with content that supports small businesses.
   e. Establish a contact centre with a third party provider to receive incoming inquiries from small businesses and align with the Ontario.ca/Smallbusiness webpage.
   f. Working with MRIS, MOF and its regulatory agencies, consult with Financial Technology (FinTech) businesses on regulatory issues to support improved access to capital for small business relating to financial technology platforms.

Commented [NW7]: This minute is not clear – is the intention to reduce regulatory burden, or to support access to capital for small business? Or to streamline requirements between regulatory agencies?

   g. Working with MOF:
      i. Consult with FinTech businesses and Credit Unions on opportunities to promote partnerships between FinTech businesses and accredited financial institutions, including Credit Unions;
      ii.
      iii. mandate regulators (e.g., OSC, FSCO and DICO) to monitor the pilot project and report back to MOF and pilot participants on any regulatory issues that may need to be addressed; and

    iv. Report back to Cabinet on outcomes of the pilot and recommendations to enable Fintech platforms to support greater access to capital for Ontario business.

3. MGCS will:
   a. Work with TB/MBC, MEDG, and other ministries, as required to, help small business better access government procurement opportunities, including:
      i. Develop and implement a framework to designate and retain, at minimum, 33% procurement spend to small and medium enterprises by 2020;
      ii. Identify options to enhance its vendor outreach program;
      iii. Enhance procurement planning to enable publication of upcoming ministry procurement opportunities;
      iv. Explore options to eliminate user fees for the Ontario Tenders Portal and MTO RAQ's; and
      v. Explore considerations for the potential future expansion of these supports for small business to access procurement to provincial agencies and/or the Broader Public Sector.

4. OMAFRA will:
   a. Work with Agricorp to develop a two year program to support the edible horticulture sector with the following design parameters:
      i. Eligibility based on the existing Self-Directed Risk Management program for edible horticulture, and including an application process for eligible producers that do not currently participate in ministry business risk management programs;
      ii. Payments would be based on allowable net sales already calculated for OMAFRA's Self-Directed Risk Management Program based on information in the Statement of Farming Income tax form; and
      iii. Payments would be progressive based on size of operation with relatively smaller operations receiving proportionately higher payments.
   b. Work with MMA, MNDM, Energy and TB/MBC to develop initiatives that provide supports for small businesses in downtowns and traditional main street areas, including:
      i. A Main Street Revitalization Program to expand OMAFRA's existing *Downtown Revitalization Program*;
      ii. A Community Improvement Plans Implementation stream;
      iii. A Digital Main Street initiative, to expand the program outside of Toronto; and
      iv. An Energy Audit Awareness initiative – to increase awareness and promotion of energy audit programs in collaboration with Small Business Access.

Commented [SM(8]: Is this activity a subset of what is expected under item 2d? Is the focus on awareness, or is there an expectation that new audit programs will be developed?

5. MAESD will:
   Implement transitional employment supports for youth, working with Employment Service and Youth Job Connection service providers to support employer hiring and retention beginning January 1, 2018.

6. MEDG, and all other affected ministries, report back to TB/MBC on all new initiatives with detailed business cases, offsets and program details prior to making any announcements or implementation of new programs or other initiatives that require funding.

7. MEDG, with MOF, MGCS, OMAFRA, MAESD, MNDM, MTCS and other affected ministries, work with the Premier's Office and Cabinet Office on the implementation of an integrated communications strategy, to deliver a domestic marketing campaign and work with third party organizations to deliver education and awareness of Ontario's small business strategy.

APPENDIX A: Multi-Year Action Plan – Small Business Strategy

Below is an extract taken from the MYAP which demonstrates the overall strategic plan for the initiative that this policy submission supports. This excerpt represents the approved plan to date, and may not reflect the specific policy and delivery timelines identified in the Cabinet Minute above.

Milestone Legend: → Ongoing Activity ▲ Policy Approval ▲ Delivery Milestone

Key Activity Status Legend: Heightened Management Attention Required; Management Attention Required; Monitoring; Satisfactory

1.05 - Small Business Strategy (and Supporting Regional Communities) (2017-10-20)

KEY ACTIVITIES	YEAR 1 (2014-2015)	YEAR 2 (2015-2016)	YEAR 3 (2016-2017)	YEAR 4 (2017-2018)	YEAR 5 (2018-2019)	GOVERNANCE AND RISKS
	A M J J A S O N D J F M	A M J J A S O N D J F M	A M J J A S O N D J F M	A M J J A S O N D J F M	A M J J A S O N D J F M	
01.05 | Small Business Strategy (and Supporting Regional Communities) **Pillar:** Strategic Partnerships		Cluster Development → Partnerships for Jobs and Growth Crowd-Funding Regime	Reg. Eco str-ategies RB	Small Business Strategy Small Business Strategy Regional Strategies North		**Lead:** MEDG, MRSB **Supporting:** MRIS, OMAFRA, MOF, MTCS, MMA, MNRF, MNDM **Risk Categories:** Financial, Policy, Stakeholder / Perception **Last updated: 23-06-17** Unchanged Risk Status →